



ANNUAL REPORT 2001



KIM LOONG
RESOURCES BERHAD
(22703-K) (Incorporated In Malaysia)
锦隆资源有限公司



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Notice of Annual General Meeting

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NOTICE IS HEREBY GIVEN that the Twenty-sixth Annual General Meeting of Kim Loong Resources Berhad will be held at Classics 2, Level 3, Holiday Villa Subang, No. 9, Jalan SS 12/1, Subang Jaya, 47500 Petaling Jaya on 27 July 2001 at 10.00 a.m. for the following purposes :-

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 January 2001 together with the Auditors' Report thereon. (Resolution 1)
2. To declare a tax-exempt final dividend of 3% in respect of the financial year ended 31 January 2001. (Resolution 2)
3. To approve the Directors' fees payable annually at an amount not exceeding RM250,000 in aggregate. (Resolution 3)
4. To re-appoint the following Directors pursuant to Section 129(6) of the Companies Act, 1965:-

Datuk Haji Mohd. Zamani Bin Samah (Resolution 4)

Mdm. Loo Geok Eng (Resolution 5)
5. To re-elect the following Directors retiring in accordance with Article 77 of the Articles of Association of the Company or the Listing Requirements of the Kuala Lumpur Stock Exchange:-

Mr. Gooi Seong Lim (Resolution 6)

Mr. Gooi Seong Heen (Resolution 7)

Mr. Gooi Seong Chneh (Resolution 8)
6. To re-elect Mr. Gan Kim Guan retiring in accordance with Article 84 of the Articles of Association of the Company. (Resolution 9)
7. To re-appoint Messrs Liang & Co. as Auditors of the Company and authorise the Directors to fix their remuneration. (Resolution 10)
8. As Special Business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:-

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approval of the relevant governmental/regulatory bodies, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as they may deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per cent (10%) of the total issued capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company. " (Resolution 11)
9. To consider any other business for which due notice shall have been given.

Notice of Annual General Meeting

Cont'd



NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Twenty-sixth Annual General Meeting, the tax-exempt final dividend of 3% in respect of the financial year ended 31 January, 2001 will be paid on 20 September 2001 to depositors registered in the Record of Depositors on 30 August 2001.

A depositor shall qualify for entitlement only in respect of:-

- (a) shares transferred into the Depositor's Securities Account before 12.30 p.m. on 30 August, 2001 in respect of ordinary transfers; and
- (b) shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

CHONG FOOK SIN
NG KAM MAY
Company Secretaries

Petaling Jaya
31 May 2001

NOTES:

- (1) Proxy -
A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. To be valid, the proxy form duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the meeting. If the appointor is a corporation, this form must be executed under its common seal or under the hand of its attorney.
- (2) Resolution 11 -
The Ordinary Resolution proposed under Resolution 11, if passed, will give the Directors authority to allot and issue new ordinary shares up to an amount not exceeding 10% of the issued capital of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority will commence from the date of this Annual General Meeting and unless revoked or varied by the Company at a General Meeting, expire at the next Annual General Meeting.



Corporate Information

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Board Of Directors :

Datuk Haji Mohd. Zamani Bin Samah	(Independent Non-executive Chairman)
Gooi Seong Lim	(Managing Director)
Loo Geok Eng (f)	(Executive Director)
Gooi Seong Heen	(Executive Director)
Gooi Seong Chneh	(Executive Director)
Gooi Seong Gum	(Executive Director)
Gooi Seow Mee (f)	(Executive Director)
Mathew K. Mathai	(Non-executive Director)
Chew Poh Soon	(Independent Non-executive Director - resigned on 2 . 5 . 2001)
Gan Kim Guan	(Independent Non-executive Director)

Audit Committee :

Gan Kim Guan	(Chairman - Independent Non-executive Director)
Gooi Seong Heen	(Executive Director)
Datuk Haji Mohd. Zamani Bin Samah	(Independent Non-executive Chairman)
Chew Poh Soon	(Independent Non-executive Director - resigned on 2 . 5 . 2001)

Secretaries :

Chong Fook Sin	(MACS 00681)
Ng Kam May (f)	(MAICSA 7020575)

Registered Office :

Unit 203, 2nd Floor, Block C
Damansara Intan
No 1, Jalan SS 20/27
47400 Petaling Jaya
Tel : 03-71182688
Fax: 03-71182693

Registrar :

TACS Corporation Sdn. Bhd. (18101-X)
Unit 203, 2nd Floor, Block C
Damansara Intan
No 1, Jalan SS 20/27
47400 Petaling Jaya

Auditors :

Liang & Co.
Public Accountants
(Firm No. AF 0312)
4L, Jalan Tun Abdul Razak (Susur 3)
80000 Johor Bahru

Principals Bankers :

OCBC Bank (Malaysia) Berhad
Affin Bank Berhad
Maybank Berhad

Stock Exchange Listing :

The Main Board of the Kuala Lumpur Stock Exchange

Board of Directors



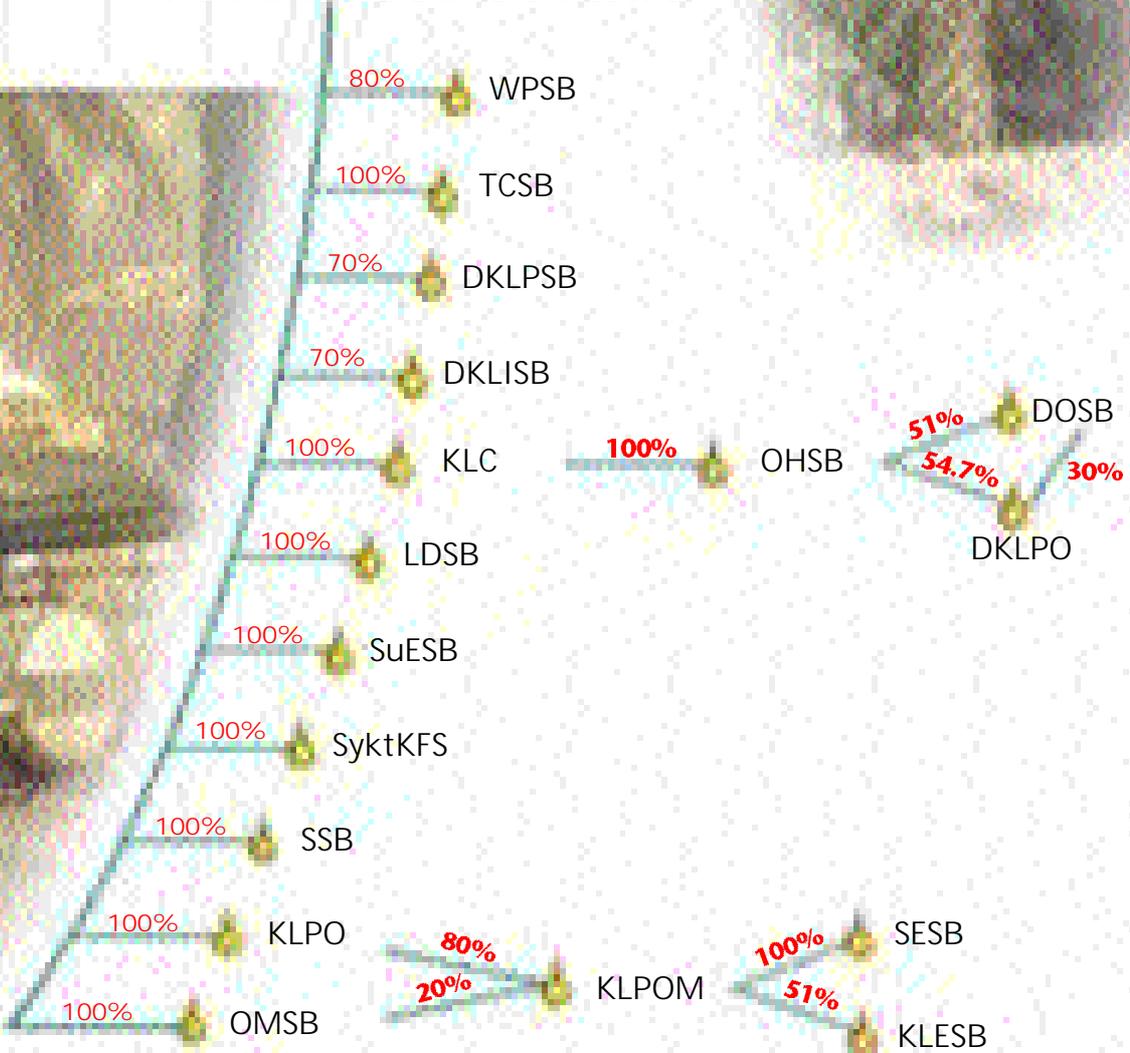
Sitting from left to right

Loo Geok Eng (f) (Executive Director), Gooi Seong Lim (Managing Director),
Datuk Haji Mohd. Zamani Bin Samah (Independent Non-executive Chairman),
Mathew K. Mathai (Non-executive Director)

Standing from left to right

Gooi Seong Chneh (Executive Director), Gooi Seong Gum (Executive Director),
Gooi Seong Heen (Executive Director), Gooi Seow Mee (f) (Executive Director),
Chew Poh Soon (Independent Non-executive Director),
Chong Fook Sin (Company Secretary)

Group Structure



- WPSB: Winsome Plantations Sdn Bhd (510158-W) • TCSB: Tyeco Corporation Sdn Bhd (478277-W) • DKLPSB: Desa Kim Loong Plantations Sdn Bhd (416387-H)
- DKLISB: Desa Kim Loong Industries Sdn Bhd (504278-K) • KLC: Kim Loong Corporation Sdn Bhd (458947-T) • OHSB: Okidville Holdings Sdn Bhd (458944-P)
- DOSB: Desa Okidville Sdn Bhd (463619-U) • DKLPO: Desa Kim Loong Palm Oil Sdn Bhd (463620-W) • LDSB: Lokan Development Sdn Bhd (43447-H)
- SuESB: Suhenson Estate Sdn Bhd (48091-V) • Sykt.KFS: Syarikat Kong Fen Shin & Sons Sdn Bhd (48946-U) • SSB: Selokan Sdn Bhd (47569-V)
- KLPO: Kim Loong Paim Oil Sdn Bhd (30999-P) • OMSB: Okidville Manufacturing Sdn Bhd (254996-D) • KLPOM: Kim Loong Palm Oil Mills Sdn Bhd (267654-P)
- SESB: Sungkit Enterprise Sdn Bhd (85011-K) • KLESB: Kim Loong Evergrow Sdn Bhd (487153-H)

Audit Committee



- Chairman : Gan Kim Guan
(Chairman - Independent Non-executive Director - appointed on 5.5.2001)
- : Mathew K.Mathai
(Non-executive Director - resigned as member
of Audit Committee on 28.3.2001)
- Members : Gooi Seong Heen
(Executive Director)
- : Datuk Haji Mohd. Zamani Bin Samah
(Independent Non-executive Chairman - appointed on 28.3.2001)
- : Chew Poh Soon
(Independent Non-executive Director
- resigned on 2.5.2001)



TERMS OF REFERENCE

(i) Membership

The Committee shall be appointed by the Board from amongst the directors of the Company and shall be composed of no fewer than 3 members the majority of whom shall be independent directors as defined in Chapter 1 of the Listing Requirements of The Kuala Lumpur Stock Exchange.

The quorum shall be 2 members, a majority of which shall be independent directors. The Chairman of the Committee shall be elected by the members of the Audit Committee from among their members and shall be an independent director.

(ii) Attendance at Meetings

Other directors and employees of the Company may only attend any particular Audit Committee Meeting at the Audit Committee's invitation, specific to the relevant meeting.

The Company Secretary shall be the Secretary of the Committee.

(iii) Frequency and Procedure of Meetings

(1) Meetings shall be held not less than four times a year.

(2) The Audit Committee shall regulate its own procedure, in particular :

- (a) the calling of meetings;
- (b) the notice to be given of such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes.

(iv) Functions of Audit Committee

The Audit Committee shall amongst others, discharge the following functions:

- (1) review the following and report the same to the board of directors of the Company:
 - (a) with the external auditor, the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal controls;
 - (c) with the external auditor, his audit report;
 - (d) the assistance given by the employees of the Company to the external auditor;
 - (e) 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) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is

taken on the recommendations of the internal audit function;

(g) the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on :

- (i) changes in or implementation of major accounting policy changes;
- (ii) significant and unusual events; and
- (iii) compliance with accounting standards and other legal requirements;

(h) any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

- (i) any letter of resignation from the external auditors of the Company; and
- (j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment; and

(2) recommend the nomination of a person or persons as external auditors.

(v) Rights of Audit Committee

The Audit Committee shall, in accordance with the procedures determined by the directors and at the cost of the Company :

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

Chairman's Statement

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On behalf of the Board of Directors of Kim Loong Resources Berhad ("KLR"), I am pleased to present to you the Annual Report and Audited Financial Statements for the financial year ended 31 January 2001. Financial year 2001 was a landmark year for the Group as it was the first financial year subsequent to the listing of KLR on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE").



RESULTS

The Group recorded an increase in revenue of RM104.6 million or 872% from RM12.0 million in financial year 2000 to RM116.6 million in financial year 2001. This resulted in an increase in profit before tax ("PBT") of RM11.0 million or 186% from RM5.9 million in financial year 2000 to RM16.9 million in financial year 2001.

The increase in revenue and PBT was mainly contributed by its newly acquired milling operation. The milling operation generated turnover of RM108 million and RM12.8 million of PBT. Meanwhile, the plantation operation recorded an increase of 15.5% in fresh fruit bunches ("FFB") production due to better yield per acre derived from the matured plantation area. However, due to the drop in FFB price by approximately 39% as compared to the prior financial year, the revenue and PBT for the plantation operation dropped by RM3.3 million from RM12 million in financial year 2000 and RM1.8 million from RM5.9 million in financial year 2000 respectively.

VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

Even though the Group achieved the forecasted production quantities, the consolidated profit after tax ("PAT") for the financial year 2001 is lower by RM3.4 million as compared to the forecasted PAT of RM16.7 million. The sales quantities of crude palm oil ("CPO") and palm kernel oil ("PKO") from the milling operation were marginally higher than the forecasted sales quantities by 2% and 5% respectively. However for the plantation operation, the FFB production was marginally lower than the forecasted production by only approximately 3%.

The drop in PAT of RM3.4 million or 20.4% was mainly due to the drop in palm oil prices which caused the weighted average prices for FFB, CPO and PKO to drop by 23%, 11% and 2% respectively as compared to the forecasted prices of RM209 per MT, RM1,100 per MT and RM1,500 per MT respectively.

DIVIDENDS

The Board is pleased to recommend a tax-exempt final dividend of 3% (2000: Nil), making a total tax-exempt dividend of 5% (2000: Nil) for the financial year 2001.

CORPORATE AFFAIRS

KLR was successfully listed on KLSE on 27 November 2000. The listing paved the way for the general public, our employees, suppliers and shareholders to participate in the continuing growth and profitability of the Company. It has also provided an opportunity for the Group to gain access to the capital market to raise funds for future expansion.

The Group undertook the following corporate exercises as part of the restructuring and listing scheme during the financial year 2001:

- i Revaluation of landed properties and investment in subsidiary companies
The revaluation on landed properties and investment in subsidiary companies gave rise to a total revaluation reserve of RM32.5 million.
- ii Bonus Issue
On 18 July 2000, KLR implemented a Bonus Issue, which entailed the issuance of 32.4 million new ordinary shares of RM1.00 each to its existing shareholders of the Company by the capitalisation of RM32.4 million from the revaluation reserves.
- iii Rights Issue
On 19 July 2000, KLR undertook a Rights Issue of 13.6 million new ordinary shares of RM1.00 each at par on the basis of 13,619 new ordinary shares for every 10 existing ordinary shares held before the Bonus Issue.
- iv) Acquisitions
The acquisitions of Kim Loong Corporation Sdn Bhd, Kim Loong Palm Oil Sdn Bhd and Okidville Manufacturing Sdn Bhd were completed on 20 July 2000. The total purchase consideration for the above acquisitions was RM76.8 million which was satisfied partly by issuance of 28.1 million new ordinary shares of RM1.00 each at an issue price of RM1.20 per share and the balance of RM43.0 million by payment in cash.



- v Restricted Issue
On 21 November 2000, KLR undertook a Restricted Issue of 28.1 million new ordinary shares of RM1.00 each at an issue price of RM1.80 per share to bumiputra individuals, companies, co-operatives and institutions (as approved by the MITI).
- vi Public Issue
On 21 November 2000, KLR undertook a Public Issue of 4.5 million new ordinary shares of RM1.00 each at an issue price of RM1.80 per share to the Malaysian public and eligible employees and suppliers of the KLR Group.

PALM OIL MILL OPERATION

The newly acquired Kota Tinggi Mill has a capacity to process 100 MT of FFB per hour. In the financial year 2001, this mill processed approximately 0.5 million MT of FFB and contributed approximately RM108 million in revenue. Milling operation is the main earning contributor for the Group in the financial year 2001 and is expected to continue to be the core-earning contributor for the next few years.

The first phase of its new venture, to convert the wastes produced from the processing of oil palm FFB into bio-fertilizer, is undertaken by Kim Loong Evergrow Sdn Bhd. This plant has the capacity to produce 1,000 MT per month of bio-fertilizer. Market development is currently progressing through the effort of the joint venture partners to market small quantities of bio-fertilizer as well as to implement various promotional efforts to introduce the products to the market. The Group will continue its effort in research and development to improve its product quality, efficiencies as well as to meet the market requirements.

PLANTATION OPERATION

The plantation operation recorded lower revenue and PBT for the financial year 2001 due to the sharp drop in the average FFB price, from RM264 to RM161 per MT. However, this adverse effect was mitigated by a 15.5% increase in FFB production arising from better yield per acre derived from progressive maturity of the palms. The revenue and PBT dropped to RM8.7million and RM4.1million from RM12.0million and RM5.9million in financial year 2000 respectively.

The Group has also set up a RM0.5 million culvert plant in Sook, Keningau and has started operation during the financial year.

DEVELOPMENT AND PROSPECTS

The financial year 2002 will be another challenging year for the Group in view of the global economic slowdown and subdued domestic confidence. The contribution from the milling operation is expected to remain satisfactory. However, contribution from the plantation operation is expected to be depressed unless palm oil prices improve. The adverse effect will be mitigated to some extent by expected higher FFB production arising from yield improvements, greater maturity of the palms and an increase in matured acreage.

The Group will further intensify efforts to improve efficiency, productivity and cost effectiveness in its operations to improve its competitiveness and resilience to the expected slowdown in the global economies and poor palm oil prices.

Barring any unforeseen circumstances, the Board expects the Group's performance for the financial year ending 31 January 2002 to be satisfactory.

APPRECIATION

On behalf of the Board, I wish to express my appreciation to the Management and staff for their loyal and dedicated services to the Group. We also take this opportunity to acknowledge the contribution of our valued customers and suppliers for their continued support and confidence in the Group. Our gratitude also goes to various government authorities and agencies, bankers and business associates for their co-operation and continued support.

On behalf of the Board, I also wish to extend a warm welcome to Mr. Gan Kim Guan who joined the Board on 28 March 2001 and our sincere thanks to Mr. Chew Poh Soon who resigned from the Board on 2 May 2001.

Finally, I would also like to thank my fellow Board members for their support and the shareholders for their confidence in the Board and Management of the Group.

Datuk Haji Mohd. Zamani Bin Samah
Chairman
Johor Bahru, Johor



Penyata Pengerusi

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Bagi pihak Lembaga Pengarah Kim Loong Resources Berhad ("KLR"), saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan teraudit bagi tahun kewangan berakhir 31 Januari 2001. Tahun kewangan 2001 merupakan tahun penting bagi Kumpulan memandangkan tahun tersebut merupakan tahun kewangan pertama selepas penyenaiaan KLR pada Papan Utama Bursa Saham Kuala Lumpur. ("KLSE")

KEPUTUSAN

Kumpulan mencatat peningkatan dalam hasil sebanyak RM104.6 juta atau 872% daripada RM12.0 juta pada tahun kewangan 2001 kepada RM116.6 juta pada tahun kewangan 2001. Ini membawa kepada peningkatan dalam keuntungan sebelum cukai ("PBT") sebanyak RM11.0 juta atau 186% daripada RM5.9 juta pada tahun kewangan 2000 kepada RM16.9 juta pada tahun kewangan 2001.

Peningkatan dalam hasil dan PBT adalah terutamanya datang daripada operasi pengilangan yang baru dibeli. Operasi pengilangan menghasilkan RM108 juta jumlah dagangan dan RM12.8 juta PBT. Sementara itu, operasi penanaman mencatat peningkatan sebanyak 15.5% dalam pengeluaran gugusan buah-buahan segar ("FFB") akibat daripada kadar hasil yang lebih baik bagi setiap ekar diperolehi daripada kawasan penanaman yang telah matang. Walau bagaimanapun, disebabkan oleh kemerosotan dalam harga FFB sebanyak lebih kurang 39% berbanding dengan tahun kewangan yang lepas, hasil dan PBT bagi operasi penanaman merosot masing-masing sebanyak RM3.3 juta daripada RM12 juta pada tahun kewangan 2000 dan RM1.8 juta daripada RM5.9 juta pada tahun kewangan 2000.

PERBEZAAN KEUNTUNGAN SEBENAR DARIPADA RAMALAN KEUNTUNGAN

Walaupun Kumpulan mencapai kuantiti pengeluaran yang diramalkan, keuntungan disatukan selepas cukai ("PAT") bagi tahun kewangan 2001 adalah RM3.4 juta lebih rendah berbanding dengan PAT yang diramalkan sebanyak RM16.7 juta. Kuantiti jualan minyak sawit mentah ("CPO") dan minyak isirong sawit ("PKO") daripada operasi pengilangan adalah lebih tinggi secara marginal daripada kuantiti jualan yang diramalkan masing-masing sebanyak 2% dan 5%. Walau bagaimanapun bagi operasi penanaman, pengeluaran FFB adalah lebih rendah secara marginal daripada pengeluaran yang diramalkan sebanyak hanya lebih kurang 3%.

Kejatuhan dalam PAT sebanyak RM3.4 juta atau 20.4% adalah terutamanya disebabkan oleh kejatuhan dalam harga minyak sawit yang menyebabkan purata harga pasaran bagi FFB, CPO dan PKO untuk turut jatuh masing-masing sebanyak 23%, 11% dan 2% berbanding dengan harga yang diramalkan masing-masing sebanyak RM209 bagi setiap tan metrik, RM1,100 bagi setiap tan metrik dan RM1,500 bagi setiap tan metrik.

DIVIDEN

Lembaga dengan sukacitanya mencadangkan dividen akhir dikecualikan cukai sebanyak 3% (2000: Tiada), menjadikan jumlah dividen dikecualikan cukai sebanyak 5% (2000: Tiada) bagi tahun kewangan 2001.

HAL EHWAL KORPORAT

KLR telah berjaya disenaraikan pada KLSE pada 27 November 2000. Penyenaiaan membuka jalan kepada orang awam, kakitangan Kumpulan, pembekal dan pemegang-pemegang saham untuk turut serta dalam pertumbuhan berterusan dan keuntungan Syarikat. Ia juga telah menyediakan peluang kepada Kumpulan untuk mendapat laluan pasaran modal untuk menghasilkan dana bagi perkembangan pada masa hadapan.

Kumpulan telah melaksanakan langkah-langkah korporat berikut sebagai sebahagian daripada skim penyusunan semula dan penyenaiaan dalam tahun kewangan 2001.

- i) Penilaian semula harta-harta tanah dan pelaburan dalam anak-anak syarikat
Penilaian semula harta-harta tanah dan pelaburan dalam anak-anak syarikat telah membawa kepada jumlah rizab penilaian semula sebanyak RM32.5 juta.
- ii) Terbitan Bonus
Pada 18 Julai 2000, KLR telah melaksanakan Terbitan Bonus, yang melibatkan terbitan sebanyak 32.4 juta saham biasa baru bernilai RM1.00 sesaham kepada pemegang-pemegang saham sedia ada Syarikat melalui permodalan sebanyak RM32.4 juta daripada rizab penilaian semula.
- iii) Terbitan Hak
Pada 19 Julai 2000, KLR telah melaksanakan Terbitan Hak sebanyak 13.6 juta saham biasa baru bernilai RM1.00 sesaham pada harga tara berasaskan 13,619 saham biasa baru bagi setiap 10 saham biasa sedia ada dipegang sebelum Terbitan Bonus.
- iv) Pengambilalihan
Pengambilalihan Kim Loong Corporation Sdn Bhd, Kim Loong Palm Oil Sdn Bhd dan Okidville Manufacturing Sdn Bhd telah selesai dilaksanakan pada 20 Julai 2000. Jumlah balasan belian bagi pengambilalihan di atas sebanyak RM76.8 juta yang telah dijelaskan sebahagiannya melalui terbitan 28.1 juta saham biasa baru bernilai RM1.00 sesaham pada harga terbitan RM1.20 setiap saham dan baki sebanyak RM43.0 juta melalui bayaran secara tunai.



- v) Terbitan Terhad
Pada 21 November 2000, KLR telah melaksanakan Terbitan Terhad sebanyak 28.1 juta saham biasa baru bernilai RM1.00 sesaham pada harga terbitan RM1.80 setiap saham kepada individu, syarikat, koperasi dan institusi Bumiputera (sebagaimana diluluskan oleh MITI).
- vi) Terbitan Awam
Pada 21 November 2000, KLR telah melaksanakan Terbitan Awam sebanyak 4.5 juta saham biasa baru bernilai RM1.00 sesaham pada harga terbitan RM1.80 setiap saham kepada orang awam Malaysia dan kakitangan dan pembekal Kumpulan KLR yang layak.

OPERASI KILANG MINYAK SAWIT

Kilang Kota Tinggi yang baru dibeli mempunyai keupayaan untuk memproses 100 tan metrik FFB setiap jam. Dalam tahun kewangan 2001, kilang ini telah memproses lebih kurang 0.5 juta tan metrik FFB dan telah menyumbang lebih kurang RM108 juta dalam hasil. Operasi pengilangan merupakan penyumbang utama kepada perolehan bagi Kumpulan pada tahun kewangan 2001 dan dijangka akan terus menjadi penyumbang utama bagi beberapa tahun yang akan datang.

Fasa pertama daripada usaha baru untuk menukar keluaran buangan daripada pemrosesan minyak sawit FFB kepada baja bio telah dilaksanakan oleh Kim Loong Evergrow Sdn Bhd. Loji ini mempunyai keupayaan untuk mengeluarkan 1,000 tan metrik baja bio setiap bulan. Pembangunan pasaran pada masa ini dijalankan melalui usaha bersama rakan-rakan usahasama untuk memasarkan dalam kuantiti yang kecil baja bio serta juga melaksanakan pelbagai langkah promosi untuk memperkenalkan keluaran kepada pasaran. Kumpulan akan meneruskan usahanya dalam penyelidikan dan pembangunan untuk mempertingkatkan lagi kualiti keluarannya, kecekapan serta juga untuk memenuhi permintaan pasaran.

OPERASI PENANAMAN

Operasi penanaman telah mencatat hasil dan PBT yang lebih rendah bagi tahun kewangan 2001 disebabkan oleh kejatuhan mendadak harga FFB daripada RM264 kepada RM161 setiap tan metrik tetapi kesan kurang baik ini telah diringankan melalui 15.5% peningkatan dalam pengeluaran FFB timbul daripada kadar hasil yang lebih bagi setiap ekar yang diperolehi daripada kematangan progresif pokok kelapa sawit. Hasil dan PBT telah merosot masing-masing kepada RM8.7 juta dan RM4.1 juta daripada RM12.0 juta dan RM5.9 juta pada tahun kewangan 2000.

Kumpulan juga telah menyediakan loji pembetung berharga RM0.5 juta di Sook, Keningau dan telah memulakan operasi dalam tahun kewangan.

PEMBANGUNAN DAN PROSPEK

Tahun kewangan 2002 akan merupakan satu lagi tahun yang mencabar bagi Kumpulan memandangkan kelembapan ekonomi sejagat dan keyakinan domestik yang begitu mendung. Sumbangan daripada operasi pengilangan dijangka akan terus kekal memuaskan. Walau bagaimanapun, sumbangan daripada operasi penanaman dijangka malap kecuali harga minyak sawit meningkat. Kesan kurang baik akan diringankan sedikit sebanyak oleh jangkaan pengeluaran FFB yang lebih tinggi daripada peningkatan hasil, kematangan pokok-pokok yang lebih banyak dan peningkatan dalam keluaran ekar matang.

Kumpulan akan seterusnya memesatkan langkah-langkah untuk meningkatkan keupayaan, produktiviti dan keberkesanan kos dalam operasi Kumpulan bagi meningkatkan kebersaingan dan ketahanan kepada jangkaan kelembapan dalam ekonomi sejagat dan harga minyak sawit yang kurang memuaskan.

Dengan ketiadaan keadaan diluar jangkaan, Lembaga menjangkakan prestasi Kumpulan bagi tahun kewangan akan berakhir 31 Januari 2002 akan memuaskan.

PENGHARGAAN

Bagi pihak Lembaga, saya ingin merakamkan penghargaan saya kepada Pengurusan dan kakitangan di atas perkhidmatan setia dan dedikasi mereka kepada Kumpulan. Kami juga ingin mengambil kesempatan untuk menghargai sumbangan daripada pelanggan-pelanggan yang kami hargai dan pembekal-pembekal atas sokongan dan keyakinan berterusan mereka dalam Kumpulan. Ucapan terima kasih juga kami tujukan kepada badan-badan dan agensi-agensi berperaturan kerajaan, jurubank dan rakan-rakan niaga atas kerjasama dan sokongan mereka yang berterusan.

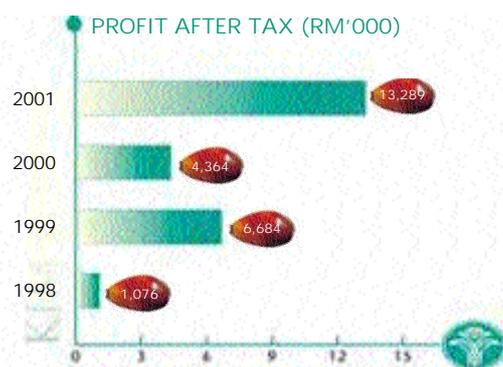
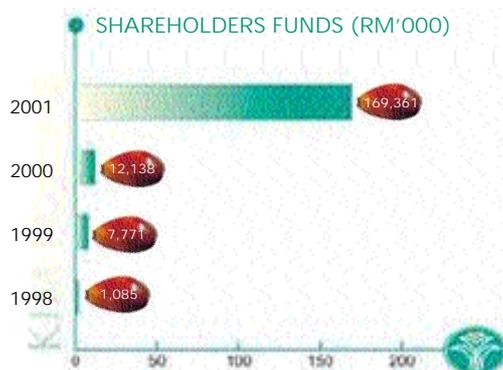
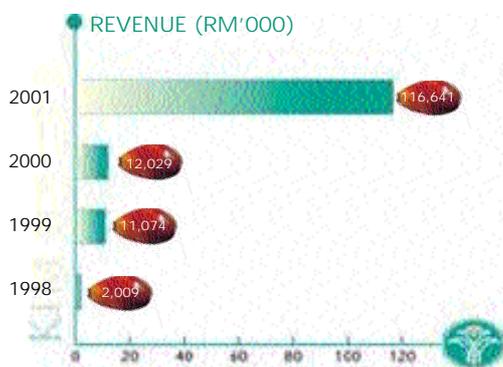
Bagi pihak Lembaga, saya juga ingin mengucapkan selamat datang kepada En. Gan Kim Guan yang telah menyertai Lembaga pada 28 Mac 2001 dan ucapan terima kasih yang ikhlas kepada En. Chew Poh Soon yang telah meletak jawatan daripada Lembaga pada 2 Mei 2001.

Akhir sekali, saya juga ingin mengucapkan terima kasih kepada ahli-ahli sesama Lembaga atas sokongan mereka dan pemegang-pemegang saham atas keyakinan mereka dalam Lembaga dan Pengurusan Kumpulan.

Datuk Haji Mohd. Zamani Bin Samah
Pengerusi
Johor Bharu, Johor

Financial Highlights

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INCOME STATEMENT (RM'000)

	Company 13 months ended 31 January 1997	1998	1999	2000	2001
Revenue	9	2,009	11,074	12,029	116,641
Profit before tax	2	1,083	6,684	5,867	16,894
Profit after tax	-	1,076	6,684	4,364	13,289
Dividend (%)	-	-	-	-	5

BALANCE SHEET (RM'000)

	Company 13 months ended 31 January 1997	1998	1999	2000	2001
Paid-up share capital	10	10	10	10	106,750
Shareholders funds	10	1,085	7,771	12,138	169,361
Total assets	26	18,117	25,706	32,435	206,884

PER SHARE (RM)

	Company 13 months ended 31 January 1997	1998	1999	2000	2001
Earnings	-	107.60	668.60	436.70	0.15
Net tangible assets	0.54*	105.70	774.30	1,211.00	1.58
Weighted average number of share in issue ('000)	10	10	10	10	61,187

FINANCIAL RATIO (%)

	Company 13 months ended 31 January 1997	1998	1999	2000	2001
Return on shareholders funds (Pre-tax)	18.46*	99.82	86.01	48.34	9.98
Return on total assets (Pre-tax)	7.10*	5.98	26.00	18.09	8.17

* Annualised

PLANTATION

Plantation area (Acres)

Oil palm	1998	1999	2000	2001
Mature	3,140	3,926	5,081	5,081
Immature	1,941	3,055	3,800	15,969
Unplanted jungle land	-	1,900	-	5,000

Cocoa	435	435	435	435
-------	-----	-----	-----	-----

Total plantable area	5,516	9,316	9,316	26,485
----------------------	-------	-------	-------	--------

Infrastructure	243	443	443	1,394
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Total land area	5,759	9,759	9,759	27,879
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Production (MT)

Fresh fruit bunches ("FFB")	25,874 ⁽¹⁾	21,116	44,477	51,376
-----------------------------	-----------------------	--------	--------	--------

Yield per mature acre	8.24	5.38	8.75	10.11
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MILLS

Production and extraction rate

Crude palm oil ("CPO") (MT)	N/A	N/A	N/A	87,150
-----------------------------	-----	-----	-----	--------

Oil extraction rate (% of FFB)	N/A	N/A	N/A	18.13
--------------------------------	-----	-----	-----	-------

Palm kernel oil ("PKO")(MT)	N/A	N/A	N/A	14,917
-----------------------------	-----	-----	-----	--------

Oil extraction rate (% of Palm kernel "PK")	N/A	N/A	N/A	43.48
---	-----	-----	-----	-------

Notes :

⁽¹⁾ This is the production of FFB for the financial year 1998. The operations were transferred from Sharikat Kim Loong Sendirian Berhad and Kim Loong Plantations Sdn. Bhd. to the Company in Oct' 97.



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Directors' Report

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The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2001.

Principal activities

The principal activities of the Company are those of cultivation of oil palm and cocoa and investment holding. The principal activities of the subsidiary companies are listed in note 5 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

Financial results

	<u>Group</u> RM	<u>Company</u> RM
Profit after taxation	13,289,145	3,297,221
Pre-acquisition profit	(4,004,663)	-
Minority interests	<u>(6,809)</u>	<u>-</u>
Profit attributable to shareholders	9,277,673	3,297,221
Retained profits brought forward	<u>12,128,037</u>	<u>12,202,824</u>
Retained profits carried forward	<u>21,405,710</u>	<u>15,500,045</u>

Dividends

The dividends paid by the Company since the end of the previous financial year were as follows :

RM

In respect of the financial year ended 31 January 2001 :

Tax exempt interim dividend of 2 sen per share on 106,750,000 ordinary shares paid on 12 February 2001	<u>2,135,000</u>
--	------------------

The directors recommend the payment of a tax exempt final dividend of 3 sen per share on 106,750,000 ordinary shares amounting to RM3,202,500, in respect of the financial year ended 31 January 2001.

Reserves and provisions

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

Issue of shares and share options

During the financial year, the Company increased its authorised share capital from RM25,000 to RM500,000,000 by the creation of 499,975,000 ordinary shares of RM1 each which rank pari passu with the existing shares in the Company.

Directors' Report (Cont'd)

During the financial year, the Company increased its paid-up share capital from RM10,000 to RM106,750,000 as follows:

<u>Class</u>	<u>Number of shares</u>	<u>Term of issue</u>	<u>Purpose</u>
i) Ordinary shares of RM1 each	32,371,000	32,371 shares for every 10 existing shares held by way of capitalisation of revaluation reserve	Bonus issue
ii) Ordinary shares of RM1 each	13,619,000	13,619 shares for every 10 existing shares held before bonus issue as mentioned in (i) above for cash	Rights issue
iii) Ordinary shares of RM1 each	11,910,000	11,910,000 shares of RM1 each at RM1.20 per share	To partly satisfy the purchase consideration for the acquisition of Kim Loong Corporation Sdn.Bhd.
iv) Ordinary shares of RM1 each	12,945,000	12,945,000 shares of RM1 each at RM1.20 per share	To partly satisfy the purchase consideration for the acquisition of Kim Loong Palm Oil Sdn. Bhd.
v) Ordinary shares of RM1 each	3,257,000	3,257,000 shares of RM1 each at RM1.20 per share	To partly satisfy the purchase consideration for the acquisition of Okidville Manufacturing Sdn. Bhd.
vi) Ordinary shares of RM1 each	28,142,000	28,142,000 shares of RM1 each at RM1.80 per share for cash	Restricted issue to Bumiputera investors approved by MITI
vii) Ordinary shares of RM1 each	4,496,000	4,496,000 shares of RM1 each at RM1.80 per share for cash	Public issue to the public

There were no share options granted during the financial year or unissued shares under option at the end of the year in respect of shares in the Company.

Directors' Report (Cont'd)

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Directors

The names of the directors of the Company in office since the date of the last report are :-

Datuk Haji Mohd. Zamani Bin Samah	(Appointed on 21.7.2000)
Gooi Seong Lim	
Loo Geok Eng (f)	
Gooi Seong Heen	
Gooi Seong Chneh	
Gooi Seong Gum	
Gooi Seow Mee (f)	
Chew Poh Soon	(Appointed on 21.7.2000 and resigned on 2.5.2001)
Mathew K. Mathai	(Appointed on 21.7.2000)
Gan Kim Guan	(Appointed on 28.3.2001)

In accordance with Article 77 of the Company's Articles of Association, Gooi Seong Heen and Gooi Seong Chneh retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 84 of the Company's Articles of Association, Gan Kim Guan, who was appointed since the date of the last report, retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Loo Geok Eng and Datuk Haji Mohd. Zamani Bin Samah retire at the forthcoming Annual General Meeting in accordance with Section 129 (2) of the Companies Act, 1965 and offer themselves for re-appointment under Section 129 (6) of the Act.

In accordance with the listing requirement of Kuala Lumpur Stock Exchange, Gooi Seong Lim, the Managing Director, retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Directors' benefits

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in 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.

Directors' Report (Cont'd)

Directors' interest in shares

The following directors who held office at the end of the financial year had, according to the register of directors' shareholdings, interest in shares in the Company and its related corporations as stated below :

Number of ordinary shares of RM1 each in the Company

	<u>As at 1.2.2000</u>	<u>Bought</u>	<u>Sold</u>	<u>As at 31.1.2001</u>
Datuk Haji Mohd. Zamani Bin Samah				
- direct interest	-	647,000	-	647,000
Gooi Seong Lim				
- direct interest	-	1,433,000	1,263,000	170,000
- indirect interest	10,000	66,102,000	-	66,112,000
Loo Geok Eng (f)				
- direct interest	-	360,000	-	360,000
- indirect interest	10,000	66,102,000	-	66,112,000
Gooi Seong Heen				
- direct interest	-	456,000	336,000	120,000
- indirect interest	10,000	66,102,000	-	66,112,000
Gooi Seong Chneh				
- direct interest	-	456,000	296,000	160,000
- indirect interest	10,000	66,102,000	-	66,112,000
Gooi Seong Gum				
- direct interest	-	456,000	56,000	400,000
- indirect interest	10,000	66,102,000	-	66,112,000
Gooi Seow Mee (f)				
- direct interest	-	456,000	296,000	160,000
- indirect interest	10,000	66,102,000	-	66,112,000
Chew Poh Soon				
- direct interest	-	20,000	-	20,000
Mathew K. Mathai	-	-	-	-

Directors' Report (Cont'd)

No. of ordinary shares of RM100 each in
Sharikat Kim Loong Sendirian Berhad

	<u>As at 1.2.2000</u>	<u>Bought</u>	<u>Sold</u>	<u>As at 31.1.2001</u>
Datuk Haji Mohd. Zamani Bin Samah	-	-	-	-
Gooi Seong Lim				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250
Loo Geok Eng (f)				
- direct interest	1,250	-	-	1,250
Gooi Seong Heen				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250
Gooi Seong Chneh				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250
Gooi Seong Gum				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250
Gooi Seow Mee (f)				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250
Chew Poh Soon	-	-	-	-
Mathew K. Mathai	-	-	-	-

By virtue of their interest in the shares in the holding company, Sharikat Kim Loong Sendirian Berhad, Loo Geok Eng, Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh, Gooi Seong Gum and Gooi Seow Mee are also deemed to have interest in the shares in the Company and its related corporations to the extent that the holding company has an interest.

Statutory Information

Before the income statements and balance sheets were made out, the directors took reasonable steps:-

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

Directors' Report (Cont'd)

At the date of this report, the directors are not aware of any circumstances :

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

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

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

- (a) any charge on the assets of the Group or the Company which has arisen since the end of the financial year to secure the liability 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.

Other statutory information

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

In the opinion of the directors :

- (a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

Holding company

The directors regard Sharikat Kim Loong Sendirian Berhad, a company incorporated in Malaysia, as the Company's holding company.

SIGNIFICANT EVENTS

In connection with the listing and quotation of the shares in the Company on the Main Board of the Kuala Lumpur Stock Exchange on 27 November 2000, the Company successfully completed the following restructuring scheme during the financial year which was approved by the Foreign Investment Committee, the Ministry of International Trade and Industry, and the Securities Commission on 9 October 1999, 20 October 1999 and 23 February 2000 respectively.

- (a) A revaluation of landed properties of the Company by a firm of independent professional valuers and the incorporation of a revaluation surplus of RM17,329,818 into the financial statements of Company;
- (b) A revaluation of investments in the Company's subsidiary companies, and the incorporation of a revaluation surplus of RM15,143,860 into the financial statements of the Company;
- (c) A bonus issue of 32,371,000 new ordinary shares of RM1 each in the Company to the existing shareholders on the basis of 32,371 shares for every 10 existing ordinary shares held. The bonus issue was effected by capitalising RM32,371,000 from the revaluation surplus account arising from (a) and (b) above ;
- (d) A rights issue of 13,619,000 new ordinary shares of RM1 each at par on the basis of 13,619 shares for every 10 existing ordinary shares held in the Company before the bonus issue as mentioned in (c) above;

Directors' Report (Cont'd)

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SIGNIFICANT EVENTS (cont'd)

- (e) An acquisition by the Company of the entire issued and paid-up share capital of Kim Loong Corporation Sdn. Bhd. for a total purchase consideration of RM33,247,656 satisfied partly by the issuance of 11,910,000 new ordinary shares of RM1 each in the Company at an issue price of RM1.20 per share and the balance of RM18,955,656 in cash;
- (f) An acquisition by the Company of the entire issued and paid-up share capital of Kim Loong Palm Oil Sdn. Bhd. for a total purchase consideration of RM34,822,135 satisfied partly by the issuance of 12,945,000 new ordinary shares of RM1 each in the Company at an issue price of RM1.20 per share and the balance of RM19,288,135 in cash;
- (g) An acquisition by the Company of the entire issued and paid-up share capital of Okidville Manufacturing Sdn Bhd for a total purchase consideration of RM8,683,140 satisfied partly by the issuance of 3,257,000 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.20 per share and the balance of RM4,774,740 in cash;
- (h) A restricted issue of 28,142,000 new ordinary shares of RM1 each to Bumiputera investors at an issue price of RM1.80 per share;
- (i) A public issue of 4,496,000 new ordinary shares of RM1 each at an issue price of RM1.80 per share; and
- (j) The listing and quotation of the Company's entire enlarged issued and paid-up share capital of RM106,750,000 comprising 106,750,000 ordinary shares of RM1 each on the Main Board of the Kuala Lumpur Stock Exchange.

Auditors

The auditors, Messrs Liang & Co., have expressed their willingness to continue in office.

Signed in accordance with a resolution of the Directors

Gooi Seong Lim
Director

Gooi Seong Heen
Director

Dated : 5 May 2001

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Gooi Seong Lim and Gooi Seong Heen, being two of the directors of KIM LOONG RESOURCES BERHAD, do hereby state that in the opinion of the directors, the financial statements set out on pages 23 to 50 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 January 2001 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

On behalf of the Board,

Gooi Seong Lim
Director

Gooi Seong Heen
Director

Dated : 5 May 2001

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Gooi Seong Lim, being the director primarily responsible for the financial management of KIM LOONG RESOURCES BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 23 to 50 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
Gooi Seong Lim,)
at Johor Bahru in the state of Johor)
this 5 May 2001)

Gooi Seong Lim

Before me,

Commissioner for Oaths



Report of the Auditors

To the Members of Kim Loong Resources Berhad (22703-K) (Incorporated In Malaysia)

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We have audited the financial statements set out on pages 23 to 50. 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 issued by the Malaysian Institute of Accountants. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :

- a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of :
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and of the Company as at 31 January 2001 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.
- b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

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

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

LIANG & CO.
Firm Number : AF0312
Public Accountants

Johor Bahru

Dated : 5 May 2001

SOONG AH CHYE
Approval Number : 1767/5/02 (J)
Partner of the firm

Consolidated Balance Sheet

As at 31 January 2001

	NOTE	2001 RM	2000 RM
NON-CURRENT ASSETS			
Property, plant and equipment	4	169,634,861	26,924,873
Quoted investments	6	7,397,682	-
Development expenditure	7	209,367	-
Deferred expenditure	8	-	28,135
		177,241,910	26,953,008
CURRENT ASSETS			
Inventories	9	6,404,219	451,400
Trade debtors		1,870,924	275,313
Other debtors and deposits		1,834,339	855,959
Amount owing by holding company		-	1,624,200
Amount owing by related companies		82,060	-
Fixed deposits with licensed banks		16,897,000	103,705
Cash and bank balances		2,553,634	2,172,266
		29,642,176	5,482,843
CURRENT LIABILITIES			
Trade creditors		4,527,487	1,142,424
Other creditors and accruals		2,740,765	873,607
Amount owing to a related company	11	841,605	816,723
Amount owing to a related party	12	165,000	-
Provision for taxation		3,718,703	1,526,398
		11,993,560	4,359,152
Net Current Assets		17,648,616	1,123,691
		194,890,526	28,076,699
CAPITAL AND RESERVES			
Share capital	13	106,750,000	10,000
Reserves	14	62,611,405	12,128,037
		169,361,405	12,138,037
MINORITY INTERESTS			
		2,143,488	25,416
LONG TERM AND DEFERRED LIABILITIES			
Amount owing to holding company	18	9,989,237	13,619,000
Amount owing to related parties	19	6,380,011	1,139,246
Bank borrowings (secured)	20	5,764,385	-
Deferred taxation	21	1,252,000	1,155,000
		23,385,633	15,913,246
		194,890,526	28,076,699

The accompanying notes form an integral part of these financial statements

Consolidated Income Statement

For the Financial Year Ended 31 January 2001

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	NOTE	2001 RM	2000 RM
Revenue	22	116,641,027	12,029,350
Cost of sales		<u>(93,681,852)</u>	<u>(4,144,751)</u>
Gross profit		22,959,175	7,884,599
Other operating income		<u>1,414,854</u>	<u>299,738</u>
		24,374,029	8,184,337
Distribution costs		(914,162)	-
Administration expenses		(6,140,128)	(2,262,413)
Other operating expenses		<u>(268,162)</u>	<u>(55,014)</u>
Profit from operations	23	17,051,577	5,866,910
Finance costs		<u>(157,969)</u>	<u>-</u>
Profit before tax		16,893,608	5,866,910
Income tax expense	24	<u>(3,604,463)</u>	<u>(1,502,749)</u>
Profit after tax		13,289,145	4,364,161
Pre-acquisition profit		(4,004,663)	-
Minority interests		<u>(6,809)</u>	<u>3,067</u>
Net profit for year attributable to shareholders		<u>9,277,673</u>	<u>4,367,228</u>
Basic earnings per share (sen)	25	<u>15</u>	<u>43,672</u>
Dividends	26	<u>5,337,500</u>	<u>-</u>

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Changes in Equity

for the Financial Year Ended 31 January 2001

	Share capital RM	Share premium RM	Revaluation reserve RM	Reserve on consolidation RM	Retained profits RM	Total RM
Balance at 1.2.1999	10,000	-	-	-	7,760,809	7,770,809
Issue of share capital	-	-	-	-	-	-
Net profit for the year	-	-	-	-	4,367,228	4,367,228
Balance at 31.1.2000	10,000	-	-	-	12,128,037	12,138,037
Surplus on revaluation of properties	-	-	32,478,509	-	-	32,478,509
Bonus issue	32,371,000	-	(32,371,000)	-	-	-
Acquisition of subsidiary companies	-	-	-	11,355,980	-	11,355,980
Issue of share capital	74,369,000	31,732,800	-	-	-	106,101,800
Listing expenses	-	(1,990,594)	-	-	-	(1,990,594)
Net profit for the year	-	-	-	-	9,277,673	9,277,673
Balance at 31.1.2001	106,750,000	29,742,206	107,509	11,355,980	21,405,710	169,361,405

The accompanying notes form an integral part of these financial statements

Consolidated Cash Flow Statement

For the Financial Year Ended 31 January 2001

	<u>2001</u> RM	<u>2000</u> RM
Cash flows from operating activities		
Cash receipts from customers	67,564,930	12,702,077
Cash paid to suppliers and employees	(52,024,815)	(4,978,256)
Cash generated from operations	15,540,115	7,723,821
Interest paid	(14,558)	-
Income taxes paid	(4,473,880)	(4,503)
Net cash from operating activities	11,051,677	7,719,318
Cash flows from investing activities		
Net cash effects on acquisition of subsidiary companies (Note a)	(32,463,706)	-
Purchase of property, plant and equipment (Note b)	(21,006,020)	(4,947,097)
Proceeds from disposal of plant and equipment	-	2,000
Development expenditure paid	(51,172)	-
Interest paid	(250,323)	-
Interest income	494,554	2,055
Dividend income	147,626	-
Proceeds from disposal of quoted investments	642,024	-
Purchase of quoted investments	(1,485,531)	-
Net cash used in investing activities	(53,972,548)	(4,943,042)
Cash flows from financing activities		
Proceeds from issuance of shares (Note c)	72,367,400	-
Proceeds from issuance of shares to minority shareholders	30,047	-
Listing expenses paid	(1,990,594)	-
Holding company's financing	(2,005,563)	(1,624,391)
Related companies' financing	(11,361,318)	-
Bank borrowings	2,890,562	-
Related party financing	165,000	-
Net cash from/(used in) financing activities	60,095,534	(1,624,391)
Net increase in cash and cash equivalents	17,174,663	1,151,885
Cash and cash equivalents at beginning of year	2,275,971	1,124,086
Cash and cash equivalents at end of year (Note d)	19,450,634	2,275,971

The accompanying notes form an integral part of these financial statements

Consolidated Cash Flow Statement

For the Financial Year Ended 31 January 2001 (Cont'd)

Note a : Net cash effects on acquisition of subsidiary companies

During the financial year, the fair value of assets and liabilities acquired by the Company were as follows :

	RM
Property, plant and equipment	89,046,006
Quoted investments	6,393,326
Development expenditure	158,195
Deferred expenditure	70,456
Current assets	20,080,458
Current liabilities	(11,182,233)
Long term liabilities	(52,731,507)
Deferred taxation	(678,000)
Minority interests	(2)
Fair value of net assets acquired	<u>51,156,699</u>
Reserve on consolidation	<u>(11,355,980)</u>
	39,800,719
Liabilities taken over by Company	<u>37,312,529</u>
Total consideration	77,113,248
Discharged by issuance of shares	<u>(33,734,400)</u>
Cash paid	43,378,848
Less : Cash and cash equivalents acquired	<u>(10,915,142)</u>
Net cash effects on acquisition of subsidiary companies	<u>32,463,706</u>

Note b : Purchase of property, plant and equipment

	<u>2001</u> RM	<u>2000</u> RM
Property, plant and equipment acquired	56,567,398	5,127,599
Less - depreciation capitalised	(751,461)	(180,502)
- interest capitalised	(250,323)	-
- revaluation surplus	<u>(34,559,594)</u>	-
Cash paid	<u>21,006,020</u>	<u>4,947,097</u>

Note c : Proceeds from issuance of shares

	<u>2001</u> RM	<u>2000</u> RM
Rights issue of 13,619,000 ordinary shares of RM1 each at par	13,619,000	-
Issue of 28,142,000 ordinary shares of RM1 each at an issue price of RM1.80 per share in respect of restricted issue to Bumiputera investors	50,655,600	-
Issue of 4,496,000 ordinary shares of RM1 each at an issue price of RM1.80 per share in respect of public issue	8,092,800	-
	<u>72,367,400</u>	<u>-</u>

Note d : Cash and cash equivalents at end of year

	<u>2001</u> RM	<u>2000</u> RM
Cash and bank balances	2,553,634	2,172,266
Fixed deposits with licensed banks	<u>16,897,000</u>	<u>103,705</u>
	<u>19,450,634</u>	<u>2,275,971</u>

The accompanying notes form an integral part of these financial statements

Balance Sheet

As at 31 January 2001

	<u>NOTE</u>	<u>2001</u> RM	<u>2000</u> RM
NON-CURRENT ASSETS			
Property, plant and equipment	4	34,522,237	16,757,312
Investment in subsidiary companies	5	56,578,182	1,563,604
		91,100,419	18,320,916
CURRENT ASSETS			
Inventories	9	543,671	333,787
Trade debtors		351,027	275,313
Other debtors and deposits	10	1,226,920	1,952,617
Amount owing by holding company		-	1,624,200
Amount owing by subsidiary companies		65,073,612	6,266,783
Fixed deposit with licensed bank		6,000,000	103,705
Cash and bank balances		1,923,840	2,168,073
		75,119,070	12,724,478
CURRENT LIABILITIES			
Trade creditors		414,157	1,032,180
Other creditors and accruals		763,729	685,930
Amount owing to a related company	11	816,723	816,723
Provision for taxation		1,440,714	1,523,737
		3,435,323	4,058,570
Net Current Assets		71,683,747	8,665,908
		<u>162,784,166</u>	<u>26,986,824</u>
CAPITAL AND RESERVES			
Share capital	13	106,750,000	10,000
Reserves	14	45,344,929	12,202,824
		152,094,929	12,212,824
LONG TERM AND DEFERRED LIABILITIES			
Amount owing to holding company	18	9,989,237	13,619,000
Deferred taxation	21	700,000	1,155,000
		10,689,237	14,774,000
		<u>162,784,166</u>	<u>26,986,824</u>

The accompanying notes form an integral part of these financial statements

Income Statement

For the Financial Year Ended 31 January 2001

	<u>NOTE</u>	<u>2001</u> RM	<u>2000</u> RM
Revenue	22	8,425,763	12,022,104
Cost of sales		<u>(3,396,139)</u>	<u>(4,144,751)</u>
Gross profit		5,029,624	7,877,353
Other operating income		<u>825,049</u>	<u>476,042</u>
		5,854,673	8,353,395
Administration expenses		(1,639,994)	(2,378,052)
Other operating expenses		<u>(82,458)</u>	<u>(69,024)</u>
Profit from operations	23	4,132,221	5,906,319
Finance costs		<u>-</u>	<u>-</u>
Profit before tax		4,132,221	5,906,319
Income tax expense	24	<u>(835,000)</u>	<u>(1,499,635)</u>
Net profit for the year		<u>3,297,221</u>	<u>4,406,684</u>
Basic earnings per share (sen)	25	<u>5</u>	<u>44,067</u>
Dividends	26	<u>5,337,500</u>	<u>-</u>

The accompanying notes form an integral part of these financial statements

Statement of Changes in Equity

For the Financial Year Ended 31 January 2001

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	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profits RM	Total RM
Balance at 1.2.1999	10,000	-	-	7,796,140	7,806,140
Issue of share capital	-	-	-	-	-
Net profit for the year	-	-	-	4,406,684	4,406,684
Balance at 31.1.2000	10,000	-	-	12,202,824	12,212,824
Surplus on revaluation of properties and investment in subsidiary companies	-	-	32,473,678	-	32,473,678
Bonus issue	32,371,000	-	(32,371,000)	-	-
Issue of share capital	74,369,000	31,732,800	-	-	106,101,800
Listing expenses	-	(1,990,594)	-	-	(1,990,594)
Net profit for the year	-	-	-	3,297,221	3,297,221
Balance at 31.1.2001	106,750,000	29,742,206	102,678	15,500,045	152,094,929

The accompanying notes form an integral part of these financial statements

Cash Flow Statement

For the Financial Year Ended 31 January 2001

	<u>2001</u> RM	<u>2000</u> RM
Cash flows from operating activities		
Cash receipts from customers	8,617,332	12,724,121
Cash paid to suppliers and employees	(4,462,033)	(5,265,930)
Cash generated from operations	4,155,299	7,458,191
Income taxes paid	(1,373,023)	(1,771)
Net cash from operating activities	2,782,276	7,456,420
Cash flows from investing activities		
Investment in subsidiary companies (Note a)	(6,136,318)	(69,930)
Proceeds from disposal of plant and equipment	-	2,000
Purchase of property, plant and equipment	(1,118,518)	(1,419,012)
Interest received	321,006	2,055
Net cash used in investing activities	(6,933,830)	(1,484,887)
Cash flows from financing activities		
Proceeds from issuance of shares (Note b)	72,367,400	-
Listing expenses paid	(1,990,594)	-
Subsidiary companies' financing	(58,567,627)	(3,264,262)
Holding company's financing	(2,005,563)	(1,551,143)
Net cash from/(used in) financing activities	9,803,616	(4,815,405)
Net increase in cash and cash equivalents	5,652,062	1,156,128
Cash and cash equivalents at beginning of year	2,271,778	1,115,650
Cash and cash equivalents at end of year (Note c)	<u>7,923,840</u>	<u>2,271,778</u>

Cash Flow Statement

For the Financial Year Ended 31 January 2001 (Cont'd)

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	<u>2001</u> RM	<u>2000</u> RM
<u>Note a : Investment in subsidiary companies</u>		
Investment in subsidiary companies	55,014,578	69,930
Less :		
Consideration paid via issuance of shares in the Company	(33,734,400)	-
Revaluation surplus	(15,143,860)	-
Net cash paid	<u>6,136,318</u>	<u>69,930</u>
<u>Note b : Proceeds from issuance of shares</u>		
Rights issue of 13,619,000 ordinary shares of RM1 each at par	13,619,000	-
Issue of 28,142,000 ordinary shares of RM1 each at an issue price of RM1.80 per share in respect of restricted issue to Bumiputera Investors	50,655,600	-
Issue of 4,496,000 ordinary shares of RM1 each at an issue price of RM1.80 per share in respect of public issue	8,092,800	-
	<u>72,367,400</u>	<u>-</u>
<u>Note c : Cash and cash equivalents at end of year</u>		
Cash and bank balances	1,923,840	2,168,073
Fixed deposit with licensed bank	6,000,000	103,705
	<u>7,923,840</u>	<u>2,271,778</u>

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

31 January 2001

1. GENERAL INFORMATION

a) Employee information

	Group		Company	
	2001	2000	2001	2000
No. of employees at end of the financial year	1,313	296	369	189
Staff costs (RM)				
Amount charged to income statement	4,489,696	1,631,753	916,338	1,631,753
Amount capitalised in assets	3,857,663	1,513,194	-	-
Total staff costs	8,347,359	3,144,947	916,338	1,631,753

b) 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.

c) The address of the registered office of the Company is as follows :

Unit No. 203, 2nd Floor
Block C, Damansara Intan
No. 1, Jalan SS 20/27
47400 Petaling Jaya

d) The address of the principal place of business of the Company is as follows :

Lot 18.01, 18th Floor, Public Bank Tower,
19, Jalan Wong Ah Fook,
80000 Johor Bahru,
Johor.

2. BASIS OF ACCOUNTING

The financial statements of the Group and of the Company are prepared under the historical cost convention (as modified by the revaluation of certain properties and investment in subsidiary companies) and comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Subsidiary companies and basis of consolidation

Investment in subsidiary companies is stated at cost or valuation. A company is considered as a subsidiary when the Company owns directly or indirectly more than one half of the voting power of that company or the Company controls the composition of the board of directors or equivalent governing body.

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. The results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the date of their acquisition or up to the date of their disposal. All inter-company transactions and balances are eliminated on consolidation.

Notes to the Financial Statements

31 January 2001 (Cont'd)

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- b) Goodwill or reserve on consolidation represents the difference between the acquisition cost of shares in the subsidiary companies and the fair value of the attributable net assets acquired at the date of acquisition. No amortisation is provided on goodwill or reserve on consolidation.

The carrying amount is reviewed annually, and goodwill is written down when, in the opinion of the directors, its value has deteriorated or when it ceases to have a useful life.

- c) Property, plant and equipment

Freehold land is stated at cost plus incidental expenditure on acquisition. No depreciation is provided on freehold land.

Long leasehold estate land are stated at valuation. A long lease is a lease with an unexpired period of 50 years or more. No amortisation or depreciation is provided on long leasehold estate land.

Plantation development expenditure represents pre-cropping costs (including interest) incurred from the commencement of development to the date of maturity of the rootstock. Plantation development expenditure is capitalised at cost and amortised over a period of 15 to 20 years commencing from the date of maturity of the rootstock.

Other property, plant and equipment, including those transferred from the holding company and a related company are stated at cost less accumulated depreciation and amortisation. Depreciation and amortisation are calculated on the straight line method so as to write off the cost of the property, plant and equipment over their estimated useful lives at the following annual rates :

Buildings	2%
Plantation development expenditure	5% to 6.7%
Plant and machinery	10%
Equipment, furniture and fittings	10%
Motor vehicles	20%

Work-in-progress on property, plant and equipment are stated at cost incurred to balance sheet date and no depreciation is provided on these assets until they are completed and brought into use.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statement. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred.

- d) Deferred expenditure

Incorporation expenses incurred by individual subsidiary companies are shown as preliminary expenses while expenses incurred subsequent to the date of incorporation but before commencement of operations are shown as pre-operating expenses. Following the adoption of MASB Standard 1, preliminary and pre-operating expenses have been written off to the income statement in the current financial year.

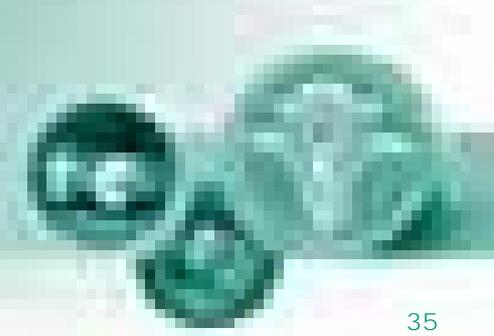
In previous years, both preliminary and pre-operating expenses were written off in the year the company commences profitable operations. However, when in the opinion of the directors, there were no future benefits to be derived, the amount was written off to the income statement.

- e) Inventories

Finished goods are stated at the lower of cost and net realisable value on a first-in-first-out basis. Cost being the average cost, consists of materials, labour and attributable overheads in bringing the inventories to their present location and condition. In arriving at net realisable value, due allowance is made for all damaged, obsolete and slow moving items.

Notes to the Financial Statements

31 January 2001 (Cont'd)



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Inventories (cont'd)

Nursery stocks are valued at cost on a first-in-first-out basis. Cost includes cost of seedlings, labour, materials and attributable overheads in bringing the nursery stocks to their present location and condition.

Building materials, supplies, spare parts and consumables are valued at cost on the weighted average basis.

f) Revenue recognition

Sales are recognised upon delivery of products and after customer acceptance, if any, net of discounts and returns.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on a time proportion basis and takes into account the effective yield of the interest bearing asset.

Management fee income is recognised on the accrual basis in accordance with the substance of the agreement.

g) Development expenditure

Development expenditure on bio-fertilizers is carried forward at cost and is to be written off to the income statement when the commercial sale of bio-fertilizers commences.

h) Investments

Quoted and unquoted investments which are held as long term investments are stated at cost. Allowance is made for diminution in value which is considered to be permanent. The market value of the quoted investments is calculated based on the last transacted prices of these investments quoted in the respective stock exchanges at the balance sheet date.

i) Interest capitalisation

Interest incurred on borrowings related to plant and equipment and plantation development is capitalised during the period when activities to plan, develop and construct the assets are undertaken. Capitalisation ceases when the assets are ready for their intended use.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

k) Deferred taxation

Deferred taxation is provided using the liability method for all material timing differences except where no liability is expected to arise in the foreseeable future. However, where timing differences result in net deferred tax benefits, the tax effects will generally be recognised upon actual realisation.

l) Debtors

Known bad debts are written off and specific allowance is made for any debts considered to be doubtful of collection.

m) Dividends

Interim dividends are accounted for in shareholders' equity as an appropriation of retained earnings in the period when they are paid. Final dividends are not accounted for until approved at the Annual General Meeting.

Notes to the Financial Statements

31 January 2001 (Cont'd)

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4. PROPERTY, PLANT AND EQUIPMENT

Group

	<u>Properties</u> RM	<u>Plant and machinery</u> RM	<u>Equipment, furniture and fittings</u> RM	<u>Motor vehicles</u> RM	<u>Total</u> RM
<u>2001</u>					
<u>Cost and valuation</u>					
As at 1 February 2000					
- Cost	27,906,752	1,859,642	307,189	2,648,255	32,721,838
Arising from acquisition of subsidiaries	61,902,752	35,545,142	4,700,575	5,079,577	107,228,046
Additions					
- Revaluation surplus	34,559,594	-	-	-	34,559,594
- Cost	18,807,243	1,714,266	498,150	988,145	22,007,804
	53,366,837	1,714,266	498,150	988,145	56,567,398
Disposals	-	-	-	-	-
As at 31 January 2001					
- Revaluation surplus	34,559,594	-	-	-	34,559,594
- Cost	108,616,747	39,119,050	5,505,914	8,715,977	161,957,688
	143,176,341	39,119,050	5,505,914	8,715,977	196,517,282
<u>Accumulated depreciation</u>					
As at 1 February 2000	3,729,861	515,415	97,148	1,454,541	5,796,965
Arising from acquisition of subsidiaries	1,221,183	14,100,162	1,042,683	1,818,012	18,182,040
Charge for the year	529,778	1,197,268	203,199	973,171	2,903,416
Disposals	-	-	-	-	-
As at 31 January 2001	5,480,822	15,812,845	1,343,030	4,245,724	26,882,421
<u>Net book value</u>					
As at 31 January 2001	137,695,519	23,306,205	4,162,884	4,470,253	169,634,861
<u>2000</u>					
<u>Cost</u>					
As at 1 February 1999	23,733,613	1,712,779	219,929	1,936,318	27,602,639
Additions	4,173,139	146,863	87,260	720,337	5,127,599
Disposals	-	-	-	(8,400)	(8,400)
As at 31 January 2000	27,906,752	1,859,642	307,189	2,648,255	32,721,838
<u>Accumulated depreciation</u>					
As at 1 February 1999	3,393,207	423,102	83,852	1,075,127	4,975,288
Charge for the year	336,654	92,313	13,296	387,813	830,076
Disposals	-	-	-	(8,399)	(8,399)
As at 31 January 2000	3,729,861	515,415	97,148	1,454,541	5,796,965
<u>Net book value</u>					
As at 31 January 2000	24,176,891	1,344,227	210,041	1,193,714	26,924,873

Notes to the Financial Statements

31 January 2001 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Properties consist of :

	<u>2001</u>	<u>2001</u>	<u>2000</u>	<u>2000</u>
	<u>Cost/Valuation</u>	<u>Net book</u>	<u>Cost</u>	<u>Net book</u>
	RM	value	RM	value
		RM		RM
<u>Freehold</u>				
At cost :				
Land	8,000,000	8,000,000	-	-
Buildings	4,453,746	3,827,195	-	-
Buildings under construction	118,267	118,267	-	-
Roads, culverts and fencing	2,882,094	2,105,170	-	-
<u>Long leasehold</u>				
At cost :				
Land	39,842,492	39,842,492	9,455,575	9,455,575
Buildings	4,348,234	3,610,900	3,330,667	2,645,809
Buildings under construction	1,664,381	1,664,381	505,949	505,949
Plantation development expenditure	37,775,077	34,435,064	14,614,561	11,569,558
At valuation :				
Land - Original cost	9,532,456	9,532,456	-	-
- Revaluation surplus	34,559,594	34,559,594	-	-
	<u>143,176,341</u>	<u>137,695,519</u>	<u>27,906,752</u>	<u>24,176,891</u>

Certain properties are pledged with licensed banks to secure loan facilities granted to subsidiary companies (Note 20).

As at 31 January 2001, the titles of certain parcels of long leasehold land of subsidiary companies with carrying value totalling approximately RM32,000,000 (2000 : RM2,300,000) have not been sub-divided and/or registered in the names of the respective subsidiary companies.

	<u>2001</u>	<u>2000</u>
	RM	RM
Included in the addition of plantation development expenditure during the year are :		
Depreciation	916,313	180,502
Interest	<u>250,323</u>	<u>-</u>

Notes to the Financial Statements

31 January 2001 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company

	<u>Long leasehold properties</u> RM	<u>Plant and machinery</u> RM	<u>Equipment, furniture and fittings</u> RM	<u>Motor vehicles</u> RM	<u>Total</u> RM
<u>2001</u>					
<u>Cost and valuation</u>					
As at 1 February 2000					
- Cost	18,637,627	1,332,067	286,343	2,019,955	22,275,992
Additions					
- Revaluation surplus	17,329,818	-	-	-	17,329,818
- Cost	575,658	88,181	369,858	84,821	1,118,518
	17,905,476	88,181	369,858	84,821	18,448,336
Disposals	-	-	-	-	-
As at 31 January 2001					
- Valuation	17,329,818	-	-	-	17,329,818
- Cost	19,213,285	1,420,248	656,201	2,104,776	23,394,510
	36,543,103	1,420,248	656,201	2,104,776	40,724,328
<u>Accumulated depreciation</u>					
As at 1 February 2000	3,729,861	415,220	94,478	1,279,121	5,518,680
Charge for the year	340,128	46,754	26,693	269,836	683,411
Disposals	-	-	-	-	-
As at 31 January 2001	4,069,989	461,974	121,171	1,548,957	6,202,091
<u>Net book value</u>					
As at 31 January 2001	32,473,114	958,274	535,030	555,819	34,522,237
<u>2000</u>					
<u>Cost</u>					
As at 1 February 1999	17,725,389	1,238,403	214,070	1,687,518	20,865,380
Additions	912,238	93,664	72,273	340,837	1,419,012
Disposals	-	-	-	(8,400)	(8,400)
As at 31 January 2000	18,637,627	1,332,067	286,343	2,019,955	22,275,992
<u>Accumulated depreciation</u>					
As at 1 February 1999	3,393,207	375,665	83,266	1,025,367	4,877,505
Charge for the year	336,654	39,555	11,212	262,153	649,574
Disposals	-	-	-	(8,399)	(8,399)
As at 31 January 2000	3,729,861	415,220	94,478	1,279,121	5,518,680
<u>Net book value</u>					
As at 31 January 2000	14,907,766	916,847	191,865	740,834	16,757,312

Notes to the Financial Statements

31 January 2001 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Long leasehold properties consist of :

	2001		2000	
	<u>Cost/Valuation</u> RM	<u>Net book value</u> RM	<u>Cost</u> RM	<u>Net book value</u> RM
At cost :				
Buildings	3,834,434	3,104,458	3,330,667	2,645,809
Buildings under construction	222,590	222,590	151,284	151,284
Plantation development expenditure	9,545,860	6,205,847	9,545,275	6,500,272
At valuation :				
Land				
- Original cost	5,610,401	5,610,401	5,610,401	5,610,401
- Revaluation surplus	17,329,818	17,329,818	-	-
	<u>36,543,103</u>	<u>32,473,114</u>	<u>18,637,627</u>	<u>14,907,766</u>

Certain freehold and long leasehold land of the Group and of the Company were revalued by the directors in the financial year 2001 based on valuations carried out by a firm of independent professional valuers on a fair market value basis on 18 June 1999 and approved by the Securities Commission. The book values of the land were adjusted to the revaluations and the resultant surpluses were credited to revaluation reserve.

5. SUBSIDIARY COMPANIES

a) The subsidiary companies which are incorporated in Malaysia are as follows :

<u>Name of subsidiary company</u>	<u>Effective holding</u>		<u>Principal activity</u>
	<u>2001</u> %	<u>2000</u> %	
Suhenson Estate Sdn. Bhd.	100	100	Owning and letting of leasehold land
Selokan Sdn. Bhd.	100	100	Owning and letting of leasehold land
Syarikat Kong Fen Shin & Sons Sdn. Bhd.	100	100	Owning and letting of leasehold land
Lokan Development Sdn. Bhd.	100	100	Owning and letting of leasehold land
Desa Kim Loong Plantations Sdn. Bhd.	70	70	Cultivation of oil palm
Tyeco Corporation Sdn. Bhd.	100	-	Dormant
Winsome Plantations Sdn. Bhd.	80	-	Dormant
Desa Kim Loong Industries Sdn. Bhd.	70	-	Manufacturing of concrete culvert
Kim Loong Corporation Sdn. Bhd.	100	-	Investment holding
Okidville Holdings Sdn. Bhd.*	100	-	Cultivation of oil palm and investment holding

Notes to the Financial Statements

31 January 2001 (Cont'd)

5. SUBSIDIARY COMPANIES (cont'd)

<u>Name of subsidiary company</u>	<u>Effective holding</u>		<u>Principal activity</u>
	<u>2001</u> %	<u>2000</u> %	
Desa Okidville Sdn. Bhd.*	51	-	Cultivation of oil palm and investment holding
Desa Kim Loong Palm Oil Sdn. Bhd. *	70	-	Intended for processing and marketing of oil palm products
Kim Loong Palm Oil Sdn. Bhd.	100	-	Trading of fresh fruit bunches and investment holding
Kim Loong Palm Oil Mills Sdn. Bhd. **	100	-	Processing and marketing of oil palm products
Sungkit Enterprise Sdn. Bhd. **	100	-	Processing and trading of palm kernel products
Kim Loong Evergrow Sdn. Bhd. **	51	-	Manufacturing of compost fertilizers
Okidville Manufacturing Sdn. Bhd.	100	-	Investment holding

* subsidiary of Kim Loong Corporation Sdn. Bhd.

** subsidiary of Kim Loong Palm Oil Sdn. Bhd.

b) Investment in subsidiary companies consist of unquoted shares as follows :

	<u>2001</u> RM	<u>2000</u> RM
At valuation	16,837,464	-
At cost	39,740,718	1,563,604
	<u>56,578,182</u>	<u>1,563,604</u>

The original cost of unquoted shares at valuation amounts to RM1,693,604 (2000 : RM1,563,604).

All long leasehold land of certain subsidiary companies were revalued by a firm of independent professional valuers on a fair market value basis on 18 June 1999. Based on this valuation which was approved by the Securities Commission, the directors revalued the investment in subsidiary companies. The book values of the investment in subsidiary companies were adjusted to the revaluations and the resultant surpluses were credited to revaluation reserve.

Notes to the Financial Statements

31 January 2001 (Cont'd)

6. QUOTED INVESTMENTS

Group

	<u>2001</u>		<u>2000</u>	
	<u>Cost</u> RM	<u>Market value</u> RM	<u>Cost</u> RM	<u>Market value</u> RM
Shares quoted in Malaysia	8,788,167	5,890,950	-	-
Less diminution in value	(1,463,452)	-	-	-
	7,324,715	5,890,950	-	-
Shares quoted outside Malaysia	95,957	84,600	-	-
Less diminution in value	(22,990)	-	-	-
	72,967	84,600	-	-
	<u>7,397,682</u>	<u>5,975,550</u>	<u>-</u>	<u>-</u>

7. DEVELOPMENT EXPENDITURE

	<u>2001</u> RM	<u>2000</u> RM
Arising from aquisition of subsidiaries	158,195	-
Incurred during the year	51,172	-
As at 31 January	<u>209,367</u>	<u>-</u>

The development expenditure relates to expenditure incurred in developing waste from the palm oil mill into bio-fertilizers.

8. DEFERRED EXPENDITURE

Group

	<u>2001</u> RM	<u>2000</u> RM
As at 1 February 2000/1999	28,135	28,135
Arising from acquisition of subsidiaries	70,456	-
Written off	(98,591)	-
As at 31 January 2001/2000	<u>-</u>	<u>28,135</u>

9. INVENTORIES

	<u>Group</u>		<u>Company</u>	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
<u>At cost :</u>				
Finished goods	141,266	-	50,880	-
Nursery stocks	97,502	167,366	97,502	118,953
Building materials, supplies, spare parts and consumables	2,966,957	284,034	395,289	214,834
	<u>3,205,725</u>	<u>451,400</u>	<u>543,671</u>	<u>333,787</u>
<u>At realisable value :</u>				
Finished goods	3,198,494	-	-	-
	<u>6,404,219</u>	<u>451,400</u>	<u>543,671</u>	<u>333,787</u>

Notes to the Financial Statements

31 January 2001 (Cont'd)

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10. OTHER DEBTORS AND DEPOSITS

Company

Included in other debtors are advances totalling RM1,130,784 (2000 : RM1,130,784) to a related party, Korporasi Pembangunan Desa, a minority shareholder of a subsidiary company.

The advances are unsecured, interest-free and with no fixed term of repayment.

11. AMOUNT OWING TO A RELATED COMPANY

Group and Company

The amount owing to a related company, Kim Loong Plantations Sdn. Bhd., which is a subsidiary of the holding company, resulted from transactions entered into in the normal course of business; except for the advances of RM816,723 (2000 : RM816,723) which is unsecured, interest-free and with no fixed term of repayment.

12. AMOUNT OWING TO A RELATED PARTY

Group

The amount owing to a related party, Desa Cattle (S) Sdn. Bhd., a minority shareholder of a subsidiary company, is unsecured, interest-free and with no fixed term of repayment.

13. SHARE CAPITAL

	<u>2001</u> RM	<u>2000</u> RM
Authorised - 500,000,000 ordinary shares of RM1 each		
As at 1 February 2000/1999	25,000	25,000
Created during the year	499,975,000	-
As at 31 January 2001/2000	<u>500,000,000</u>	<u>25,000</u>
Issued and fully paid - 106,750,000 ordinary shares of RM1 each		
As at 1 February 2000/1999	10,000	10,000
Issued during the year	106,740,000	-
As at 31 January 2001/2000	<u>106,750,000</u>	<u>10,000</u>

14. RESERVES

	<u>Group</u>		<u>Company</u>	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Share premium (Note 15)	29,742,206	-	29,742,206	-
Revaluation reserve (Note 16)	107,509	-	102,678	-
Reserve on consolidation (Note 17)	11,355,980	-	-	-
Retained profits	21,405,710	12,128,037	15,500,045	12,202,824
	<u>62,611,405</u>	<u>12,128,037</u>	<u>45,344,929</u>	<u>12,202,824</u>

Notes to the Financial Statements

31 January 2001 (Cont'd)

15. SHARE PREMIUM (UNDISTRIBUTABLE)

Group and Company

	<u>2001</u> RM	<u>2000</u> RM
a) Issue of 28,112,000 ordinary shares of RM1 each at an issue price of RM1.20 per share to acquire Kim Loong Palm Oil Sdn. Bhd., Kim Loong Corporation Sdn. Bhd. and Okidville Manufacturing Sdn. Bhd.	5,622,400	-
b) Issue of 28,142,000 ordinary shares of RM1 each at an issue price of RM1.80 per share in respect of restricted issue to Bumiputera investors	22,513,600	-
c) Issue of 4,496,000 ordinary shares of RM1 each at an issue price of RM1.80 per share in respect of public issue	3,596,800	-
	<u>31,732,800</u>	<u>-</u>
Less : Listing expenses	(1,990,594)	-
As at 31 January 2001/2000	<u>29,742,206</u>	<u>-</u>

16. REVALUATION RESERVE (UNDISTRIBUTABLE)

	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Revaluation surplus arising from revaluation of :				
- landed properties	32,478,509	-	17,329,818	-
- investment in subsidiary companies	-	-	15,143,860	-
	<u>32,478,509</u>	<u>-</u>	<u>32,473,678</u>	<u>-</u>
Less : Bonus issue	(32,371,000)	-	(32,371,000)	-
	<u>107,509</u>	<u>-</u>	<u>102,678</u>	<u>-</u>

17. RESERVE ON CONSOLIDATION (UNDISTRIBUTABLE)

Group

	<u>2001</u> RM	<u>2000</u> RM
Reserve on consolidation arising from acquisition of subsidiary companies	<u>11,355,980</u>	<u>-</u>

Notes to the Financial Statements

31 January 2001 (Cont'd)

18. AMOUNT OWING TO HOLDING COMPANY

Group and Company

The amount owing to holding company is unsecured and interest-free and not repayable within 12 months.

19. AMOUNT OWING TO RELATED PARTIES

Group

	<u>2001</u> RM	<u>2000</u> RM
Desa Cattle (S) Sdn. Bhd.	5,240,765	-
Korporasi Pembangunan Desa	<u>1,139,246</u>	<u>1,139,246</u>
	<u>6,380,011</u>	<u>1,139,246</u>

The amounts owing to related parties, who are minority shareholders of subsidiary companies, are unsecured, interest-free and not repayable within 12 months.

20. BANK BORROWINGS (SECURED)

Group

	Limit RM	<u>Amount utilised</u>	
		<u>2001</u> RM	<u>2000</u> RM
Term loan	25,000,000	5,764,385	-
Revolving credit	2,000,000	-	-
Overdraft 1	3,000,000	-	-
Overdraft 2	8,310,000	-	-
Trade facilities	<u>2,000,000</u>	-	-
	<u>40,310,000</u>	<u>5,764,385</u>	<u>-</u>
Current		-	-
Non-current		<u>5,764,385</u>	-
		<u>5,764,385</u>	<u>-</u>

The above borrowings carry interest ranging from 8.3% (2000 : NIL) to 9.25% (2000 : NIL).

The facilities extended by a financial institution are secured by way of :

- a) a deed of assignment to assign all rights title and interest over a property of a subsidiary company; and
- b) fixed and floating charges over all the assets of certain subsidiary companies

Term loan is repayable over 48 quarterly instalments commencing 3 months after full draw down or on the 52nd month from the date of the first draw down, whichever is earlier.

Notes to the Financial Statements

31 January 2001 (Cont'd)

21. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
As at 1 February 2000/1999	1,155,000	1,177,000	1,155,000	1,177,000
Arising from acquisition of subsidiaries	678,000	-	-	-
Transfer to income statement	(581,000)	(22,000)	(455,000)	(22,000)
As at 31 January 2001/2000	<u>1,252,000</u>	<u>1,155,000</u>	<u>700,000</u>	<u>1,155,000</u>
Deferred tax liability not provided for :				
Tax effect on timing differences which are not expected to reverse in the foreseeable future in respect of excess of capital allowances over depreciation				
	<u>6,068,000</u>	<u>859,000</u>	<u>1,500,000</u>	<u>859,000</u>

22. REVENUE

	<u>Group</u>		<u>Company</u>	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Sales of :				
- Fresh fruit bunches	8,264,061	11,763,312	8,264,061	11,763,312
- Crude palm oil	84,561,393	-	-	-
- Palm kernel oil	21,342,739	-	-	-
- Palm kernel expeller	1,544,735	-	-	-
- Others	928,099	266,038	161,702	258,792
	<u>116,641,027</u>	<u>12,029,350</u>	<u>8,425,763</u>	<u>12,022,104</u>

Notes to the Financial Statements

31 January 2001 (Cont'd)

23. PROFIT FROM OPERATIONS

	<u>Group</u>		<u>Company</u>	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
The following items have been charged/ (credited) in arriving at profit from operations				
Auditors' remuneration				
- current	69,100	21,600	15,000	15,000
- prior year's under provision	16,800	-	-	-
Amortisation of plantation development expenditure	295,010	295,009	295,010	295,009
Depreciation	2,938,075	354,565	388,401	354,565
Deferred expenditure written off	98,591	-	-	-
Directors' remuneration	-			
- fees	137,000	-	60,000	-
- other emoluments	188,798	-	-	-
Rental	49,925	15,659	49,925	15,659
Staff costs	4,489,696	1,631,753	916,338	1,631,753
Interest received	(580,626)	(2,055)	(321,006)	(2,055)
Gain on disposal of plant and equipment	-	(1,999)	-	(1,999)
Gross dividend income from investments quoted				
- in Malaysia	(179,750)	-	-	-
- outside Malaysia	(974)	-	-	-
	<u>3,604,463</u>	<u>1,502,749</u>	<u>835,000</u>	<u>1,499,635</u>

24. INCOME TAX EXPENSE

	<u>Group</u>		<u>Company</u>	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Current year provision	4,198,475	1,527,114	1,290,000	1,524,000
Over-provision in prior year	(13,012)	(2,365)	-	(2,365)
Deferred taxation	(581,000)	(22,000)	(455,000)	(22,000)
	<u>3,604,463</u>	<u>1,502,749</u>	<u>835,000</u>	<u>1,499,635</u>

Notes to the Financial Statements

31 January 2001 (Cont'd)

Group

The effective tax rate is lower than the statutory tax rate due to the availability of reinvestment allowances and the excess of the current financial year's capital allowances over depreciation for which the timing differences are not expected to reverse in the foreseeable future.

Company

The effective tax rate of the Company is lower than the statutory tax rate due to the excess of the current financial year's capital allowances over depreciation for which the timing differences are not expected to reverse in the foreseeable future.

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax credit under Section 108(6) of the Income Tax Act 1967 and credit balance in the exempt income account to pay net dividends of approximately RM12,684,000 (2000 - RM9,426,000) out of retained profits without incurring additional tax liability.

25. EARNINGS PER SHARE

Group and Company

Earnings per share for the Group and the Company are calculated based on profit after taxation and minority interests of RM9,277,673 (2000 : RM4,367,228) and RM3,297,221 (2000 : RM4,406,684) respectively over the weighted average number of ordinary shares in issue during the financial year of 61,186,549 (2000 : 10,000).

26. DIVIDENDS

	<u>2001</u> RM	<u>2000</u> RM
Interim dividend of 2 sen per share on 106,750,000 shares, tax exempt (2000 : NIL)	2,135,000	-
Final dividend of 3 sen per share on 106,750,000 shares, tax exempt (2000 : NIL)	3,202,500	-
	<u>5,337,500</u>	<u>-</u>

The interim dividend which was paid after the end of the financial year, on 12 February 2001, is not reflected in these financial statements and will be accounted as an appropriation of retained profits from shareholders' equity in the financial year ending 31 January 2002.

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year of 3 sen per share, tax exempt (2000 : NIL) amounting to RM3,202,500 (2000 : NIL) will be proposed for shareholders' approval. These financial statements do not reflect this final dividend which, when approved by members, will be accounted for as an appropriation of retained profits from shareholders' equity in the financial year ending 31 January 2002.

Notes to the Financial Statements

31 January 2001 (Cont'd)

27. INTER-COMPANY AND RELATED PARTY TRANSACTIONS

	2001	
	<u>Group</u>	<u>Company</u>
	RM	RM
<u>With subsidiary companies :</u>		
<u>Desa Kim Loong Plantations Sdn. Bhd.</u>		
Management fees income	-	144,000
Interest income	-	227,693
Commission income	-	9,067
Income from hire of plant	-	123,230
Management fee expense	-	18,000
<u>Lokan Development Sdn. Bhd.</u>		
Lease rental charges	-	7,555
<u>Selokan Sdn. Bhd.</u>		
Lease rental charges	-	5,482
<u>Syarikat Kong Fen Shin & Sons Sdn. Bhd.</u>		
Lease rental charges	-	6,242
<u>Suhenson Estate Sdn. Bhd.</u>		
Lease rental charges	-	5,325
<u>With subsidiary companies of the holding company:</u>		
<u>Panoramic Industrial Development Sdn. Bhd.</u>		
Rental charges	6,525	6,525
<u>Kim Loong Plantations Sdn. Bhd.</u>		
Purchase of fresh fruit bunches (FFB)	1,929,765	-
<u>With companies in which at least one director has interest :</u>		
<u>Heng Yuen Sdn. Bhd.</u>		
Management fee expense	124,750	18,000
<u>Tacs Corporation Sdn. Bhd.</u>		
Tax consultancy	7,600	-
<u>Tacs Corporate Services Sdn. Bhd.</u>		
Secretarial fees	<u>18,821</u>	<u>12,801</u>

Notes to the Financial Statements

31 January 2001 (Cont'd)

28. SEGMENT INFORMATION

	<u>Turnover</u> RM	<u>Profit before taxation</u> RM	<u>Total assets</u> RM
<u>2001</u>			
Plantation division	8,676,970	4,109,738	141,108,945
Oil milling division	107,964,057	12,783,870	65,775,141
	<u>116,641,027</u>	<u>16,893,608</u>	<u>206,884,086</u>
<u>2000</u>			
Plantation division	12,029,350	5,866,910	32,435,851
Oil milling division	-	-	-
	<u>12,029,350</u>	<u>5,866,910</u>	<u>32,435,851</u>

No segmental reporting by geographical segment is required as the Group operates substantially in Malaysia.

29. SIGNIFICANT EVENTS

Pursuant to the listing of the Company on the Main Board of the Kuala Lumpur Stock Exchange on 27 November 2000, the following events and restructuring scheme were undertaken by the Company during the financial year :-

a) Increase of authorised share capital

The authorised share capital was increased from RM25,000 to RM500,000,000 by the creation of 499,975,000 ordinary shares of RM1 each.

b) Bonus issue

A bonus issue was made by issuing 32,371 new ordinary shares of RM1 each for every 10 ordinary shares held by capitalising RM32,371,000 from the revaluation surplus resulting in the increase in paid-up share capital of RM32,371,000.

c) Rights issue

A rights issue was made by allotting 13,619 new ordinary shares of RM1 each for every 10 shares held prior to the bonus issue mentioned in Note 29(b) above, resulting in the increase in paid-up share capital of RM13,619,000.

d) Acquisition of subsidiary companies

- (i) The entire issued and paid-up share capital of Kim Loong Corporation Sdn. Bhd. comprising 100,000 ordinary shares of RM1 each was acquired for a total purchase consideration of RM33,247,656 from the ultimate holding company, Sharikat Kim Loong Sendirian Berhad, satisfied partly by an issue of 11,910,000 new ordinary shares of RM1 each in the Company at the price of RM1.20 per share and the balance of RM18,955,656 in cash.

Notes to the Financial Statements

31 January 2001 (Cont'd)

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29. SIGNIFICANT EVENTS (cont'd)

- (ii) The entire issued and paid-up share capital of Kim Loong Palm Oil Sdn. Bhd. comprising 1,750,000 of RM1 each was acquired for a total purchase consideration of RM34,822,135 satisfied partly by an issue of 12,945,000 new ordinary shares of RM1 each in the Company at the price of RM1.20 per share and the balance of RM19,288,135 in cash.
- (iii) The entire issued and paid-up share capital of Okidville Manufacturing Sdn. Bhd. comprising 100,000 ordinary shares of RM1 each was acquired for a total purchase consideration of RM8,683,140 satisfied partly by an issue of 3,257,000 new ordinary shares of RM1 each in the Company at the price of RM1.20 per share and the balance of RM4,774,740 in cash.
- e) A restricted issue of 28,142,000 new ordinary shares of RM1 each to Bumiputera investors at an issue price of RM1.80 per share;
- f) A public issue of 4,496,000 new ordinary shares of RM1 each at an issue price of RM1.80 per share; and
- g) The listing and quotation of the Company's entire enlarged issued and paid-up share capital of RM106,750,000 comprising 106,750,000 ordinary shares of RM1 each on the Main Board of the Kuala Lumpur Stock Exchange.

30. EVENT SUBSEQUENT TO BALANCE SHEET DATE

Subsequent to the balance sheet date, the Company terminated a joint venture agreement entered into between the Company and YAM Tunku Naquiyuddin Ibni Tuanku Ja'afar to set up a joint venture company for the purpose of applying to the State Government of Pahang Darul Makmur for the alienation of approximately 35,000 acres of land in the Mukim of Endau, District of Rompin for development into an oil palm plantation.

The termination will not have any material effect on the net tangible assets or earnings of the Group for the financial year ending 31 January 2002.

31. COMPARATIVE FIGURES

The presentation of the financial statements for the current financial year has been changed to adopt the format as prescribed in MASB Standard No. 1 - Presentation of Financial Statements. Comparative figures (where necessary) have been reclassified or extended to conform with this presentation.

Analysis of Shareholdings

As at 30 April 2001

Authorised Share Capital	:	RM500,000,000
Issued and Fully Paid Up Capital	:	RM106,750,000
Class of Share	:	Ordinary shares of RM1 each fully paid

Shareholding of Category Capital	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued
Less than 500 shares	0	0.00	0	0.00
500 - 5,000 shares	3,128	92.52	4,231,000	3.96
5,001 - 10,000 shares	125	3.70	1,066,000	1.00
10,001 - 100,000 shares	95	2.80	3,150,000	2.95
100,001 - 1,000,000 shares	27	0.80	10,548,000	9.88
Over 1,000,000 shares	6	0.18	87,755,000	82.21
Total	3,381	100.00	106,750,000	100.00

TWENTY LARGEST SHAREHOLDERS (as per Register of Members)

Shareholder	No. of Shares	% of Issued Capital
Sharikat Kim Loong Sendirian Berhad	75,627,000	70.85
Malaysia Nominees (Tempatan) Sendirian Berhad - Pledged Securities Account for Mokhzani Bin Abdul Rahim (01-00744-000)	3,500,000	3.28
Malaysia Nominees (Tempatan) Sendirian Berhad - Pledged Securities Account for Johan Kuok Indot (01-00264-001)	3,000,000	2.81
Zainah Binti Ibrahim	2,605,000	2.44
Lembaga Tabung Angkatan Tentera	2,000,000	1.87
Malaysia Nominees (Tempatan) Sendirian Berhad - Pledged Securities Account for Mariam Binti Mahmood @ Kassim (10-00043-000)	1,023,000	0.96
Syarikat Nominee Bumiputra (Tempatan) Sdn. Bhd. - Pledged Securities Account for Koperasi Polis Diraja (M) Berhad (3309 Daya)	1,000,000	0.94
Mariam Binti Mahmood @ Kassim	965,000	0.90
Crescendo Overseas Corporation Sdn. Bhd.	882,000	0.83
Chellam Investments Sdn. Berhad	777,000	0.73
Quek Sai Luang	669,000	0.63
Mohd. Zamani Bin Samah	647,000	0.61
Hui Chee Wye	518,000	0.49
Amanah Raya Berhad - Kumpulan Modal Bumiputra Pahang	500,000	0.47
Yayasan Kelantan Darul Naim	500,000	0.47
Dexia JMF Asset Management Sdn. Bhd. - Ahmad Kamal Bin Abdullah Al- Yafii	455,000	0.43
Loo Geok Eng	410,000	0.38
Herng Yuen Sdn. Bhd.	388,000	0.36
Mayfin Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yayasan Kemiskinan Kelantan (MDTS)	320,000	0.30
Abu Seman Bin Hj. Yusop	300,000	0.28

Analysis of Shareholdings

As at 30 April 2001 (Cont'd)

SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)

Shareholder	No. of shares held or beneficially interested in		% of Issued capital	
	Direct	Indirect	Direct	Indirect
Sharikat Kim Loong Sendirian Berhad	75,627,000	-	70.85	-
Malaysia Nominees (Tempatan) Sdn. Bhd.	7,523,000*	-	7.05	-
Zainah Binti Ibrahim	2,605,000	-	2.44	-
Loo Geok Eng	410,000	76,897,000**	0.38	72.04
Gooi Seong Lim	220,000	76,897,000**	0.21	72.04
Gooi Seong Heen	170,000	76,897,000**	0.16	72.04
Gooi Seong Gum	150,000	76,897,000**	0.14	72.04
Gooi Seong Chneh	210,000	76,897,000**	0.20	72.04
Gooi Seow Mee	210,000	76,897,000**	0.20	72.04

Notes:-

- * Held as bare trustees for Mokhzani Bin Abdul Rahim (3,500,000 Shares); Johan Kuok Indot (3,000,000 Shares) and Mariam Binti Mahmood @ Kassim (1,023,000 Shares).
- ** Deemed interest by virtue of their interest in Sharikat Kim Loong Sendirian Berhad (75,627,000 Shares), Crescendo Overseas Corporation Sdn. Bhd. (882,000 Shares) and Heng Yuen Sdn. Bhd. (388,000 Shares).

Particulars of Properties

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Beneficial owner / Location	Tenure-leasehold-interest expiring on	Description and existing use	Land area (acres)	Approx- age of building	Net book value as at 31 January 2001 RM'000
Kim Loong Resources Berhad					
- CL 085311253	31/12/2077	Oil palm plantation	199.80		1,555
- CL 085313079	31/12/2078		949.50		7,381
District of Labuk/Sugut, Sabah					
Kim Loong Resources Berhad					
- CL 095317552	31/12/2085	Oil palm plantation	15.00		116
- CL 095317561	31/12/2085		14.66		114
- CL 095315058	31/12/2085		749.70		5,734
- CL 095317436	31/12/2087		35.21		327
- CL 095310777	31/12/2078		978.00		7,608
- CL 095315049	31/12/2085		849.80		6,609
- CL 095316957	31/12/2086		199.70		1,471
- CL 095310428	31/12/2077		200.30		938
District of Kinabatangan, Sabah					
Selokan Sdn Bhd					
- CL 085311306	31/12/2077	Oil palm and cocoa plantation	300.10		2,267
District of Labuk/Sugut, Sabah					
Lokan Development Sdn Bhd					
- CL 095310526	31/12/2077	Oil palm and cocoa plantation	602.30		4,550
District of Kinabatangan, Sabah					
Suhenson Estate Sdn Bhd					
- CL 085311315	31/12/2077	Oil palm and cocoa plantation	253.30		1,913
District of Labuk/Sugut, Sabah					
Syarikat Kong Fen Shin & Son Sdn Bhd					
- CL 085311244	31/12/2077	Oil palm and cocoa plantation	411.50		3,108
District of Labuk/Sugut, Sabah					
Desa Kim Loong Industries Sdn Bhd					
Sook, District of Keningau, Sabah		Culvert plant	(1)	1 year	159

Particulars of Properties (Cont'd)

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Beneficial owner / Location	Tenure- leasehold- interest expiring on	Description and existing use	Land area (acres)	Approx- age of building	Net book value as at 31 January 2001 RM'000
Desa Kim Loong Plantations Sdn Bhd					
- CL 095317123 District of Kinabatangan, Sabah	31/12/2086	Oil palm plantation	4,000.00 ⁽²⁾		17,455
Okidville Holdings Sdn Bhd					
- CL 135328782 Sook, District of Keningau, Sabah	31/12/2083	Oil palm plantation	6,850.00		26,064
- CL 135320295 Mile 32, Keningau-Pensiangan Keningau, Sabah	31/12/2077	Jungle land for oil palm plantation	389.00 ⁽³⁾		389
Desa Okidville Sdn Bhd					
- CL 135345069 Sook, District of Keningau, Sabah	31/12/2080	Being planted with oil palm	10,781.00 ⁽³⁾		34,069
Desa Kim Loong Palm Oil Sdn Bhd					
- CL 135345069 Sook, District of Keningau, Sabah	31/12/2080	Designated for palm oil mill	100 ⁽³⁾		1,197
Kim Loong Palm Oil Mills Sdn Bhd					
- HS (D) 15057 Kota Tinggi, Johor	Freehold	Palm oil mill	59.74	4 years	14,051
Total			<u>27,938.61</u>		<u>137,696</u>

(1) This building is sited on the leasehold land CL 135345069 owned by Desa Kim Loong Palm Oil Sdn Bhd.

(2) Desa Kim Loong Plantations Sdn Bhd is the registered owner of 4000/4996 undivided share in the land.

(3) The land are still registered in the name of the vendors pending the registration of the relevant transfer in favour of the respective companies

Form of Proxy



KIM LOONG
RESOURCES BERHAD
(22703-K)(Incorporated In Malaysia)

No. of Shares held

I/We, _____ of _____ being a member of the abovenamed Company do hereby appoint _____ of _____ or failing whom, _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the Twenty-sixth Annual General Meeting of the Company to be held at Classics 2, Level 3, Holiday Villa Subang, No. 9, Jalan SS 12/1, Subang Jaya. 47500 Petaling Jaya on 27th July, 2001 at 10.00 a.m. and at any adjournment thereof in the manner as indicated below:-

No.	Resolution	For	Against
1.	Adoption of Reports and Audited Financial Statements		
2.	Payment of final dividend		
3.	Payment of Directors' fees		
4.	Re-appointment of Director: Datuk Haji Mohd. Zamani bin Samah		
5.	Re-appointment of Director: Mdm. Loo Geok Eng		
6.	Re-election of Director: Mr. Gooi Seong Lim		
7.	Re-election of Director: Mr. Gooi Seong Heen		
8.	Re-election of Director: Mr. Gooi Seong Chneh		
9.	Re-election of Director: Mr. Gan Kim Guan		
10.	Re-appointment of Auditors		
11.	Authority to issue shares		

(Please indicate with an 'X' in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given this form will be taken to authorise the proxy to vote at his/her discretion.)

Signed this _____ day of _____, 2001

Signature of Member _____

NOTES:

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of him.

To be valid, this form duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

If the appointor is a corporation, this form must be executed under its common seal or under the hand of the attorney.

Please fold here

Affix
stamp
here

The Secretary
KIM LOONG RESOURCES BERHAD
Unit No. 203, 2nd Floor, Block C,
Damansara Intan,
No. 1, Jalan SS 20/27,
47400 Petaling Jaya.

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