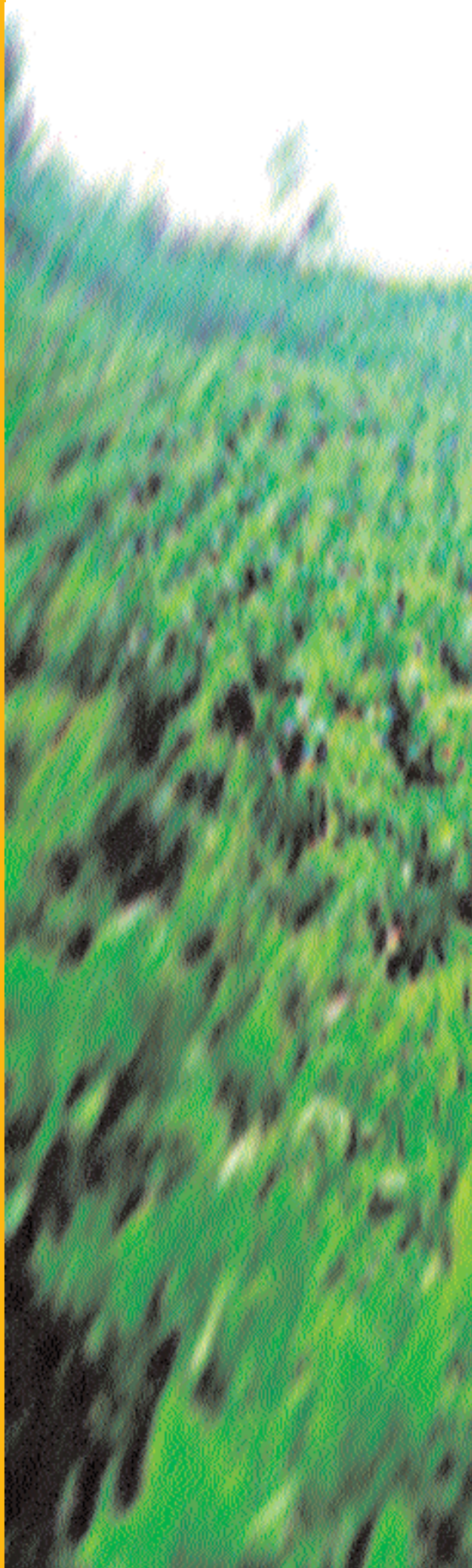


#### Cover Rational

"A VISION OF SUCCESS"... Sarawak Oil Palms Bhd has grown from strength to strength in the recent years. The cover illustration depicts our vision to further build on that achievement. Sarawak Oil Palms Bhd is dedicated to realizing a dream of expansion and growth, the oil ripples represent our "VISION OF GROWTH"





# kandungan

<b>3</b>	<i>Notis Mesyuarat Agung Tahunan</i>
<b>6</b>	<i>Maklumat Korporat</i>
<b>9</b>	<i>Laporan Jawatankuasa Audit</i>
<b>19</b>	<i>Kenyataan Pengerusi</i>
<b>57</b>	<i>Laporan Pengarah</i>
<b>60</b>	<i>Penyata Para Pengarah</i>
<b>61</b>	<i>Akuan Berkanun</i>
<b>62</b>	<i>Laporan Juruaudit kepada Ahli-ahli</i>

# contents

<b>2</b>	Notice of Annual General Meeting
<b>4</b>	Statement Accompanying Notice
<b>6</b>	Corporate Information
<b>8</b>	Audit Committee Report
<b>16</b>	Profile of Board of Directors
<b>18</b>	Chairman's Statement
<b>22</b>	Corporate Governance Statement
<b>26</b>	5 Year Company Statistical Highlights
<b>27</b>	Financial Statements
<b>28</b>	Directors Report
<b>31</b>	Statement by the Directors
<b>32</b>	Statutory Declaration
<b>33</b>	Report of the Auditors to the Members
<b>34</b>	Balance Sheet
<b>35</b>	Income Statement
<b>36</b>	Statement of Changes in Equity
<b>37</b>	Cash Flow Statement
<b>38</b>	Notes to the Financial Statement
<b>52</b>	Five Year Financial Record
<b>53</b>	Five Year Crop Record
<b>54</b>	Properties of the Group
<b>55</b>	Shareholding Statement
<b>63</b>	Form of Proxy





notice of annual general meeting  
notis mesyuarat agung tahunan

NOTICE IS HEREBY GIVEN THAT the Thirty-Fourth Annual General Meeting of the Company will be held at the Ballroom 1 (4th Floor), Mega Hotel, Lot 907 Jalan Merbau, 98008 Miri, Sarawak on 18th June 2002 at 10.00 am for the following purposes:-

**AGENDA**

1. To receive and adopt the annual accounts for the year ended 31st December 2001 and the Reports of the Directors and Auditors thereon.
2. To declare a Final Dividend in respect of the financial year ended 31st December 2001 as recommended by the Directors.
3. To approve payment of Directors' fees in respect of the financial year ended 31st December 2001.
4. To re-elect the following Directors who retire pursuant to Article 95 and 101 of the Company's Articles of Association and being eligible, offer themselves for re-election.  
Fong Tshu Kwong @ Fong Tshun Kwong  
Lai Yew Hock  
Wong Ngie Yong
5. To re-appoint Messrs. KPMG as auditors of the Company and to authorise the Board of Directors to fix their remuneration.
6. As Special Business

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:-  
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature

"THAT, subject always to the Listing Requirements of the Kuala Lumpur Stock Exchange, approval be and is hereby given to the Company and/or its subsidiary companies to enter into Recurrent Related Party transactions of a revenue or trading nature with those Related Parties as stated in the Circular to Shareholders dated 27 May 2002, which are necessary for its day-to-day operations subject further to the following :-

- a) That the transactions are in the ordinary course of business and are made on an arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those available to the public and not to the detriment of the minority shareholders ; and
  - b) That disclosure will be made in the annual report of the Company of the breakdown of the aggregate value of transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandate during the financial year based on information such as the type of the Recurrent Transactions made and the names of the related parties involved in each type of the Recurrent Transactions made and their relationship with the company.
  - c) That such approval shall continue to be in force until:-
    - (i) the conclusion of the next Annual General Meeting ("AGM") of the Company ;
    - (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to section 143(1) of the Companies Act, 1965 ("Acts") but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or
    - (iii) revoked or varied by resolution passed by the shareholders in a general meeting, whichever is the earlier;
7. To transact any other business for which due notice shall be given.

notis mesyuarat agung tahunan

By Order of the Board

Eric Kiu Kwong Seng  
Secretary  
LS007062

Miri  
27 May 2002

annual general

Notes:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of its attorney.
3. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. The Form of Proxy must be deposited to either of the following offices not less than forty eight (48) hours before the time appointed for holding the meeting:
  - (i) The Office of the Share Registrars, Signet Share Registration Services Sdn. Bhd. at 11th Floor - Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur.
  - (ii) The Registered office of the Company at 41KM, Miri-Bintulu Road, 98000 Miri, Sarawak.
5. Explanatory notes on Special Business:  
The Ordinary Resolution proposed under item 6, if passed, will authorize the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 27 May 2002 for more information.

Dengan hormatnya dimaklumkan bahawa Mesyuarat Agong Tahunan yang ke 34 Syarikat akan diadakan di Ballroom 1 (Tingkat 4), Hotel Mega, Lot 907 Jalan Merbau, 98008 Miri, Sarawak pada 18 Jun 2002 jam 10.00 pagi untuk tujuan berikut:

#### AGENDA

1. Untuk menerima dan meluluskan akaun tahunan yang berakhir 31 Disember 2001 dan Laporan para Pengarah serta para Juruaudit;
2. Untuk mengisytiharkan Dividen Akhir berkenaan dengan tahun kewangan yang berakhir 31 Disember 2001 seperti yang dicadangkan oleh para Pengarah.
3. Untuk meluluskan bayaran fee Pengarah yang berkenaan dengan tahun kewangan yang berakhir 31 Disember 2001.
4. Untuk melantik semula Pengarah-pengarah yang berhenti mengikut Perkara 95 dan 101 pada Articles of Association dan disebabkan layak, menawarkan diri mereka untuk perlantikan semula.

Fong Tshu Kwong @ Fong Tshun Kwong  
Lai Yew Hock  
Wong Ngie Yong

5. Untuk melantik semula Tetuan KPMG sebagai juruaudit Syarikat dan memberi kuasa kepada Pihak Lembaga Pengarah untuk menentukan ganjaran mereka.
6. Sebagai Perihal Khas

Untuk mempertimbangkan dan, jika difikirkan sesuai, untuk meluluskan resolusi berikut sebagai Resolusi Biasa:  
Cadangan Pembaharuan Mandat Pemegang Saham Terhadap Urusniaga Dengan Pihak Berkenaan Yang Berulang-ulang Sama Ada Berbentuk Pendapatan atau Perdagangan.

“BAHAWA, tertakluk sentiasa kepada Syarat-syarat penyenaiaan di Bursa Saham Kuala Lumpur, kelulusan adalah dan dengan ini diberi kepada Syarikat dan/atau anak-anak syarikat untuk menjalankan urusniaga dengan Pihak Berkenaan Yang Berulang-ulang Sama Ada Berbentuk Pendapatan ataupun Perdagangan di mana Pihak-pihak Yang Berkenaan tersebut seperti yang terkandung di dalam Surat Pekeliling kepada Para Pemegang Saham bertarikh 27 Mei 2002, yang difikirkan perlu untuk operasi hariannya tertakluk kepada syarat-syarat berikut:

- a) Bahawa urusniaga-urusniaga tersebut dijalankan mengikut perjalanan urusniaga biasa mengikut syarat-syarat kelulusan tertentu dan terma-terma komersial biasa tanpa menunjukkan sifat pilih kasih kepada mana-mana pihak dan juga tidak memudaratkan para pemegang saham minoriti.
  - b) Pengisytiharan akan dibuat di dalam laporan tahunan Syarikat mengenai pecahan nilai agregat urus niaga yang dijalankan mengikut Cadangan Pembaharuan Mandat Pemilik Saham di dalam tahun kewangan tersebut berdasarkan maklumat seperti jenis Urus Niaga yang kerap dijalankan dan nama pihak-pihak yang berkenaan yang terlibat di dalam setiap Urus Niaga yang berulang-ulang tersebut serta perkaitan mereka dengan Syarikat.
  - c) Bahawa kelulusan tersebut akan terus berkuatkuasa sehingga:
    - (i) penamatan Mesyuarat Agong Tahunan Syarikat yang berikutnya;
    - (ii) penghabisan tempoh bila mana Mesyuarat Agong Tahunan Syarikat yang berikutnya selepas tarikh ianya sepatutnya diadakan mengikut seksyen 143(1) Akta Syarikat, 1965 (“Akta”) tetapi tidak boleh menjangkau tempoh yang dibenarkan mengikut Seksyen 143(2) Akta tersebut; atau
    - (iii) dimansuhkan atau dipinda melalui resolusi yang diluluskan oleh para pemegang saham di dalam mesyuarat agong, di mana terlebih dahulu;
7. Untuk menjalankan perbincangan lain-lain hal di mana notis akan diberikan.

Dengan Arahan Pihak Lembaga Pengarah

Eric Kiu Kwong Seng  
Setiausaha  
LS007062

Miri  
27 Mei 2002

notice of

meeting

#### Nota-nota:

1. Seorang Ahli Syarikat yang berhak untuk menghadiri dan mengundi di mesyuarat berhak juga untuk melantik seorang wakil untuk menghadiri dan mengundi bagi pihak dirinya. Seorang wakil tidak semestinya seorang Ahli Syarikat.
2. Untuk ahli korporat pula, dokumen formal yang digunakan oleh wakil hendaklah beserta Cop Mohor syarikat ahli tersebut atau dilakukan oleh pihak peguam.
3. Di mana seorang ahli melantik lebih daripada seorang wakil, perlantikan tersebut dikira tidak sah kecuali ia memaklumkan mengenai pecahan hakmiliknya yang akan diwakili oleh setiap perwakilannya.
4. Borang Perwakilan hendaklah dihantar dan sampai pada mana-mana pejabat yang berikut tidak lewat dari empat puluh lapan (48) jam sebelum waktu mesyuarat yang telah ditentukan:
  - (i) Pejabat Pendaftar Saham, Signet Share Registration Services Sdn Bhd di Tingkat 11 - Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur.
  - (ii) Pejabat Berdaftar Syarikat di 41 km, Jalan Miri-Bintulu, 98000 Miri, Sarawak.
5. Nota Mengenai Perihal Khas  
Resolusi Biasa yang dicadangkan di bawah Perkara 6, jika diluluskan, akan memberi kuasa kepada Syarikat dan/atau anak-anak syarikatnya untuk menjalankan urusniaga dengan Pihak Berkenaan Yang Berulang-ulang Sama Ada Berbentuk Pendapatan ataupun Perdagangan. Kuasa ini, jika tidak dimansuhkan atau dipinda oleh Syarikat di suatu Mesyuarat Agong, akan tamat tempohnya pada penghujung Mesyuarat Agong Tahunan Syarikat yang berikutnya. Sila rujuk Surat Pekeliling kepada Para Pemegang Saham yang bertarikh 27 Mei 2002 untuk maklumat lanjut.

# statement accompanying notice

## STATEMENT ACCOMPANYING NOTICE OF THE THIRTY-FOURTH ANNUAL GENERAL MEETING OF SARAWAK OIL PALMS BERHAD

Directors who are standing for Re-election

Fong Tshu Kwong @ Fong Tshun Kwong (retiring pursuant to Article 95 of the Articles of Association)  
Lai Yew Hock (retiring pursuant to Article 95 of the Articles of Association)  
Wong Ngie Yong (retiring pursuant to Article 101 of the Articles of Association)

Details of Attendance of Directors at Board Meetings

Name of Director	Date of appointment	Board Attendance
Ling Chiong Ho	15/10/1995	3/4
Datu Haji Hamzah Haji Drahan	7/6/2000	3/4
Polit Bin Hamzah	24/5/2000	3/4
Gerald Rentap Jabu	24/5/2000	3/4
Tang Tiong Ing	15/6/1995	4/4
Gary Tan Yow Hoo	15/7/2000	4/4
Fong Tshu Kwong @ Fong Tshun Kwong	22/3/1996	3/4
Lai Yew Hock	24/2/2000	4/4
Wong Ngie Yong	15/6/2001	2/2

Number of meetings attended (first figure)/number of meetings held while in office (second figure).

Details of the Board of Directors' Meeting held

Four Board Meetings were held during the year.

Date of Meeting	Time	Place
22 February 2001	2.30 pm }	Conference Room, Sarawak Oil Palms Berhad, 41KM Miri-Bintulu Road, 98000 Miri
3 May 2001	10.30 am }	
28 August 2001	10.45 am }	
28 November 2001	10.45 am }	

Details of Directors standing for re-election

Fong Tshu Kwong @ Fong Tshun Kwong  
(43 years of age - Malaysian)

- A Chartered Accountant (Malaysian) and is a member of the Malaysian Association of Certified Public Accountants, the Malaysian Institute of Accountants and the Malaysian Institute of Corporate Governance.
- Independent and Non-Executive Director
- Joined Ernst & Young in 1978 and has over 18 years of professional experience in accounting, secretarial, assurance and advisory business services, taxation, management consultancy & corporate advisory services. Since April 1996, he has been the Managing Director of OMG Fidelity (Malaysia) Sdn. Bhd., a wholly owned subsidiary of OM Group, Inc., USA, a NYSE listed company.
- Appointed a Non-Executive Independent Director in Kim Hin Industry Berhad.
- Does not hold any shares or warrants, direct or indirect, in Sarawak Oil Palms Berhad.
- Has no family relationship with any Director and/or any major shareholder of Sarawak Oil Palms Berhad.
- To-date, there has not been any conflict of interest with Sarawak Oil Palms Berhad.
- In the past 10 years, he has not been convicted of any offence.

Details of Directors standing for re-election (Continued)

Lai Yew Hock

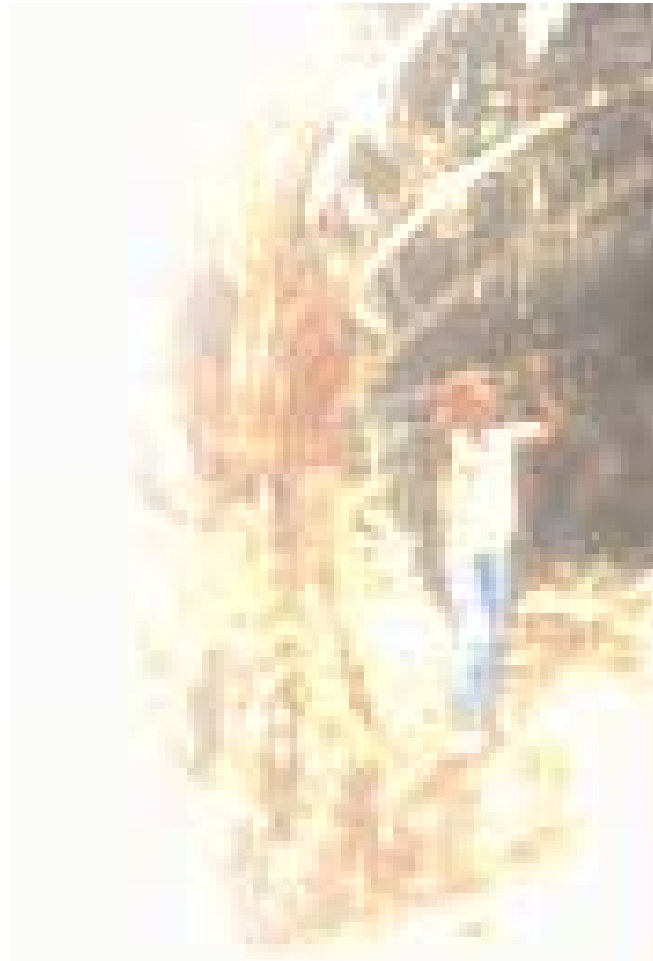
(43 years of age - Malaysian)

- An Advocate, a Commissioner for Oaths, a Notary Public and an Accredited Mediator.
- Independent and Non-Executive Director
- Does not hold any other directorships of public companies.
- Holds 10,000 shares in Sarawak Oil Palms Berhad.
- Has no family relationship with any Director and/or any major shareholder of Sarawak Oil Palms Berhad.
- To-date, there has not been any conflict of interest with Sarawak Oil Palms Berhad.
- In the past 10 years, he has not been convicted of any offence.

Wong Ngie Yong

(52 years of age - Malaysian)

- holds a diploma in Mechanical Engineering from Technical College, Kuala Lumpur in 1972 and is a member of the Institute of Motor Industry, UK.
- Independent and Non-Executive Director
- Has over 25 years of experience in palm oil industry and engineering field, holding various positions as Mill Manager, Engineering Controller, Chief Engineer and Project Manager. He is currently a Consultant and a businessman. He is the Managing Partner of Konsultant Process (Sarawak) Sdn Bhd and is a Director of Utama Parts Trading (Sarawak) Sdn. Bhd.
- Does not hold any other directorships of public companies.
- Does not hold any shares or warrants, direct or indirect, in Sarawak Oil Palms Berhad.
- Has no family relationship with any Director and/or any major shareholder of Sarawak Oil Palms Berhad.
- To-date, there has not been any conflict of interest with Sarawak Oil Palms Berhad.
- In the past 10 years, he has not been convicted of any offence.



**DIRECTORS/PENGARAH**

Ling Chiong Ho (Chairman/Pengerusi)  
Datu Haji Hamzah Haji Drahman  
Polit Bin Hamzah  
Gerald Rentap Jabu  
Tang Tiong Ing  
Gary Tan Yow Hoo  
Fong Tshu Kwong @ Fong Tshun Kwong  
Lai Yew Hock  
Wong Ngie Yong (Appointed on 15 June 2001)

**AUDIT COMMITTEE/JAWATANKUASA AUDIT**

Fong Tshu Kwong @ Fong Tshun Kwong  
(Chairman, Independent Non-Executive Director)  
Pengerusi, Pengarah Bebas Bukan Eksekutif

Tang Tiong Ing (Non-Executive Director)  
Pengarah Bukan Eksekutif

Lai Yew Hock (Independent Non-Executive  
Director)  
Pengarah Bebas Bukan Eksekutif

**CHIEF EXECUTIVE/KETUA EKSEKUTIF**

Wong Hee Kwong

**COMPANY SECRETARY/SETIAUSAHA**

Eric Kiu Kwong Seng



corp  
inf

**REGISTERED OFFICE/PEJABAT  
BERDAFTAR**

41 KM Miri-Bintulu Road  
98000 Miri

Tel : (085) 481 188

Fax : (085) 481 260

**SHARE REGISTRAR/PENDAFTAR SAHAM**

Signet Share Registration Services Sdn Bhd  
11th Floor, Tower Block  
Kompleks Antarabangsa  
Jalan Sultan Ismail  
50250 Kuala Lumpur

Tel : (03) 2145 4337

Fax : (03) 2142 1353

**AUDITORS /JURUAUDIT**

KPMG

Level 6, Westmore House

Twin Tower Centre

Rock Road

93200 Kuching

# or ate orm at ion



**PRINCIPAL BANKERS/BANK-BANK UTAMA**

Arab Malaysian Merchant Bank Berhad

Bumiputra-Commerce Bank Berhad

EON Bank Berhad

HSBC Bank Malaysia Berhad

**STOCK EXCHANGE LISTING/SENARAI**

**BURSA SAHAM**

Kuala Lumpur Stock Exchange

**DOMICILE**

Malaysia





# audit committee report laporan jawatankuasa audit

## Membership

The present members of the Committee comprise:-

Fong Tshu Kwong @ Fong Tshun Kwong - Chairman, Independent Non-Executive Director

Lai Yew Hock - Independent Non-Executive Director

Tang Tiong Ing - Non-Executive Director

## TERMS OF REFERENCE

The Audit Committee ("the Committee") was established on 9 April 1992 to act as a committee of the Board of Directors, with the terms of reference as set out on pages 10 to 14.

During the year, the terms of reference of the Audit Committee has been revised to conform to the Listing Requirements of the KLSE.

## MEETINGS

The Audit Committee convened four (4) meetings, which were attended by all members, during the financial year. The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification.

The Chief Executive Officer and the Financial Controller/Company Secretary were present by invitation in all the meetings.

## SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The Audit Committee carried out its duties in accordance with its terms of reference during the year.

The main activities undertaken by the Committee were as follows:

- Reviewed the external auditors' scope of work and audit plans for the year. Prior to the audit, the external auditors presented their audit strategy and plan.
- Reviewed with the external auditors the results of the audit and the audit report.
- Consideration and recommendation to the Board for approval of the audit fees payable to the external auditors as disclosed in Note 16 to the financial statements.
- Reviewed the internal auditors' programmes and plan for the financial year under review and the annual assessment of the internal auditors' performance.
- Reviewed the internal audit reports, which highlighted the audit issues, recommendations and management's response. Discussed with management actions taken to improve the system of internal control based on improvement of opportunities identified in the internal audit reports.
- Met with the external auditors once during the year without the presence of the Management.
- Reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 1965 and the applicable approved accounting standards approved by the MASB.
- Reviewed the Company's compliance in particular the quarterly and year end financial statements with the Listing Requirements of the KLSE, MASB and other relevant legal and regulatory requirements.
- Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval. The review and discussions were conducted with the Chief Executive Officer and Financial Controller/Company Secretary.
- Reviewed the related party transactions entered into by the Group.
- Reviewed the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statement pursuant to the KLSE Listing Requirements.

## Keahlian

Ahli Jawatankuasa yang terkini terdiri daripada:

Fong Tshu Kwong @ Fong Tshun Kwong - Pengerusi, Pengarah Berkecuali Bukan Eksekutif

Lai Yew Hock - Pengarah Berkecuali Bukan Eksekutif

Tan Tiong Ing - Pengarah Bukan Eksekutif

## TERMA-TERMA RUJUKAN

Jawatankuasa Audit ("Jawatankuasa") telah ditubuhkan pada 9 April 1992 selaku sebuah jawatankuasa Lembaga Pengarah, dengan terma-terma rujukan seperti yang ditetapkan pada muka surat 11 sehingga 15.

Pada tahun kewangan tersebut, terma-terma rujukan Jawatankuasa Audit telah dikaji semula supaya menepati Syarat-Syarat Penyenaraian di Bursar Saham Kuala Lumpur.

## MESYUARAT

Jawatankuasa Audit telah bersidang sebanyak empat (4) kali di sepanjang tahun kewangan dan mendapat kehadiran kesemua ahli sepenuhnya. Mesyuarat-mesyuarat tersebut berjalan lancar mengikut agenda-agenda tertentu dan ahli-ahli juga telah diberi notis yang mencukupi untuk hadir di mesyuarat-mesyuarat tersebut.

Turut hadir mesyuarat-mesyuarat tersebut adalah Ketua Eksekutif dan Pengawal Kewangan/Setiausaha Syarikat.

## RINGKASAN AKTIVITI-AKTIVITI SEMASA TAHUN KEWANGAN

Jawatankuasa Audit telah menjalankan tugas mengikut terma-terma rujukan di sepanjang tahun.

Aktiviti-aktiviti yang dijalankan adalah seperti berikut:

- Memeriksa semula skop juruaudit luaran dan plan audit tahunan. Sebelum audit dijalankan, juruaudit luaran mengemukakan strategi dan plan audit mereka.
- Memeriksa semula bersama juruaudit luaran mengenai hasil audit dan laporan audit.
- Pertimbangan dan mengesyorkan kepada Lembaga Pengarah supaya diluluskan fee audit yang perlu dibayar kepada juruaudit luaran seperti yang terkandung pada Nota 16 untuk Penyata Kewangan.
- Memeriksa semula rancangan-rancangan dan plan juruaudit dalaman untuk tahun kewangan yang dikaji dan penilaian prestasi juruaudit dalaman.
- Memeriksa semula laporan juruaudit dalaman yang mengetengahkan isu-isu audit, pengesyoran dan respons pihak pengurusan. Berbincang dengan pihak pengurusan mengenai langkah-langkah yang diambil untuk meningkatkan sistem kawalan dalaman berdasarkan peluang-peluang peningkatan yang dikenalpasti di dalam laporan audit.
- Berjumpa dengan juruaudit dalam sekali pada tahun kewangan tanpa kehadiran pihak pengurusan.
- \* Mengkaji semula laporan tahunan dan penyata kewangan tahunan Syarikat yang telah diaudit sebelum menyampaikannya kepada Pihak Lembaga Pengarah untuk pertimbangan dan kelulusan mereka. Kajian semula tersebut perlu untuk memastikan bahawa penyata kewangan yang telah diaudit disediakan mengikut syarat-syarat yang terkandung di dalam Akta Syarikat 1965 dan piawaian akaun yang diluluskan oleh MASB.
- \* Mengkaji semula kepatuhan Syarikat terutamanya penyata kewangan sukuan dan akhir tahun dengan Keperluan Penyenaraian di BSKL, MASB dan keperluan-keperluan perundangan dan peraturan yang lain.
- \* Mengkaji semula pengumuman keputusan kewangan sukuan tahunan yang tidak diaudit sebelum mengesyorkannya untuk kelulusan Pihak Lembaga Pengarah. Kajian semula dan perbincangan dijalankan dengan Ketua Eksekutif dan Pengawal Kewangan Syarikat/Setiausaha Syarikat.
- \* Mengkaji semula urusan yang dibuat oleh Kumpulan dengan pihak yang berkaitan.
- \* Mengkaji semula sejauh mana Kumpulan telah mematuhi syarat-syarat yang tertera pada Kod Bidang Kuasa Korporat Malaysia untuk menyediakan Penyata Bidang Kuasa Korporat yang berkaitan dengan Keperluan Penyenaraian di BSKL.

## INTERNAL AUDIT FUNCTION

The Group has outsourced the function of internal audit to Ernst & Young. The principal role of the internal auditors is to undertake independent regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the internal auditors to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group. There were two (2) internal audit reviews conducted for the financial years 2000 and 2001.

During the year ended 31 December 2001, the internal auditors carried out the following activities:

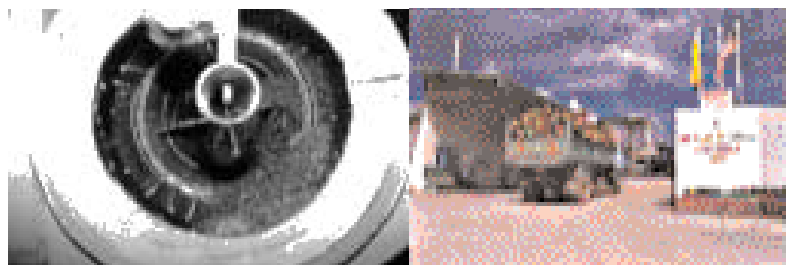
- I. Agreed with the Audit Committee on the audit plan, strategy and scope of work.
- II. Analysed and assessed certain key business processes, reported findings and made recommendations to improve their effectiveness.
- III. The following scope of work were performed for the year 2000 and 2001:
  - control processes involved in relation to the inventory and production processes which included a review of the following :-
    - Selection and authorisation of supplier contracts
    - Controls over the purchase, receipt and payment of estate supplies
    - Controls over stores' issues and receipts
    - Controls over FFB harvested and transportation to the mill
    - Monitoring of estate and mill production yield
    - Controls over staff claims, expenses and checkroll
  - control processes involved in relation to property, plant and equipment, human resources and payroll function, insurance, management reports and the computerised financial reporting system which included a review of the following:
    - Controls over physical existence, purchase and disposal of property, plant and equipment
    - Policies and method of financing as well as procedures for establishing useful lives of fixed assets and accounting for depreciation
    - Employment policies, contract and manpower planning/acquisition and compliance with regulatory requirements
    - Procedures and adequacy of insurance coverage for assets
    - Effectiveness of budgetary controls and adequacy of management reporting system
    - Segregation of incompatible functions within the EDP department and between the EDP department and users
    - Controls over access to computer installations and programs, data and program development changes and contingency planning
- IV. Reviewed the means of safeguarding assets and other key resources

## TERMS OF REFERENCE OF THE AUDIT COMMITTEE

### Objectives

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling the following oversight objectives on the Group activities:

- assess the Group's processes relating to its risks and control environment;
- oversee financial reporting; and
- evaluate the internal and external audit processes.



## FUNGSI AUDIT DALAMAN

Kumpulan telah menggunakan khidmat Ernst & Young untuk fungsi audit dalaman. Peranan utama juruaudit dalaman ialah untuk menjalankan pemeriksaan semula yang bebas, kerap dan sistematik terhadap sistem kawalan dalaman untuk memastikan bahawa sistem tersebut terus berfungsi dengan memuaskan dan berkesan. Juruaudit dalaman bertanggungjawab untuk mengemukakan Laporan Audit yang berkecuali dan berobjektif mengenai situasi kawalan dalaman pelbagai unit operasi Kumpulan. Terdapat dua (2) audit dalaman yang dijalankan untuk tahun kewangan 2000 dan 2001.

Pada tahun yang berakhir 31 Disember 2001, para juruaudit dalaman telah menjalankan aktiviti yang berikut:

- i. Bersetuju dengan Jawatankuasa Audit mengenai plan, strategi dan skop kerja audit.
- ii. Menganalisa dan menilai beberapa proses perniagaan yang penting, membuat laporan hasil siasatan dan membuat saranan untuk meningkatkan keberkesanan.
- iii. Pada tahun 2000 dan 2001, skop kerja yang berikut telah dijalankan:
  - Proses kawalan yang terlibat berkenaan dengan proses inventori dan pengeluaran mengandungi kajian semula ke atas perkara-perkara berikut:
    - Pemilihan dan pengesahan kontrak pembekal
    - Kawalan ke atas pembelian, resit dan pembayaran ke atas pembekalan estet
    - Kawalan ke atas pengeluaran barangan dan resit stor
    - Kawalan ke atas FFB yang dituai dan dibawa ke kilang minyak
    - Pemantauan hasil estet dan keluaran kilang minyak
    - Kawalan ke atas tuntutan, perbelanjaan dan checkroll kakitangan
  - Proses kawalan yang terlibat berkenaan hartanah, mesin dan peralatan, tenaga manusia dan bahagian penggajian, insuran, laporan pihak pengurusan dan sitem laporan kewangan berkomputer mengandungi pemeriksaan semula seperti berikut:
    - Kawalan ke atas kewujudan fizikal, pembelian dan penjualan hartanah, mesin dan peralatan.
    - Polisi-polisi penggajian, kontrak dan plan/pemerolehan tenaga pekerja dan kepatuhan kepada keperluan peraturan.
    - Tatacara-tatacara dan perlindungan insuran yang mencukupi untuk asset.
    - Mengkaji semula kaedah melindungi asset dan harta-harta penting.
    - Kecekapan kawalan belanjawan dan system laporan pihak pengurusan yang mencukupi.
    - Pengasingan fungsi-fungsi tidak serasi di dalam jabatan EDP serta di antara jabatan EDP dan pengguna-pengguna.
    - Kawalan terhadap akses kepada pemasangan dan program komputer, maklumat dan pertukaran kemajuan program dan plan kontingensi.
- iv. Mempertimbangkan untuk mengawasi harta dan kunci sumber lain.

## TERMA-TERMA RUJUKAN JAWATANKUASA AUDIT

### Objektif

Fungsi utama Jawatankuasa Audit ialah membantu Pihak Pengurusan untuk mencapai objektif-objektif mengatasi masalah tersilap pandang ke atas aktiviti-aktiviti Kumpulan yang berikut:

- Menilai proses Kumpulan yang bersabit dengan situasi risiko dan kawalan;
- Menyelia laporan kewangan; dan
- Menilai proses-proses juruaudit dalaman dan luaran.





### Composition

The Board shall elect and appoint Committee members from amongst their numbers, comprising no fewer than three (3) Directors but not more than five (5) Directors, the majority shall be Independent Non-Executive Directors of the Company.

The Board shall at all times ensure that at least one (1) member of the Committee shall be :

- a member of Malaysian Institute of Accountants (“MIA”); or
- if he or she is not a member of MIA, he must have at least three (3) years of working experience and :-
  - he or she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
  - he or she must be a member of the associations of accountants specified in Part II of the Accountants Act 1967.

If a member of the Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall within three (3) months of the event appoint such number of new members as may be required to fill the vacancy.

The Chairman of the Committee shall be an independent non-executive Director. No alternate Director of the Board shall be appointed as a member of the Committee.

The Board shall review the terms of office of each of its members at least once (1) every three (3) years.

### Quorum and Committee’s procedures

Meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate.

In order to form a quorum for the meeting, the majority of the members present must be independent non-executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

The Company Secretary shall be appointed Secretary of the Committee (“the Secretary”). The Secretary in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to the members of the Committee. The minutes shall be circulated to members of the Board.

The Committee may, as and when deemed necessary, invite other Board members and senior management members to attend the meetings.

The Chairman shall submit an annual report to the Board summarising the Committee’s activities during the year and the related significant results and findings.

The Committee shall meet at least annually with the management, and at least once every year with the internal auditors and external auditors in separate sessions to discuss any matters with the Committee without the presence of any executive member of the Board.

The Committee shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter.

### Authority

The Committee is authorised to seek any information it requires from employees, who are required to cooperate with any request made by the Committee.

The Committee shall have full and unlimited access to any information pertaining to the Group.

The Committee shall have direct communication channels with the internal and external auditors and with senior management of the Group and shall be able to convene meetings with the external auditors whenever deemed necessary.

The Committee shall have the resources that are required to perform its duties. The Committee can obtain, at the expense of the Company, outside legal or other independent professional advice it considers necessary.

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the KLSE Listing Requirements, the Committee shall promptly report such matter to the KLSE.

## **Komposisi**

Pihak Lembaga Pengarah akan mengundi dan melantik Ahli-ahli Jawatankuasa di antara mereka, supaya mengandungi sekurang-kurangnya tiga (3) orang Pengarah tetapi tidak melebihi lima (5) orang, di mana majoritinya akan dilantik sebagai Pengarah Bukan Eksekutif Syarikat.

Pihak Lembaga Pengarah akan pada setiap masa menentukan bahawa sekurang-kurangnya satu (1) daripada Ahli Jawatankuasa tersebut terdiri daripada:

- Seorang ahli Institut Akauntan Malaysia (“MIA”); atau
- Jika ia bukan seorang ahli MIA, beliau harus mempunyai sekurang-kurangnya tiga (3) tahun pengalaman pekerjaan dan :-
  - Beliau telah lulus peperiksaan Bahagian I yang tertera pada Jadual I Akta Akauntan 1967; atau
  - Beliau harus menjadi ahli persatuan akauntan yang tertera pada Bahagian I Akta Akauntan 1967.

Jika seseorang ahli Jawatankuasa tersebut bersara, meninggal dunia atau untuk sebarang sebab, berhenti menjadi seorang ahli sehingga bilangan ahli-ahli tersebut kurang daripada tiga (3), Pihak Lembaga Pengarah akan, di dalam masa tiga (3) bulan dari kejadian tersebut, melantik bilangan ahli yang mencukupi untuk mengisi kekosongan yang berlaku.

Pengerusi Jawatankuasa tersebut mestilah merupakan seorang Pengarah berkecuali bukan eksekutif. Pengarah Lembaga gantian tidak boleh dilantik sebagai seorang ahli Jawatankuasa tersebut.

Pihak Lembaga Pengarah akan mengkaji semula terma-terma perantikan setiap ahli Jawatankuasa sekurang-kurangnya sekali setiap tiga (3) tahun.

## **Prosedur Kuorum dan Jawatankuasa**

Mesyuarat-mesyuarat hendaklah diadakan sekurang-kurangnya empat (4) kali setahun, atau lebih mengikut keadaan semasa.

Untuk menentukan kuorum mesyuarat, majoriti ahli-ahli yang hadir perlulah daripada golongan Pengarah berkecuali bukan eksekutif. Sekiranya Pengerusi tidak dapat hadir, ahli-ahli yang hadir boleh melantik seorang Pengerusi daripada kalangan yang hadir untuk mengendalikan mesyuarat yang berkenaan.

Setiausaha Syarikat hendaklah dilantik oleh Setiausaha Jawatankuasa (“Setiausaha”). Setiausaha melalui arahan Pengerusi, hendaklah menyenaraikan agenda mesyuarat yang perlu disebar bersama-sama dokumen-dokumen berkenaan kepada semua ahli Jawatankuasa, sekurang-kurangnya satu (1) minggu sebelum mesyuarat dijalankan.

Jawatankuasa boleh, jika perlu, menjemput ahli-ahli Lembaga Pengarah yang lain serta pegawai-pegawai kanan untuk menghadiri mesyuarat-mesyuarat yang dijalankan.

Pengerusi hendaklah menghantar sebuah laporan tahunan kepada Pihak Lembaga Pengarah yang mengandungi ringkasan aktiviti-aktiviti tahunan dan keputusan serta hasil penyasatan yang penting.

Jawatankuasa hendaklah bermesyuarat sekurang-kurangnya sekali setahun dengan Pihak Pengurusan, dan sekurang-kurangnya sekali setahun dengan juruaudit dalaman dan luaran di dalam sesi yang berasingan untuk membincangkan sebarang perkara dengan jawatankuasa tanpa kehadiran sebarang eksekutif Lembaga Pengarah.

Jawatankuasa hendaklah mengawal tatacara perjalanan mesyuarat, mengikut norma-norma yang tertentu.

## **Bidang Kuasa**

Jawatankuasa diberi kuasa untuk mendapatkan sebarang maklumat daripada pekerja-pekerja, yang diperlukan untuk bekerjasama dengan sebarang permintaan Jawatankuasa.

Jawatankuasa hendaklah mempunyai akses penuh dan tiada had kepada sebarang maklumat mengenai Kumpulan.

Jawatankuasa hendaklah mempunyai saluran komunikasi terus dengan juruaudit dalaman dan luaran serta pegawai kanan Kumpulan dan boleh bermesyuarat dengan juruaudit luaran pada bila-bila masa yang diperlukan.

Jawatankuasa hendaklah mempunyai sumber-sumber yang diperlukan untuk menjalankan tugasnya. Jawatankuasa boleh mendapatkan, dengan perbelanjaan yang ditanggung oleh Syarikat, khidmat nasihat peguam luaran atau ahli professional bebas yang diperlukan.

Jika Jawatankuasa berpendapat bahawa ada sesuatu perkara yang dilaporkan kepada Pihak Lembaga Pengarah belum diselesaikan sepenuhnya dan yang bercanggah dengan kehendak penyenaraian di BSKL, Jawatankuasa tersebut hendaklah dengan serta merta membuat laporan kepada pihak BSKL.

### Responsibilities and duties

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:

- Review with the external auditor, the audit scope and plan, including any changes to the planned scope of the audit plan.
- Review the adequacy of the internal audit scope and plan, functions and resources of the internal audit function and that it has the necessary authority to carry out its work.
- Review the external and internal audit reports to ensure that appropriate and prompt remedial action is taken by management on major deficiencies in controls or procedures that are identified.
- Review major audit findings and the management's response during the year with management, external auditors and internal auditors, including the status of previous audit recommendations.
- Review the assistance given by the Group's officers to the auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.
- Review the independence and objectivity of the external auditors and their services, including non-audit services and the professional fees, so as to ensure a proper balance between objectivity and value for money.
- Review the appointment and performance of internal and external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board.
- Review the adequacy and integrity of internal control systems, including risk management, management information system, and the internal auditors' and/ or external auditors' evaluation of the said systems.
- Direct and where appropriate supervise any special projects or investigation considered necessary, and review investigation reports on any major defalcations, frauds and thefts.
- Review the quarterly results and the year end financial statements, prior to the approval by the Board focussing particularly on:
  - changes in or implementation of major accounting policy changes;
  - significant or unusual events; and
  - compliance with accounting standards and other legal requirements;
- Review procedures in place to ensure that the Group is in compliance with the Companies Act 1965, KLSE Listing Requirements and other legislative and reporting requirements.
- Review 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 question on management integrity.
- Prepare reports, if the circumstances arise or at least once (1) a year, to the Board summarising the work performed in fulfilling the Committee's primary responsibilities.
- Any other activities, as authorised by the Board.



## Tanggungjawab dan Tugas

Sebagai menepati objektif utamanya, Jawatankuasa hendaklah menjalankan tanggungjawab dan tugas yang berikut:

- \* Mengkaji semula bersama-sama juruaudit luaran, skop dan plan audit, termasuk sebarang perubahan terhadap skop plan audit yang telah dirancang.
- \* Mengkaji semula sama ada skop dan plan audit dalam, fungsi dan sumber fungsi audit dalam adalah mencukupi dan ia mempunyai bidang kuasa yang perlu untuk menjalankan tugasnya.
- \* Mengkaji semula laporan audit dan respons pihak pengurusan pada tahun yang dikaji dengan pihak pengurusan, juruaudit luaran dan juruaudit dalaman, termasuk status pengesyoran audit yang sebelumnya.
- \* Mengkaji semula bantuan yang diberi oleh para pegawai Kumpulan terhadap juruaudit, dan sebarang kerumitan yang dihadapi semasa menjalankan tugas audit, termasuk larangan ke atas skop aktiviti atau akses kepada maklumat yang diperlukan.
- \* Mengkaji semula kebebasan dan objektiviti juruaudit luaran dan perkhidmatan mereka, termasuk perkhidmatan bukan audit dan fee professional, untuk memastikan keseimbangan objektiviti dan bayaran yang berbaloi.
- \* Mengkaji semula perantikan dan prestasi juruaudit dalaman dan luaran, fee audit dan sebarang hal perletakan jawatan atau pemecatan sebelum membuat saranan kepada Pihak Lembaga Pengarah.
- \* Mengkaji semula sama ada mencukupi atau keutuhan sistem kawalan dalaman, termasuk pengurusan risiko, sistem maklumat pengurusan, dan penilaian juruaudit dalaman dan/atau juruaudit luaran terhadap sistem tersebut.
- \* Memberi arahan dan, mengikut kesesuaian, menyelia sebarang projek atau menjalankan siasatan khas yang perlu, dan mengkaji semula laporan siasatan terhadap sebarang penggelapan wang, penipuan atau kecurian.
- \* Mengkaji semula keputusan sukuan tahunan dan penyata kewangan tahunan, sebelum diluluskan oleh Pihak Lembaga Pengarah dengan memberi tumpuan kepada:
  - Perubahan pada atau pelaksanaan perubahan polisi akaun yang besar;
  - Kejadian yang luar biasa atau di luar jangkaan; dan
  - Kepatuhan kepada piawaian akaun dan keperluan perundangan yang lain.
- \* Mengkaji semula tatacara-tatacara yang berkuatkuasa untuk memastikan supaya Kumpulan mematuhi Akta syarikat 1965, Keperluan Penyenaraian BSKL dan lain-lain keperluan perundangan dan laporan.
- \* Mengkaji semula sebarang urusan dengan pihak-pihak berkaitan dan keadaan yang bercanggah yang mungkin berlaku di dalam Syarikat atau Kumpulan, termasuk urusan, prosedur atau kelakuan yang menimbulkan keraguan terhadap kejujuran pihak pengurusan.
- \* Menyediakan laporan-laporan, jika keadaan memerlukan atau sekurang-kurangnya sekali setahun, kepada Pihak Lembaga Pengarah dengan ringkasan yang menggariskan tugas-tugas yang dijalankan untuk menepati tanggungjawab Jawatankuasa.
- \* Sebarang aktiviti lain yang diberi kuasa oleh Pihak Lembaga Pengarah.



## profile of board of directors

### **LING CHIONG HO**

A Malaysian citizen, aged 50, was appointed as the director on 15 October 1995 and subsequently as Non-executive Chairman on 1 October 1999. He is also the founder and Chairman of the diversified Shin Yang Group of Companies involving in forest management, downstream wood-based processing, property development and shipping. He has been instrumental to the growth and expansion of Shin Yang Group of Companies. He is deemed substantial shareholder of SOP and does not have any conflict of interest with SOP.

### **DATU HAJI HAMZAH HAJI DRAHMAN**

A Malaysian citizen, aged 55, was appointed as a Non-Executive Director on 7 June 2000. He has over 25 years of working experience in various government departments and is currently the Permanent Secretary to the Ministry of Planning & Resources Department. He holds a Bachelor of Economics with Honours from University of Malaya. He also sits as Board member in various government statutory bodies. He is an appointed representative of Pelita Holdings Sdn Bhd (PHSB), a substantial shareholder of SOP and does not have any conflict of interest with SOP.

### **POLIT BIN HAMZAH**

A Malaysian Citizen, aged 51, was appointed as a Non-Executive Director on 24 May 2000. He was appointed as the General Manager of Land Custody and Development Authority (LCDA) and Chief Executive Officer of PHSB, a wholly owned subsidiary of LCDA on 1st March, 1997. Prior to the appointment, he was the General Manager of PETRONAS Carigali Sdn. Bhd., (Sabah). He holds a Bachelor Degree of Science with Honours majoring in Geology from University Malaya. He is an appointed representative of PHSB, a substantial shareholder of SOP and does not have any conflict of interest with SOP.

### **GERALD RENTAP JABU**

A Malaysian citizen, aged 32, was appointed as a Non-Executive Director on 24 May 2000. He graduated from the La Trobe University, Melbourne, Australia in 1993 with a Bachelor of Economics degree. He was a Licensed Dealer's Representative (Corporate Investment) in Sarawak Securities Sdn. Bhd. from 1993 to 1995 and was a Project Manager and Consultant for Sarawak Capital Sdn. Bhd. in 1995 to 1996. He is currently the Executive Director of Utahol Management Sdn. Bhd. He is an appointed representative of PHSB, a substantial shareholder of SOP and does not have any conflict of interest with SOP.

### **TANG TIONG ING**

A Malaysian citizen, aged 43, has been a Non-Executive Director since 15 June 1995. He was appointed as a member of the audit committee and nomination committee in 1996 and 2001 respectively. He graduated from University of Malaya with Bachelor in Accounting with Honours. He is also a Chartered Accountant (Malaysia) and a member of the Malaysian Institute of Accountants and Malaysian Institute of Taxation. He joined Lau Hoi Chew & Co., a Certified Public Accounting firm in 1984 and was promoted to head the Miri Branch in 1985 till 1990. In 1991, he joined Shin Yang Group as a Group Accountant and he is presently the Head of Finance of the Group. He is an appointed representative of Shin Yang Plantation Sdn. Bhd. (SYPSB), a substantial shareholder of SOP and does not have any conflict of interest with SOP.

### **GARY TANYOW HOO**

A Malaysian citizen, aged 47, was appointed as a Non-Executive Director on 15 July 2000. He holds a Bachelor of Mechanical Engineering from Portsmouth University, England and is a Chartered Engineer registered in Malaysia, England, America and Australia. He was the General Manager of Bintulu Industrial Gas Sdn Bhd prior to joining Shin Yang Group in 1990. He is currently the General Manager of Business Development, Project & Technical Consultancy Department of Shin Yang Group. He is an appointed representative of SYPSB, a substantial shareholder of SOP and does not have any conflict of interest with SOP.



**FONG TSHU KWONG @ FONG TSHUN KWONG**

A Malaysian citizen, aged 43, was appointed as an Independent Non-Executive Director on 22 March 1996. He was appointed as a member of audit committee and nomination committee in 1996 and 2001 respectively. He is a Chartered Accountant (Malaysian) and is a member of the Malaysian Association of Certified Public Accountants, the Malaysian Institute of Accountants and the Malaysian Institute of Corporate Governance. He joined Ernst & Young in 1978 and has over 18 years of professional experience in accounting, secretarial, assurance and advisory business services, taxation, management consultancy & corporate advisory services. Since April 1996, he has been the Managing Director of OMG Fidelity (Malaysia) Sdn. Bhd., a wholly owned subsidiary of OM Group, Inc., USA, a NYSE listed company. He is also a Non-Executive Independent Director in Kim Hin Industry Berhad. He is not related to any director/or substantial shareholder of SOP and does not have any conflict of interest with SOP.

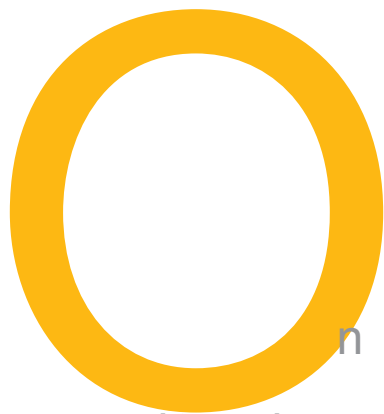
**LAIYEW HOCK**

A Malaysian citizen, aged 43, was appointed as an Independent Non-Executive Director of SOP on 24 February 2000. He was appointed as a member of audit committee and nomination committee in 2000 and 2001 respectively. He is an Advocate, a Commissioner for Oaths, a Notary Public and an Accredited Mediator. He is not related to any director and/ or substantial shareholder of SOP and does not have any conflict of interest with SOP.

**WONG NGIEYONG**

A Malaysian citizen, aged 52, was appointed as an Independent Non-Executive Director on 15 June 2001. He holds a diploma in Mechanical Engineering from Technical College, Kuala Lumpur in 1972 and is a member of the Institute of Motor Industry, UK. He has over 25 years of experience in palm oil industry and engineering field, holding various positions as Mill Manager, Engineering Controller, Chief Engineer and Project Manager. He is currently a Consultant and a businessman. He is the Managing Partner of Konsultant Process (Sarawak) Sdn Bhd and is a Director of Utama Parts Trading (Sarawak) Sdn. Bhd. He is not related to any director/or substantial shareholder of SOP and does not have any conflict of interest with SOP.





On behalf of the Board of Directors, it gives me pleasure to present the Annual Report of Sarawak Oil Palms Berhad (SOP) for the Financial Year ended 31 December 2001.

#### **Financial Reviews**

The year under review was a challenging one, especially for the Group where oil palm is the sole revenue earner. The anticipated recovery of palm oil price only came towards last quarter of 2001. As a result, both the Group's turnover and profit were affected. The Group results were further affected by the share of loss of an associated company totaling RM2.1 million.

Group turnover declined by 8.9% to RM36.7 million compared with RM40.2 million previously, whilst profit before taxation fell by 51.1% to RM4.3 million. The profit after taxation and minority interests attributable to shareholders dropped by 62.2% to RM2.0million, with the result that earnings per share was reduced to 2.13sen.

#### **Dividend**

Following the decline of profit, the Board proposes a first and final dividend of 3.0% less tax at 28% per ordinary share amounting to RM2.1 million for the Financial Year ended 31 December 2001.

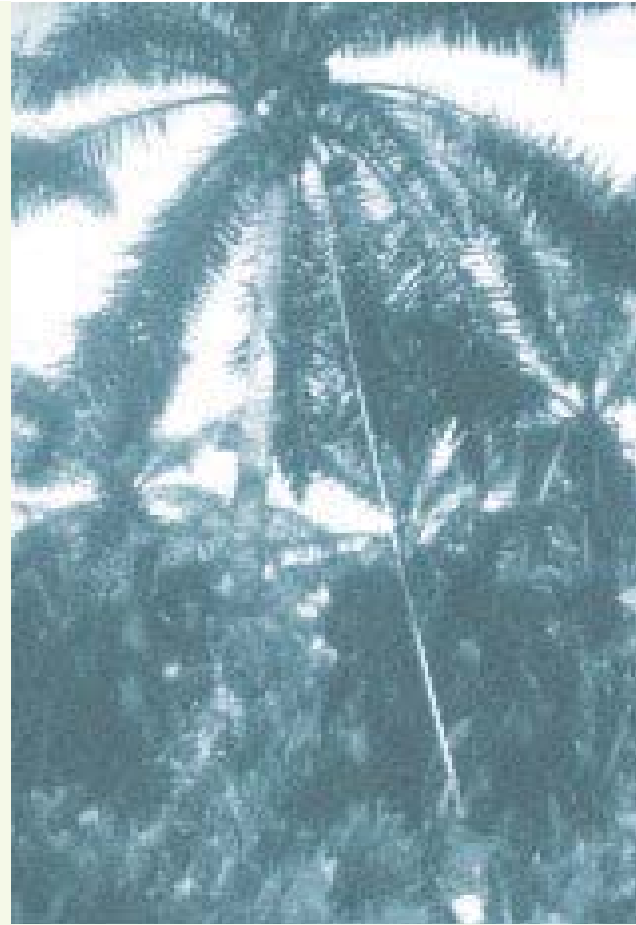


### **Imbasan Kewangan**

Tahun yang diimbas semula merupakan tahun yang mencabar, terutamanya kepada Kumpulan di mana punca utamanya adalah dari kelapa sawit. Harga minyak kelapa sawit hanya pulih pada penghujung sukuan 2001. Akibatnyanya, kedua-dua pusing ganti dan keuntungan Kumpulan turut terjejas. Prestasi Kumpulan terjejas seterusnya hasil daripada kerugian perkongsian sebuah syarikat bersekutu sejumlah RM2.1 juta. Pusing ganti Kumpulan merosot sebanyak 8.9% ke RM36.7 juta berbanding RM40.2 juta pada tahun sebelumnya, manakala keuntungan sebelum cukai jatuh sebanyak 51.1% ke RM4.3 juta. Keuntungan selepas cukai dan kepentingan minoriti pada pemilik saham juga jatuh sebanyak 62.2% ke RM2.0 juta, mengakibatkan perolehan seunit saham berkurangan ke 2.13 sen.

### **Dividen**

Selaras dengan pengucapan keuntungan, Pihak Lembaga Pengarah mencadangkan pembayaran dividen pertama dan terakhir sebanyak 3.0% tolak cukai pada 28% seunit saham biasa berjumlah RM2.1 juta untuk Tahun Kewangan yang berakhir 31 Disember 2001.



# B

Bagi pihak Lembaga Pengarah, sukacita saya membentangkan Penyata Tahunan Sarawak Oil Palms Berhad (SOP) untuk Tahun Kewangan yang berakhir 31 Disember 2001.



### Operational Reviews

For the year under review, the large stock overhang, discriminating import duties against palm oil and competition from Indonesia continued to affect the palm oil trade. In addition, world production of oil seeds remains buoyant with Soya beans showing strong growth aided by the usage of genetically modified planting materials and other subsidies provided by their governments. The Malaysian Government's schemes, such as the incentive on the replanting of old palms and the burning of Crude Palm Oil (CPO) as biofuel in power generating plants did provide some check to the declining price trend. For the year 2001, the Group's average gross CPO price was RM 887 per tonne.

Production of fresh fruit bunches (FFB) for the year increased by 3.3% to 175,491 tonnes compared to 169,732 tonnes recorded in 2000. Total matured area reduced marginally to 8,453 hectares due to the on-going replanting programme of the Group. The replanting of 1970s' oil palms is expected to be fully completed by 2003. As part of the effort of the Management to improve productivity, the average FFB yield per hectare improved by 4.6% to 20.76 tonne per mature hectare in 2001.

During the same period, the Group's palm oil mill produced a total of 39,032 tonnes of CPO, an increase of 2.7% over the preceding year. The extraction rates of CPO and Palm Kernel (PK) were at 21.4% and 5.6% respectively.

The total land bank of the Group remains at 26,450 hectares. 15,509 hectares are planted with oil palms, comprising 8,453 hectares (55%) of mature oil palms and 7,056 hectares (45%) of immature oil palms. These young palms will provide a strong impetus for the future production growth of the Group.

As reported in the last annual reports, the Group is building a new 45-tonne per hour palm oil mill in Galasah Estate, Miri, Sarawak. The new mill is expected to be commissioned by August 2002.

Keresa Plantations Sdn Bhd, a 45% owned associated company of SOP has a total land bank of 6,024 hectares, of which 4,126 hectares are planted with oil palms and 1,502 hectares planted with rattan.

### Human Resources

SOP Group recognises that for the Group to be competitive, the employees' skills and knowledge must continuously be upgraded and enhanced. The Group continues to conduct training programs through internal and external courses.

### Prospects

Palm oil prices have remained weak for the most of 2001. With the recent recovery of palm oil prices, due mainly to the expectation of the continuing strong demand for the edible oils, China's entry into WTO and the expected smaller increase in edible oils production in 2002, the prospect of the price sustaining at above RM1,000 per tonne level appears bright.

In line with the Group corporate strategies, the Group will continue to expand its plantations, and emphasize on productivity and efficiency to achieve lower cost of production in order to improve its competitiveness.

Having considered the above and barring any unforeseen circumstances, the results of the financial year 2002 are expected to be better than the profit recorded during 2001.

### Appreciation

On behalf of the Board, I would like to extend our sincere gratitude to the Management and staff for their support, dedication and commitment towards the continued success of the Group. I would also like to convey our thanks and appreciation to our customers, business associates, shareholders and the relevant authorities for their continued support and confidence in the Group during these difficult times.

Ling Chiong Ho  
Chairman

chairman's

statement



# kenyataan penggerusi

## **Imbasan Operasi**

Pada tahun kewangan yang diimbangi semula, kedudukan stok yang berlebihan, cukai import yang mendiskriminasi minyak kelapa sawit dan saingan daripada Indonesia terus menjejaskan perdagangan minyak kelapa sawit. Tambahan pula, jumlah pengeluaran biji-bijian sedunia kekal produktif di mana kacang soya mempamerkan pertumbuhan yang kukuh dibantu oleh penggunaan bahan-bahan tanaman yang dimodifikasi secara genetik serta subsidi-subsidi lain yang dibekalkan oleh kerajaan masing-masing. Rancangan kerajaan, seperti insentif untuk menanam semula kawasan kelapa sawit dan pembakaran minyak kelapa sawit untuk menghasilkan biofuel di loji janakuasa elektrik telah sedikit sebanyak dapat mengurangkan aliran penurunan harga. Untuk tahun 2001, purata harga kasar minyak kelapa sawit mentah Kumpulan mencapai RM887 setan.

Keluaran FFB untuk tahun 2001 bertambah sebanyak 3.3% ke 175,491 tan berbanding dengan 169,732 tan yang tercatat pada 2000. Jumlah kawasan matang berkurangan sedikit ke 8,453 hektar disebabkan program penanaman semula berterusan yang dijalankan oleh Kumpulan. Penanaman semula pokok tahun 1970an dijangka siap sepenuhnya pada tahun 2003. Dari usaha pihak pengurusan untuk meningkatkan produktiviti, hasil purata FFB sehektar meningkat sebanyak 4.6% ke 20.76 tan sehektar kawasan matang pada tahun 2001.

Dalam jangka masa yang sama, kilang minyak kelapa sawit Kumpulan mengeluarkan sejumlah 39,032 tan minyak kelapa sawit mentah, pertambahan 2.7% berbanding tahun sebelumnya. Kadar pengeluaran minyak tersebut dan minyak isirung masing-masing adalah 21.4% dan 5.6%.

Jumlah keluasan tanah simpanan Kumpulan kekal pada 26,450 hektar di mana 15,509 hektar ditanam dengan pokok kelapa sawit di mana 8,453 hektar (55%) adalah pokok-pokok matang dan 7,056 hektar (45%) merupakan pokok-pokok baru. Pokok-pokok baru tersebut berupaya untuk mendatangkan hasil yang lumayan kepada Kumpulan pada masa depan.

Seperti yang dilaporkan pada laporan-laporan tahunan yang lepas, Kumpulan sedang membina sebuah kilang minyak kelapa sawit baru di Estet Galasah, Miri, Sarawak. Kilang ini dijangka beroperasi seawat-lewatnya pada bulan Ogos 2002.

Keresia Plantations Sdn Bhd, sebuah syarikat bersekutu yang dimiliki 45% oleh SOP, mempunyai tanah simpanan seluas 6,024 hektar di mana 4,126 hektar ditanam dengan pokok kelapa sawit dan 1,502 hektar pula ditanam dengan rotan.

## **Tenaga Sumber Manusia**

Kumpulan SOP sedar bahawa untuk kumpulan kekal kompetitif, kemahiran serta pengetahuan tenaga pekerja sentiasa perlu dinaik taraf dan dipertingkatkan. Untuk tujuan tersebut, Kumpulan terus menganjurkan program-program latihan dalaman dan luaran.

## **Prospek**

Harga kelapa sawit terus lemah di sepanjang tahun 2001. Dengan pemulihan semasa harga minyak kelapa sawit semasa, terutamanya disebabkan jangkaan permintaan kukuh untuk hasil minyak makanan; kemasukan negara China ke WTO; serta pengurangan pengeluaran minyak makanan pada tahun 2002; prospek harga minyak kelapa sawit berada di atas paras RMI,000 setan dijangka cerah.

Selaras dengan strategi korporat Kumpulan, ia akan mengembangkan aktiviti perladangannya dengan tumpuan ke arah produktiviti dan pengeluaran yang lebih efisien untuk mencapai kos pengeluaran yang lebih rendah, dan seterusnya memperbaiki daya saingnya.

Setelah mengambil kira faktor-faktor di atas dan sekiranya tiada orang melintang, mudah-mudahan prestasi keuntungan Kumpulan pada tahun kewangan 2002 dijangka akan lebih baik daripada prestasi 2001.

## **Penghargaan**

Bagi pihak Lembaga Pengarah, saya ingin merakamkan setinggi-tinggi penghargaan kepada Pihak Pengurusan dan kakitangan di atas sokongan, dedikasi dan komitmen ke arah mencapai kejayaan Kumpulan. Terima kasih dan penghargaan juga ditujukan kepada para pelanggan, rakan perniagaan, pemegang saham dan pihak berkuasa-pihak berkuasa yang berkenaan di atas sokongan dan keyakinan berterusan yang diberikan kepada pihak Kumpulan sewaktu keadaan ekonomi yang mencabar.

**Ling Chiong Ho**  
Pengerusi

## corporate governance statement

The Board of Directors fully appreciates the importance of adopting high standards of corporate governance within the Group. The Board views corporate governance as synonymous with three key concepts; namely transparency, accountability as well as corporate performance.

The Board is fully committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles and best practices set out in Parts 1 and 2 of the Malaysian Code of Corporate Governance respectively.

The following statement sets out how the Company has applied the principles in Part 1 of the Code. The principles are dealt with under the following headings: Board of Directors, Shareholders and Accountability and audit.

### BOARD OF DIRECTORS

#### Board responsibilities

The Group acknowledges the pivotal role played by the Board of Directors in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfill this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and divestment policy, approval of major capital expenditure projects, consideration of significant financial matters and it reviews the financial and operating performance of the Group.

#### Meetings

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the year ended 31 December 2001, the Board met on four (4) occasions; where it deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions and the business plan and direction of the Group.

The Board receives documents on matters requiring its consideration prior to and in advance of each meeting. The Board papers are comprehensive and encompass both quantitative and qualitative factors so that informed decisions are made. All proceedings from the Board meetings are minuted and signed by the Chairman of the meeting. Details of each existing Director's meeting attendances are as follows:

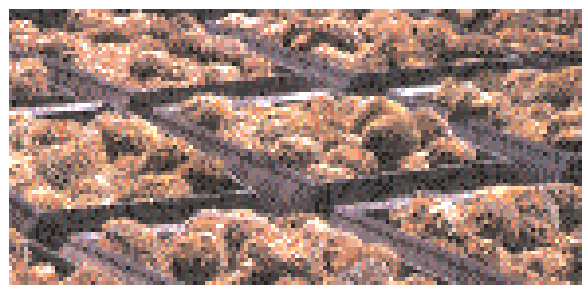
Number of meetings attended (first figure)/number of meetings held while in office (second figure).

Name of Director	Board Attendance
Ling Chiong Ho	3/4
Datu Haji Hamzah Haji Drahman	3/4
Polit Bin Hamzah	3/4
Gerald Rentap Jabu	3/4
Tang Tiong Ing	4/4
Gary Tan Yow Hoo	4/4
Fong Tshu Kwong @ Fong Tshun Kwong	3/4
Lai Yew Hock	4/4
Wong Ngie Yong	2/2

#### Board Committees

The Board of Directors delegates certain responsibilities to the Board Committees, namely an Audit Committee and a Nomination Committee in order to enhance business and operational efficiency as well as efficacy. The Nomination Committee was established during the year to assist the Board in the execution of its duties. Prior to the establishment of these Committees, their functions were assumed by the Board as a whole.

All Committees have written terms of reference and the Board receives reports of their proceedings and deliberations. The Chairman of the various Committees will report to the Board the outcome of the Committee meetings and such reports are incorporated in the minutes of the full Board meeting.



## corporate governance statement (con't)

### Board balance

As at the date of this statement, the Board consists of nine (9) members; comprising one (1) Non-Executive Chairman, three (3) Independent Non-Executive Directors and five (5) Non-Executive Directors. A brief profile of each Director is presented on pages 16 to 17 of this annual report.

The Directors, with their different backgrounds and specializations, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, law, business management and operations. The Independent Non-Executive Directors bring to bear objective and independent judgement to the decision making of the Board and provide a capable check and balance for the Directors. The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. The Board is constituted of individuals who are committed to business integrity and professionalism in all its activities.

There is a clear division of responsibilities at the head of the company to ensure a balance of authority and power. The roles of Chairman and the Chief Executive Officer are clearly defined with their individual position descriptions. The Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions. The Chief Executive Officer is responsible for the day to day management of the business as well as the implementation of Board's policies and decisions. The Board has appointed Mr. Fong Tshu Kwong, a senior Independent Non-Executive Director to whom concerns may be conveyed.

The Board is satisfied that the current Board composition fairly reflects the interest of minority shareholders in the Company.

### Supply of information

The Chairman ensures that all Directors have full and timely access to information with Board papers distributed in advance of meetings. Every Director has also unhindered access to the advice and services of the Company Secretary. The Board believes that the current Company Secretary is capable of carrying out his duties to ensure the effective functioning of the Board.

Prior to the meetings of the Board and the Board Committees, Board papers which include the agenda and reports relevant to the issues of the meetings covering the areas of strategic, financial, operational and regulatory compliance matters, are circulated to all the Directors. These Board papers are issued at least five (5) working days in advance to enable the Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting.

The Directors meet, review and approve all corporate announcements, including the announcement of the quarterly financial results, prior to releasing them to KLSE. There is also a formal procedure sanctioned by the Board for Directors, whether as a full board or in their individual capacity, to take independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the Group's expense.

Detailed periodic briefings on the industry outlook, company performance and forward previews are also conducted for the Directors to ensure that the board is well informed on the latest market and industry trends.

### Appointment to the Board

#### Nomination committee

The Nomination committee comprises the following members during the year:  
Fong Tshu Kwong @ Fong Tshun Kwong - Chairman, Independent Non-Executive Director  
Lai Yew Hock - Independent Non-Executive Director  
Tang Tiong Ing - Non-Executive Director

The Committee consists entirely of Non-Executive Directors, two of whom are independent. The Committee is empowered by the Board and its terms of reference are to bring to the Board recommendations as to the appointment of new Directors. The Committee also keeps under review the Board structure, size and composition.

The Nomination committee systematically assesses the effectiveness of the Board, its Committees and the contribution of each individual Director on an annual basis. The Committee has met once during the financial year.

#### Appointment process

The Board through the Nomination Committee's annual appraisal believes that the current composition of the Board brings the required mix of skills and core competencies required for the Board to discharge its duties effectively. Furthermore, the Board continuously reviews its size and composition with particular consideration on its impact on the effective functioning of the Board.

The Board appoints its members through a formal and transparent selection process. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the Nomination Committee. The Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made, that all information necessary is obtained, as well as legal and regulatory obligations met.

#### Directors' training

The Board through the Nomination Committee ensures that it recruits to the Board only individuals of sufficient caliber, knowledge and experience to fulfill the duties of a Director appropriately. During the financial year, all Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) conducted by the Research Institute of Investment Analysis Malaysia (RIIAM). The Directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge where relevant.



## corporate governance statement (con't)

### Re-election

The Articles of Association provide that at least one-third of the Board, are subject to retirement by rotation at each Annual General Meeting. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment. A retiring Director is eligible for re-appointment. These provide an opportunity for the shareholders to renew their mandates. The election of each Director is voted on separately. Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act 1965.

### Details of the Directors' remuneration

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

<u>Non-Executive Directors</u> RM	<u>No</u>	<u>Fees (RM)</u>
0-20,000	9	113,500

### SHAREHOLDERS

The Company recognizes the importance of communicating with its shareholders and does this through the annual report, Annual General Meeting (AGM) and analyst meetings. The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving shareholders as clear and complete a picture of the Company's performance and position as possible.

The key elements of the Company's dialogue with its shareholders is the opportunity to gather views of, and answer questions from, both private and institutional shareholders on all issues relevant to the Company at the AGM. It has also been the Company's practice to send the Notice of the Annual General Meeting and related papers to shareholders at least fourteen (14) working days before the meeting. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed and about the Group's operations in general. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholder with a written answer after the AGM. The Chairman of the Board also addresses the shareholders on the review of the Group's operations for the financial year and outlines the prospects of the Group for the subsequent financial year.

### ACCOUNTABILITY AND AUDIT

#### Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly and half yearly announcement of results to shareholders as well as the Chairman's statement and review of operations in the annual report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

#### Internal control

The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investments, the Group's assets, and the need to review the adequacy and integrity of those systems regularly. In establishing and reviewing system of internal control, the Directors recognise that the system of internal control can only provide reasonable but not absolute assurance against the risk of materials misstatement or loss. The Board is of the view that the current internal control system of the Group is sufficient to safeguard the Group's interest.

The Board and management are currently undertaking a formal approach towards risk management and working towards complying with the guidance issued by the relevant authorities.

#### Relationship with the Auditors

Key features underlying the relationship of the Audit Committee with the external Auditors are included in the Audit Committee's term of reference as detailed on pages 10 to 15 of the annual report.

A summary of the activities of the Audit Committee during the year, including the evaluation of the independence audit process, are set out in the Audit Committee Report on pages 8 to 9 of the annual report.



## corporate governance statement (con't)

### COMPLIANCE WITH THE CODE

Save as disclosed below, the Group has substantially complied with the Principles and Best Practices of the Code:-

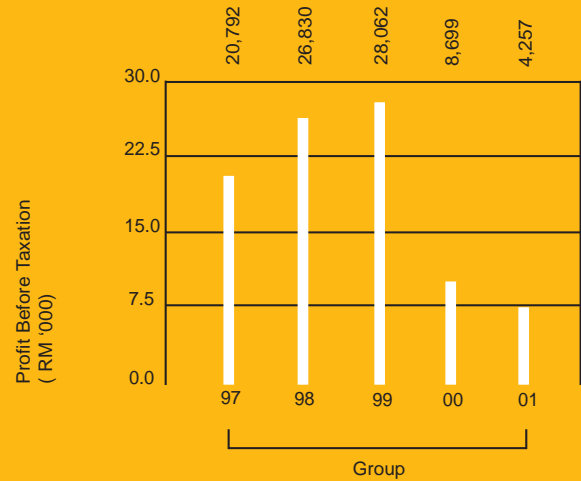
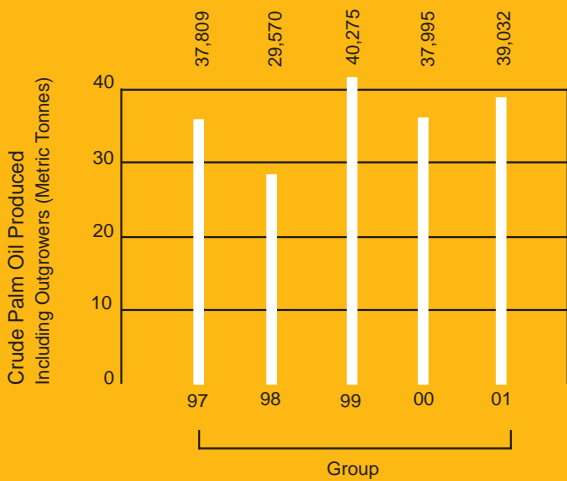
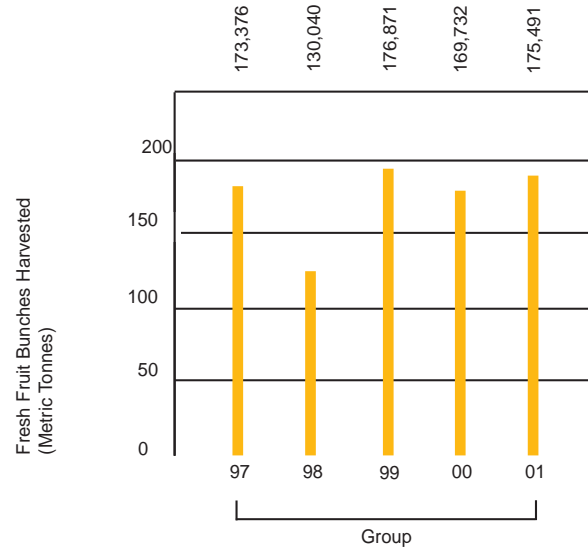
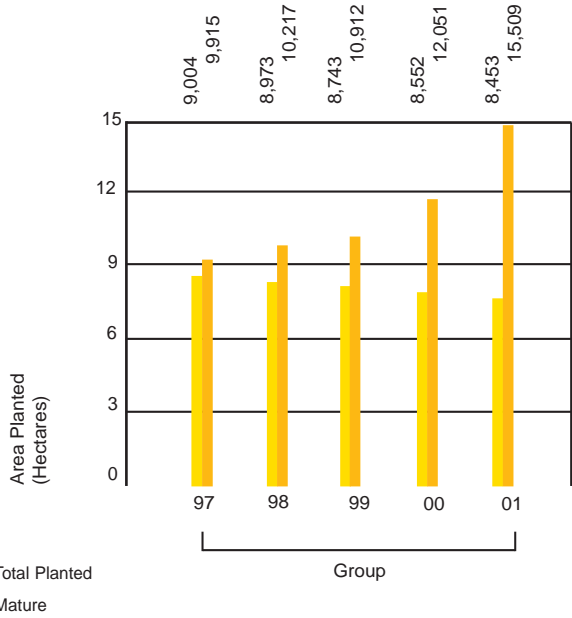
- (a) The Company does not have a Remuneration Committee as all Directors are Non-Executive Directors and the determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman are a matter for the Board as a whole.
- (b) Although the Group has in place an effective internal control system, steps are being taken to formalise the existing process in which risks are being identified, assessed and reviewed so that they will be embedded into the Group's business.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of their profit and loss and cashflows for the period then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates. They also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

# 5 years company statistical







Financial Statements

---

Penyata Kewangan



## Director's report for the year ended 31 Dec 2001

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2001.

### *Principal activities*

The principal activities of the Company are the cultivation of oil palms and the operation of a palm oil mill whilst the principal activities of its subsidiaries are stated in Note 4 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### *Results*

	<b>Group RM'000</b>	<b>Company RM'000</b>
Net profit for the year	<u>2,020</u>	<u>4,302</u>

### *Dividends*

Since the end of the previous financial year, the Company paid a first and final dividend of 5% less tax totalling RM3,418,857 in respect of the year ended 31 December 2000 on 18 July 2001.

The Directors recommend a first and final dividend of 3% less tax totalling RM2,051,314 in respect of the year ended 31 December 2001.

### *Reserves and provisions*

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

### *Directors of the Company*

Directors who served since the date of the last report are:

**Polit Bin Hamzah**  
**Datu Haji Hamzah Haji Drahman**  
**Gerald Rentap Jabu**  
**Ling Chiong Ho**  
**Tang Tiong Ing**  
**Fong Tshu Kwong @ Fong Tshun Kwong**  
**Lai Yew Hock**  
**Gary Tan Yow Hoo**  
**Wong Ngie Yong** (appointed on 15.6.2001)

In accordance with the Articles of Association, Fong Tshu Kwong @ Fong Tshun Kwong and Lai Yew Hock retire by rotation from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with the Articles of Association, Wong Ngie Yong, who was appointed to the board since the last Annual General Meeting, now retires and being eligible, offers himself for re-election.

### *Directors' interests in shares*

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	At 1.1.2001	Number of ordinary shares of RM1.00 each		At 31.12.2001
		Bought	Sold	
<b>Sarawak Oil Palms Berhad</b>				
<b>Direct interest</b>				
Datu Haji Hamzah Haji Drahman	5,000	-	-	5,000
Lai Yew Hock	10,000	-	-	10,000
<b>Deemed interest</b>				
Ling Chiong Ho	23,749,982	-	-	23,749,982

Deemed interest represents shares held by a company in which the Director is deemed to have a substantial interest.

By virtue of Ling Chiong Ho's interest in the shares of Sarawak Oil Palms Berhad, his deemed interest in the shares of the subsidiaries at the end of the year are as follows:

	At 1.1.2001	Number of ordinary shares of RM1.00 each		At 31.12.2001
		Bought	Sold	
SOP Plantations (Balingian) Sdn. Bhd.	4,800,000	-	-	4,800,000
SOP Plantations (Niah) Sdn. Bhd.	6,000,000	-	-	6,000,000
SOP Plantations (Suai) Sdn. Bhd.	1,700,000	-	-	1,700,000

None of the other Directors holding office at 31 December 2001 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

### *Directors' benefits*

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown 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 the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business (see Note 26 to the financial statements).

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any body corporate.

### *Issue of shares*

There were no changes in the issued and paid-up capital of the Company during the year.

### *Options granted over unissued shares and debentures*

No options were granted to any person to take up unissued shares or debentures of the Company during the year.



### *Other statutory information*

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i. all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii. all current assets have been stated at the lower of cost and net realisable value.

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

- i. that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii. that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii. 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, or
- iv. not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i. any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii. any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any Company in the Group 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 and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except as disclosed in the financial statements, the results of the operations of the Group and of the Company for the financial year ended 31 December 2001 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

### **Auditors**

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

**Tang Tiong Ing**  
(Director)

**Lai Yew Hock**  
(Director)

Miri,

Date: 19 April 2002

## Statement by Director Pursuant to Section 169 (15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 34 to 51 are drawn up in accordance with applicable approved accounting standards in Malaysia, so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2001 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

**Tang Tiong Ing**  
(Director)

**Lai Yew Hock**  
(Director)

Miri,

Date: 19 April 2002

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

I, Wong Hee Kwong, the officer primarily responsible for the financial management of Sarawak Oil Palms Berhad, do solemnly and sincerely declare that the financial statements set out on pages 34 to 51 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 the abovenamed  
at Miri in the State of Sarawak  
on 19 April 2002

Before me:

**DOMINIC LAI YEW HOCK**

Commissioner For Oaths  
Lot 273, 2nd Floor  
Jalan Nahkoda Gampar  
98000 Miri Sarawak

## Report of the auditors to the members of Sarawak Oil Palms Berhad

We have audited the financial statements set out on pages 34 to 51. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up 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 state of affairs of the Group and of the Company at 31 December 2001 and the results of their operations and cash flows for the year ended on that date; and
  - ii. the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company.and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries have been properly kept in accordance with the provisions of the said Act.

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

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

**KPMG**  
Firm Number: AF 0758  
Chartered Accountants

**Chin Chee Kong**  
Partner  
Approval Number: 1481/1/03 (J)

Kuching,

Date: 19 April 2002

## Balance sheets at 31 December 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Property, plant and equipment</b>	3	175,090	141,361	96,894	96,891
<b>Investment in subsidiaries</b>	4	-	-	15,500	15,500
<b>Investment in an associate</b>	5	11,039	13,134	13,320	13,320
<b>Current assets</b>					
Inventories	6	5,340	6,217	3,011	3,131
Trade and other receivables	7	4,826	4,535	28,745	9,803
Cash and cash equivalents	8	19,758	33,082	19,575	32,671
		29,924	43,834	51,331	45,605
<b>Current liabilities</b>					
Trade and other payables	9	16,228	13,180	4,429	4,683
Borrowings	10	4,600	-	4,600	-
Proposed dividend		2,051	3,419	2,051	3,419
		22,879	16,599	11,080	8,102
<b>Net current assets</b>		7,045	27,235	40,251	37,503
		193,174	181,730	165,965	163,214
<b>Financed by:</b>					
<b>Capital and reserves</b>					
Share capital	11	94,968	94,968	94,968	94,968
Revaluation reserves	12	4,454	4,454	4,454	4,454
Retained profits		57,959	57,990	60,543	58,292
		157,381	157,412	159,965	157,714
<b>Minority shareholders' interests</b>	13	2,937	2,976	-	-
		160,318	160,388	159,965	157,714
<b>Long term and deferred liabilities</b>					
Other payable	9	2,256	4,512	-	-
Borrowings	10	24,600	11,330	-	-
Deferred taxation	14	6,000	5,500	6,000	5,500
		193,174	181,730	165,965	163,214

The notes set out on pages 38 to 51 form an integral part of, and should be read in conjunction with, these financial statements.

## Income Statement For The Year Ended 31 December 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Revenue</b>	15	36,675	40,274	36,675	40,274
<b>Cost of sales</b>		( 29,783)	( 32,125)	( 29,783)	( 32,125)
<b>Gross profit</b>		6,892	8,149	6,892	8,149
Distribution costs		( 1,576)	( 1,162)	( 1,576)	( 1,162)
Administrative expenses		( 476)	( 1,308)	( 222)	( 1,132)
Other operating income		720	2,104	692	2,091
<b>Operating profit</b>	16	5,560	7,783	5,786	7,946
Interest income		792	1,178	792	1,155
Interest expense		-	( 76)	-	( 76)
Share of loss of an associate		( 2,095)	( 186)	-	-
<b>Profit before taxation</b>		4,257	8,699	6,578	9,025
Tax expense	18	( 2,276)	( 3,385)	( 2,276)	( 3,385)
<b>Profit after taxation</b>		1,981	5,314	4,302	5,640
Minority interests		39	24	-	-
<b>Net profit for the year</b>		2,020	5,338	4,302	5,640
Basic earnings per ordinary share (sen)	19	2.13	5.62		
Dividend per ordinary share - gross (sen)	20	3	5		

The notes set out on pages 38 to 51 form an integral part of, and should be read in conjunction with, these financial statements.



## Statement Of Changes In Equity For The Year Ended 31 December 2001

	Share capital RM'000	Revaluation reserve (Non- distributable) RM'000	Retained profits (Distributable) RM'000	Total RM'000
<b>Group</b>				
<b>At 1 January 2000</b>	94,968	4,454	56,071	155,493
Net profit for the year	-	-	5,338	5,338
Dividends (Note 20)	-	-	( 3,419)	( 3,419)
<b>At 31 December 2000</b>	94,968	4,454	57,990	157,412
Net profit for the year	-	-	2,020	2,020
Dividends (Note 20)	-	-	( 2,051)	( 2,051)
<b>At 31 December 2001</b>	94,968	4,454	57,959	157,381
<b>Company</b>				
<b>At 1 January 2000</b>	94,968	4,454	56,071	155,493
Net profit for the year	-	-	5,640	5,640
Dividends (Note 20)	-	-	( 3,419)	( 3,419)
<b>At 31 December 2000</b>	94,968	4,454	58,292	157,714
Net profit for the year	-	-	4,302	4,302
Dividends (Note 20)	-	-	( 2,051)	( 2,051)
<b>At 31 December 2001</b>	94,968	4,454	60,543	159,965

The notes set out on pages 38 to 51 form an integral part of, and should be read in conjunction with, these financial statements.

## Cash Flow Statement For The Year Ended 31 December 2001

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Cash flows from operating activities</b>				
Profit before taxation	4,257	8,699	6,578	9,025
Adjustments for:				
Amortisation of discount on acquisition of associate	( 32)	-	-	-
Deferred expenditure written off	-	120	-	-
Depreciation and amortisation of property, plant and equipment	6,985	7,293	6,985	7,293
(Gain)/Loss on disposal of property, plant and equipment	( 333)	204	( 323)	204
Interest income	( 830)	( 1,178)	( 822)	( 1,155)
Interest expense	-	76	-	76
Share of loss retained in an associate	2,127	186	-	-
<b>Operating profit before working capital changes</b>	12,174	15,400	12,418	15,443
(Increase)/Decrease in working capital:				
Inventories	877	520	120	873
Trade and other receivables	19	1,358	( 18,610)	( 349)
Trade and other payables	763	( 7,388)	( 254)	( 2,439)
<b>Cash generated from/(used in) operations</b>	13,833	9,890	( 6,326)	13,528
Income taxes paid	( 2,086)	( 7,909)	( 2,086)	( 7,908)
<b>Net cash generated from/(used in) operating activities</b>	11,747	1,981	( 8,412)	5,620
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment (excluding loan interest and depreciation charge capitalised)	( 39,310)	( 19,382)	( 7,088)	( 6,264)
Proceeds from disposal of property, plant and equipment	469	319	423	268
Subscription of additional shares in subsidiary company	-	-	-	( 5,700)
Interest received	830	1,178	822	1,155
<b>Net cash used in investing activities</b>	( 38,011)	( 17,885)	( 5,843)	( 10,541)
<b>Cash flows from financing activities</b>				
Proceeds from loans	17,870	11,330	4,600	-
Dividend paid to shareholders of the Company	( 3,419)	( 3,419)	( 3,419)	( 3,419)
Interest paid	( 1,511)	( 313)	( 22)	( 76)
<b>Net cash generated from/(used in) financing activities</b>	12,940	7,598	1,159	( 3,495)
<b>Net decrease in cash and cash equivalents</b>	( 13,324)	( 8,306)	( 13,096)	( 8,416)
<b>Cash and cash equivalents at beginning of year</b>	33,082	41,388	32,671	41,087
<b>Cash and cash equivalents at end of year</b>	19,758	33,082	19,575	32,671
<i>Cash and cash equivalents</i>				
Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:				
Cash and bank balances	1,951	707	1,768	296
Fixed deposits	17,807	32,375	17,807	32,375
	19,758	33,082	19,575	32,671

The notes set out on pages 38 to 51 form an integral part of, and should be read in conjunction with, these financial statements

# Notes To The Financial Statements For The Year Ended 31 December 2001

## 1. General information

The principal activities of the Company are the cultivation of oil palms and the operation of a palm oil mill. The principal activities of its subsidiaries are disclosed in Note 4.

The Company is a limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of the Kuala Lumpur Stock Exchange.

## 2. Summary of significant accounting policies

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years.

### (a) Basis of accounting

The financial statements of the Group and of the Company are prepared in compliance with applicable approved accounting standards in Malaysia.

### (b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

A subsidiary is excluded from consolidation when control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or reserve on consolidation as appropriate.

Intra-group transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intra-group transactions are also eliminated unless cost cannot be recovered.

### (c) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of the associate on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

Unrealised profit arising on transactions between the Group and the associate which is included in the carrying amount of the related assets and liabilities is eliminated partially to the extent of the Group's interests in the associate. Unrealised loss on such transactions is also eliminated partially unless cost cannot be recovered.

Goodwill/Discount on acquisition is calculated based on the fair value of net assets acquired.

### (d) Property, plant and equipment

(i) Certain long-term leasehold land and plantation development expenditure have been revalued in 1991 (Note 3) and are stated in the financial statements at valuation less amortisation. All other property, plant and equipment and additions to these properties subsequent to their revaluation are stated in the financial statements at cost less depreciation/amortisation and accumulated impairment losses.

Surplus arising from the revaluation is dealt with in the revaluation reserve account.

It is the Group's policy to state its property, plant and equipment at cost. The revaluation of the long-term leasehold land and plantation development expenditure in 1991 was not intended to effect a change in accounting policy to one of revaluation of assets. Hence in accordance with the transitional provisions issued by the Malaysian Accounting Standards Board, the open market values of these properties have not been updated and they continue to be stated at their carrying values less accumulated depreciation/amortisation.

Property, plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

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 unless it reverses a previous revaluation in which case it is charged to equity. 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. Such subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

- (ii) New planting expenditure incurred on land clearing, upkeep of immature oil palms, administrative expenses and interest incurred during the pre maturity period (pre-cropping costs) is capitalised under plantation development expenditure. Upon maturity, all subsequent maintenance expenditure is charged to revenue and the capitalised pre-cropping cost is amortised on a straight line basis over 25 years, the expected useful life of oil palms. Oil palm is considered mature 36 months after the month of planting.

All replanting expenditure is also capitalised under plantation development expenditure and amortised on the above-mentioned basis.

The Directors consider that net sums received from extraction and sale of timber from plantation land are sums received in the course of development of the land into an estate. Such receipts, net of extraction costs, royalties, commissions and other overheads are accordingly credited to the plantation development expenditure.

- (iii) Expenditure incurred on the extension of factory and the installation of plant and machinery is capitalised as capital work-in-progress until the plant is fully commissioned and operational.

**(e) Depreciation**

Leasehold land is amortised in equal instalments over the period of the remaining leases ranging from 56 to 89 years. Capital work-in-progress is not depreciated. Other property, plant and equipment are depreciated on a straight-line basis to write off the cost or valuation of the assets over the term of their estimated useful lives at the following principal annual rates:

Buildings	5% - 20%
Furniture and office equipment	10% - 20%
Motor vehicles	20% - 25%
Plant, machinery and field equipment	10% - 20%

**(f) Investments**

Investments in subsidiaries and the associate are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

**(g) Inventories**

Processed inventories comprising crude palm oil and palm kernel are valued at the lower of cost, determined on the weighted average basis, and net realisable value. Cost of processed inventories includes cost of raw materials, direct labour and an appropriate proportion of fixed and variable production overheads.

Stores and spares are valued at the cost of purchase on the weighted average cost basis.

Nursery inventories comprise seedlings remaining in the nursery for eventual field planting and are stated at cost.

**(h) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

**(i) Receivables**

Receivables are carried at anticipated realisable values. Bad debts are written off in the year in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end.

**(j) Revenue**

Revenue comprising sale of crude palm oil and palm kernel is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to buyers.

**(k) Interest income**

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the assets.

**(l) Taxation**

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

Deferred taxation is provided on the liability method for all material timing differences except where no liability is expected to arise in the foreseeable future and there are no indications the timing differences will reverse thereafter. Deferred tax benefits are only recognised when there is reasonable expectation of realisation in the near future.

**(m) Capitalisation of borrowing costs**

Borrowing costs incurred on the development of oil palm plantations and capital work-in-progress are capitalised.

Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

**(n) Interest expense**

All interest and other costs incurred in connection with borrowings other than that capitalised in accordance with Note 2(m), are expensed as incurred.

### 3. Property, plant and equipment

<b>GROUP</b>	<b>Long-term leasehold land and plantation development expenditure RM'000</b>	<b>Buildings RM'000</b>	<b>Furniture and office equipment RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Plant, machinery and field equipment RM'000</b>	<b>Capital work-in-progress RM'000</b>	<b>Total RM'000</b>
<b>Cost/Valuation</b>							
At 1 January 2001	156,014	27,702	2,497	5,498	33,142	600	225,453
Additions	35,830	1,162	173	826	2,000	2,229	42,220
Disposals	-	( 3)	( 36)	( 759)	( 255)	-	( 1,053)
Transfer	-	404	1	-	44	( 449)	-
At 31 December 2001	191,844	29,265	2,635	5,565	34,931	2,380	266,620
Representing items at:							
Cost	131,257	22,387	2,635	5,565	34,931	2,380	199,155
Valuation - 1991	60,587	6,878	-	-	-	-	67,465
At 31 December 2001	191,844	29,265	2,635	5,565	34,931	2,380	266,620
<b>Depreciation</b>							
At 1 January 2001	44,469	12,835	1,908	2,998	21,882	-	84,092
Charge for the year	3,266	1,696	163	758	2,472	-	8,355
Disposals	-	( 1)	( 28)	( 666)	( 222)	-	( 917)
At 31 December 2001	47,735	14,530	2,043	3,090	24,132	-	91,530
<b>Net book value</b>							
At 31 December 2001	144,109	14,735	592	2,475	10,799	2,380	175,090
At 31 December 2000	111,545	14,867	589	2,500	11,260	600	141,361
Depreciation charge for the year ended 31 December 2000	3,230	1,434	172	610	2,308	-	7,754



Company	Long-term leasehold land and plantation development expenditure	Buildings	Furniture and office equipment	Motor vehicles	Plant, machinery and field equipment	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cost/Valuation</b>							
At 1 January 2001	115,281	26,167	2,348	4,794	31,383	368	180,341
Additions	3,025	711	108	471	836	2,169	7,320
Disposals	-	( 3)	( 34)	( 706)	( 255)	-	( 998)
Transfers	-	218	1	-	-	( 219)	-
At 31 December 2001	118,306	27,093	2,423	4,559	31,964	2,318	186,663
Representing items at:							
Cost	57,719	20,215	2,423	4,559	31,964	2,318	119,198
Valuation - 1991	60,587	6,878	-	-	-	-	67,465
At 31 December 2000	118,306	27,093	2,423	4,559	31,964	2,318	186,663
<b>Depreciation</b>							
At 1 January 2001	44,470	12,666	1,892	2,821	21,601	-	83,450
Depreciation charge for the year	3,051	1,350	143	547	2,126	-	7,217
Disposals	-	( 1)	( 28)	( 647)	( 222)	-	( 898)
At 31 December 2001	47,521	14,015	2,007	2,721	23,505	-	89,769
<b>Net book value</b>							
At 31 December 2001	70,785	13,078	416	1,838	8,459	2,318	96,894
At 31 December 2000	70,811	13,501	456	1,973	9,782	368	96,891
Depreciation charge for the year ended 31 December 2000	3,230	1,289	161	488	2,125	-	7,293

Included in the plantation development expenditure are the following expenses incurred during the year:

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Loan interest	1,540	237	-	-
Depreciation	1,370	461	232	-
Hire of heavy equipment	270	272	186	102

Interest was capitalised at an average rate of 8.19% (2000: 8.30%) per annum.

Depreciation and amortisation charge for the year is allocated as follows:

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Income statement (Note 16)	6,985	7,293	6,985	7,293
Plantation development expenditure	1,370	461	232	-
	<b>8,355</b>	<b>7,754</b>	<b>7,217</b>	<b>7,293</b>

Certain of the leasehold estates and buildings of the Group and the Company were revalued by a firm of professional valuers using the investment method of valuation for planted fields and the cost method of valuation for the other areas of the plantations. The valuation, as adjusted and approved by the Capital Issues Committee on 29 April 1991, was incorporated in the financial statements in 1991. Subsequent additions to property, plant and equipment are included at cost.

The Directors are of the opinion that the current market values of the revalued properties are not less than their net book values as at 31 December 2001.

Had the revalued assets of the Group and the Company been carried at historical cost less accumulated depreciation or amortisation, the carrying amount of the assets concerned that would have been included in the financial statements at the end of the year would be as follows:

	Group and Company	
	31.12.2001 RM	31.12.2000 RM
i) Long-term leasehold land and plantation development expenditure	19,258,000	20,453,000
ii) Buildings	-	14,000

Certain leasehold land of the subsidiaries costing RM7,582,000 (2000: RM7,582,000) is charged to a bank to secure banking facilities granted (Note 10).

The documents of title to certain leasehold land belonging to a subsidiary stated at a cost of RM4,917,276 (2000: RM4,917,276) have yet to be issued by the Land and Survey Department, Sarawak. The subsidiary has capitalised in full the land premium payable to the said Department. The first instalment of RM983,456 for the land premium has been paid to the Department while the remaining balance of RM3,933,820 has been accrued for. The accrued land premium will be paid by the subsidiary upon issuance of the provisional lease titles by the Department.

#### 4. Investment in subsidiaries

	Company	
	2001 RM'000	2000 RM'000
Unquoted shares - at cost	15,500	15,500

The particulars of the subsidiaries are:

Name	Effective ownership interest		Principal activities	Country of incorporation
	2001 %	2000 %		
SOP Plantations (Balingian) Sdn. Bhd.	80	80	Early stage of oil palms cultivation	Malaysia
SOP Plantations (Niah) Sdn. Bhd.	80	80	Early stage of oil palms cultivation	Malaysia
SOP Plantations (Suai) Sdn. Bhd.	85	85	Early stage of oil palms cultivation	Malaysia

## 5. Investment in associate

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Unquoted shares - at cost	13,320	13,320	13,320	13,320
Less: Share of post acquisition reserves	( 2,313)	( 186)	-	-
Add: Amortisation of discount on acquisition	32	-	-	-
	<b>11,039</b>	<b>13,134</b>	<b>13,320</b>	<b>13,320</b>
Represented by:				
Group's share of net assets other than goodwill	11,327	13,454	-	-
Discount on acquisition less amortisation	( 288)	( 320)	-	-
	<b>11,039</b>	<b>13,134</b>	<b>-</b>	<b>-</b>

The discount on acquisition is amortised through the Group income statement over 10 years.

The particulars of the associate are:

Name	Effective ownership interest		Principal activities	Country of incorporation
	2001 %	2000 %		
Keresa Plantation Sdn. Bhd	45	45	Cultivation of rattan and oil palm	Malaysia

## 6. Inventories

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Processed inventories (crude palm oil and palm kernel)	704	71	704	71
Store and spares	2,791	3,367	2,150	2,888
Nursery inventories	1,845	2,779	157	172
	<b>5,340</b>	<b>6,217</b>	<b>3,011</b>	<b>3,131</b>

### Group and Company

Processed inventories of RM291,000 (2000: RM Nil) are carried at net realisable value.

## 7. Trade and other receivables

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade receivables	1,796	1,678	1,796	1,678
Subsidiaries	-	-	24,324	5,776
Associate	5	3	5	3
Deposits	57	62	56	60
Prepayments	537	329	479	300
Other receivables	1,684	1,922	1,234	1,445
Allowance for doubtful debts	(104)	-	-	-
	1,580	1,922	1,234	1,445
Tax refundable	851	541	851	541
	<b>4,826</b>	<b>4,535</b>	<b>28,745</b>	<b>9,803</b>

Included in other receivables are unsecured amounts of RM564,000 (2000: RM803,000) and RM446,000 (2000: RM620,000) due from staff of the Group and the Company respectively. These amounts bear interest at 6.00% (2000: 6.00%) per annum and are repayable in accordance with agreed repayment schedules.

Included in the amount due from subsidiaries is an unsecured amount of RM4,600,000 (2000: RM Nil) comprising revolving credits obtained by the Company and on-lent to the subsidiaries. The interest on the borrowings are recharged to the subsidiaries (Notes 10 and 26).

## 8. Cash and cash equivalents

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Fixed deposits placed with licensed banks	17,807	32,375	17,807	32,375
Cash and bank balances	1,951	707	1,768	296
	<b>19,758</b>	<b>33,082</b>	<b>19,575</b>	<b>32,671</b>

## 9. Trade and other payables

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Current:				
Trade payables	4,699	2,527	1,706	1,933
Other payables and accrued expenses	11,529	10,653	2,723	2,750
	<hr/>	<hr/>	<hr/>	<hr/>
	16,228	13,180	4,429	4,683
Long-term:				
Other payable - land premium	2,256	4,512	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	18,484	17,692	4,429	4,683

Other payables and accrued expenses consist of the following:

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Land premium payable	4,223	4,739	-	-
Retention sums payable to contractors	1,771	1,225	193	165
Staff remuneration payable	1,327	1,010	1,147	868
Other creditors and accruals	4,208	3,679	1,383	1,717
	<hr/>	<hr/>	<hr/>	<hr/>
	11,529	10,653	2,723	2,750

## 10. Borrowings

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Current				
Revolving credits				
- unsecured	4,600	-	4,600	-
Non-current				
Long-term loans				
- secured	24,600	11,330	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

The revolving credits are covered by a negative pledge on the Company's assets while the long-term loans are secured by fixed charges over the subsidiaries' leasehold land (Note 3) and corporate guarantees from the Company.

The revolving credits bear interest at 0.8% to 1.0% (2000: Nil) per annum above the lender banks' base lending rate or effective cost of funds, as the case may be. The term loans bear interest at 1.25% to 1.50% (2000: 1.5%) per annum above the lender banks' base lending rate.

The term loans are repayable from the year 2006.

The unutilised banking facilities available to the Group and the Company as at 31 December 2001 comprise:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Overdraft/Revolving credits	11,400	11,400
Term loans	43,400	-
	<u>54,800</u>	<u>11,400</u>

### 11. Share capital

	<b>Group and Company</b>	
	<b>2001</b>	<b>2000</b>
	<b>RM'000</b>	<b>RM'000</b>
Ordinary shares of RM1.00 each		
Authorised		
Opening and closing balances	<u>110,100</u>	<u>110,100</u>
Issued and fully paid		
Opening and closing balances	<u>94,968</u>	<u>94,968</u>

### 12. Revaluation reserves

	<b>Group</b>		<b>Company</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revaluation reserves - non distributable	<u>4,454</u>	<u>4,454</u>	<u>4,454</u>	<u>4,454</u>

The revaluation reserves represent the surplus on the revaluation of long-term leasehold estates in 1991 and are not distributable by way of dividends.

Deferred tax in respect of the revaluation reserves has not been provided for as the properties are held for long term use.

### 13. Minority shareholders' interests

This consists of minority shareholders' proportion of share capital and reserves of subsidiaries.

### 14. Deferred taxation

	<b>Group and Company</b>	
	<b>2001</b>	<b>2000</b>
	<b>RM'000</b>	<b>RM'000</b>
There is a potential taxation liability in respect of excess of capital allowances over depreciation	<u>8,419</u>	<u>9,080</u>

No provision for this deferred taxation has been made as the timing differences are expected to continue for the foreseeable future.

### 15. Revenue

The revenue of the Group and the Company comprises sale of crude palm oil and palm kernel.



## 16. Operating profit

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Operating profit is arrived at after crediting:				
Gain on disposal of property, plant and equipment	333	-	323	-
Rental income from land and buildings	40	31	40	31
<b>and after charging:</b>				
Allowance for doubtful debts	104	-	-	-
Audit fee	34	34	25	25
Directors' fees	113	100	113	100
Depreciation (Note 3)	6,985	7,293	6,985	7,293
Deferred expenditure written off	-	120	-	-
Inventory written off	-	25	-	25
Loss on disposal of property, plant and equipment	-	204	-	204

## 17. Employee information

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Staff costs				
- charged to income statement	10,617	11,032	10,617	11,032
- capitalised in plantation development expenditure	3,685	2,347	459	419
	14,302	13,379	11,076	11,451
Number of employees (excluding Directors) at the end of financial year	2,344	1,781	1,742	1,398

## 18. Tax expense

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Current tax expense				
- current	2,200	2,960	2,200	2,960
- prior years	( 424)	( 75)	( 424)	( 75)
Deferred tax expense				
- current	500	500	500	500
	2,276	3,385	2,276	3,385

The Company's effective tax rate is higher than the prima facie tax rate as certain expenses are not deductible for tax purposes. In addition, there is no group relief for losses incurred by the associate and the subsidiaries.

### 19. Basic earnings per ordinary share - Group

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders of RM2,020,000 (2000: RM5,338,000) and on the number of ordinary shares of RMI each in issue during the year of 94,968,000 (2000: 94,968,000).

### 20. Dividends

	Group and Company	
	2001	2000
	RM'000	RM'000
Ordinary		
Proposed first and final dividend of 3% (2000: 5%) per share less tax	2,051	3,419

### 21. Tax credit - company

Subject to agreement with the Inland Revenue Board, the Company has sufficient tax exempt income and Section 108 tax credit to distribute all its retained profits at 31 December 2001 if paid out as dividends.

### 22. Capital commitments

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Plantation development expenditure				
Authorised but not contracted for	41,528	49,065	3,133	2,433
Other property, plant and equipment				
Contracted but not provided for in the financial statements	16,039	684	16,039	510
Authorised but not contracted for	12,638	43,624	10,238	40,044
	28,677	44,308	26,277	40,554
	70,205	93,373	29,410	42,987

### 23. Contingent liabilities - unsecured

	Company	
	2001	2000
	RM'000	RM'000
Corporate guarantees favouring banks for loans granted to subsidiaries	68,000	68,000
Loans yet to be drawn down by subsidiaries	( 43,400)	( 56,670)
	24,600	11,330

## 24. Material litigations

### (a) Land disputes

A subsidiary, SOP Plantations (Suai) Sdn Bhd had in 1998 accepted an offer of alienation of nine provisional land leases for oil palm plantation purpose comprising Lot 157, Suai Land District; Lots 931 and 932, Niah Land District; and Lots 73 to 78, Sawai Land District totaling 6,586 hectares.

Out of the land alienated, the subsidiary has developed an area of 883 hectares. The development on the remaining areas has been deferred for the present due mainly to land disputes and claims of native customary rights over the land.

Among the claimants are five individuals who have sued the Superintendent of Lands and Surveys, Sarawak, the State Government of Sarawak and the Company, claiming to have native customary rights over the said Lot 78, Sawai Land District, Sarawak.

### (b) Associate

The Company's associate, Keresa Plantations Sdn. Bhd., is a joint venture company jointly owned by the Company and another party with 45% and 55% shareholdings respectively. During the year, the Company instituted legal action against the joint venture partner. The Company's claim is in relation to the joint venture partner's obligations under the joint venture agreement.

The prayer sought by the Company is for enforcement of rights under the joint venture agreement which include the rights for the Company to purchase the joint venture partner's shares in Keresa Plantation Sdn. Bhd.

The case is fixed for hearing on 2 July 2002.

## 25. Segment analysis

No segment analysis is prepared as the Group is primarily engaged in the oil palm industry in Malaysia.

## 26. Related parties

Identity of related parties

The Company has no controlling related party relationship other than with its subsidiaries as disclosed in Note 4.

### Significant transactions with related companies

	Company	
	2001 RM'000	2000 RM'000
Interest recharged to subsidiaries*	52	-

\* Interest on the revolving credits of RM4,600,000 (2000: Nil) obtained by the Company and on-lent to the subsidiaries is recharged to the latter (see Note 10).

### Other related party transactions

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

#### (a) Transactions with companies in which Ling Chiong Ho, a Director, has or is deemed to have substantial interests:

Nature of transactions	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Purchase of consumables from Pekerjaan Piasau Konkerit Sdn. Bhd, Shin Yang Trading Sdn. Bhd., Shin Yang Services Sdn. Bhd. and Hollystone Quarry Sdn. Bhd.	1,078	1,064	1,077	1,064

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Purchase of property, plant and equipment from Piasau Slipways Sdn. Bhd. and Shin Yang Shipyard Sdn. Bhd.	234	-	54	-
Sale of seedlings to Shin Yang Oil Palms Sdn. Bhd. and Greenwood Estate Sdn. Bhd.	( 12)	( 426)	-	( 426)

**(b) Transactions with a company in which Wong Ngie Yong, a Director, has or is deemed to have substantial interests:**

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Purchase of consumables from Utama Parts Trading (Sarawak) Sdn. Bhd.	115	-	111	-

**(c) Transactions with a company in which Yayasan Sarawak, a shareholder of a subsidiary, SOP Plantations (Niah) Sdn. Bhd., has or is deemed to have substantial interests:**

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Construction of infrastructure by Petronesa Engineering Sdn. Bhd.	1,283	882	-	-

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

There are no significant balances in respect of non-trade transactions at the year end.

## Five Years Financial Record

### Group

	1997	1998	1999	2000	2001
	RM '000	RM '000	RM'000	RM'000	RM'000
<i>Results</i>					
Turnover	54,680	62,690	66,587	40,274	36,675
Profit before taxation	20,792	26,830	28,062	8,699	4,257
Profit after taxation	14,292	15,668	25,062	5,338	2,020
Total Shareholders' Fund	121,601	133,871	155,493	157,412	157,381
Total Assets	142,730	162,652	194,854	198,329	216,053
Total Borrowing	-	-	-	11,330	29,200
Issued & Paid - up capital	94,968	94,968	94,968	94,968	94,968
Dividend( Net of tax )	3,419	3,419	3,419	3,419	2,051
<i>Financial Statistics</i>					
Profit before taxation / turnover (%)	38.0	42.8	42.1	21.6	11.6
Gross Dividend (sen/share)	5.0	5.0	5.0	5.0	3.0
Net Earnings per share of RM 1 each (sen)	15.1	16.5	26.4	5.6	2.1
Net Tangible assets of RM 1 each (RM)	1.28	1.41	1.64	1.65	1.66

## Five Years Crop Record

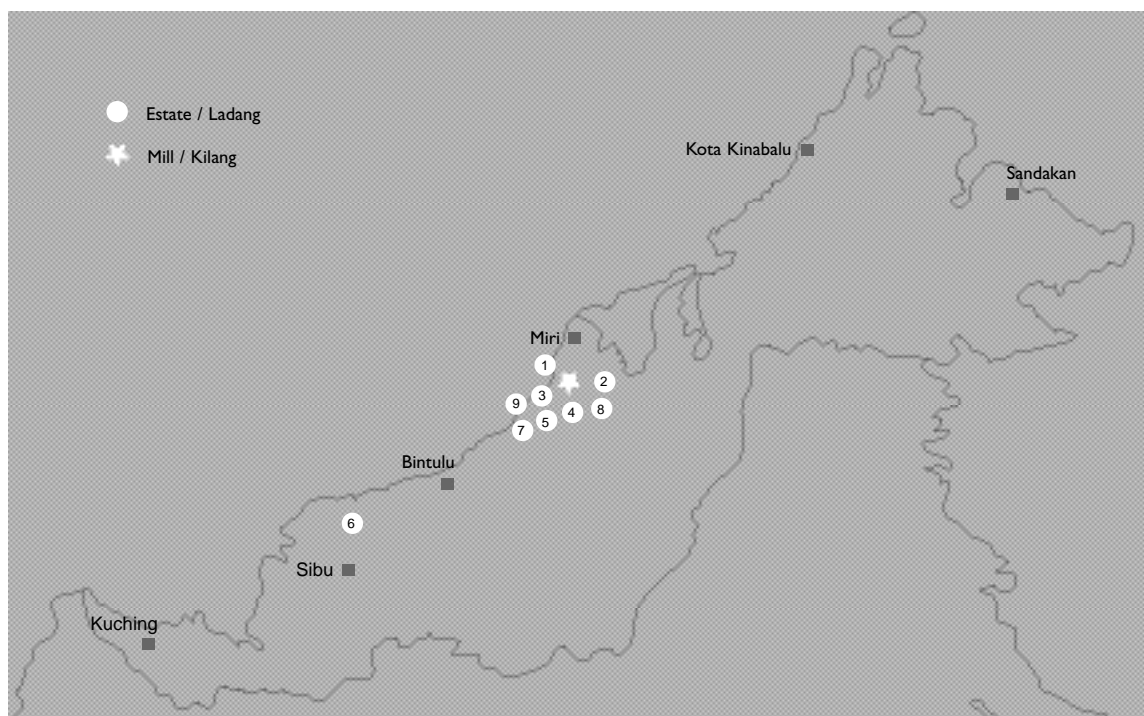
### Planted Hectarage , Production and Produce Prices

	1997	1998	Group 1999	2000	2001
	Ha.	Ha.	Ha.	Ha.	Ha.
<b>Oil Palms</b>					
Mature	9,004	8,973	8,743	8,552	8,453
Immature	911	1,244	2,169	3,499	7,056
Total	9,915	10,217	10,912	12,051	15,509
Reserves, Unplanted, Building sites, etc	9,167	13,865	15,538	14,399	10,941
Total Area Under Lease	19,082	24,082	26,450	26,450	26,450
	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>
<b>FFB Crop</b>					
Estate Crop	173,376	130,040	176,871	169,732	175,491
Outside Crop	4,647	3,542	3,096	3,072	7,186
	178,023	133,582	179,967	172,804	182,677
Crude Palm Oil	37,809	29,570	40,275	37,995	39,032
Palms Kernels	9,362	6,837	9,436	9,567	10,185
<b>Yield Per Hectare</b>					
Tonnes FFB / Mature palms	19.26	14.49	20.23	19.85	20.76
Crude Palm Oil / FFB	21.24%	22.14%	22.38%	22.02%	21.40%
Palms Kernels /FFB	5.26%	5.12%	5.24%	5.55%	5.59%
<b>Average Prices</b>					
FOB Bintulu / Miri					
Crude Palm Oil	1,246	1,831	1,320	906	823
Palms Kernels	728	1,045	922	548	377

## Properties Of The Group As At 31 December 2001

Location of Property Sarawak	Tenure	Year of Expiry	Size Hectares	Description	Net Book Value As At 31 Dec 2001 (RM Million)	Age of Building (Years)
1. Kebuloh Estate, Miri	Leasehold 87 to 97 years	2067	1,841	Oil Palm Estate & Oil Mill	85,590	1 to 31
2. Luak Estate, Miri	Leasehold 87 to 97 years	2067	2,785	Oil Palm Estate		
3. Telabit Estate, Miri	Leasehold 99 years	2085	2,762	Oil Palm Estate		
4. Pinang Estate, Miri	Leasehold 99 years	2090	1,482	Oil Palm Estate		
5. Galasah Estate, Miri	Leasehold 99 years	2084	1,907	Oil Palm Estate		
6. Balingian Estate 1, Balingian	Leasehold 60 years	2057	1,669	Land under Oil Palm Development	20,883	1 to 3
Balingian Estate 2, Balingian	Leasehold 60 years	2059	2,368	Land for Oil Palm Development		
7. Sengah Estate, Miri *	-	-	2,725	Land for Oil Palm Development	11,846	1 to 4
8. Lamous Estate, Miri *	-	-	3,911	Land under Oil Palm Development		
9. Niah Estate, Miri	Leasehold 60 years	2059	5,000	Land under Oil Palm Development	37,798	1 to 3

\* Pending for the issue of provisional lease.



## Shareholdings Statistics As At 22 April 2002

### SHARE CAPITAL

Authorised	:	110,100,000 Ordinary Shares of RM1.00 each
Issued and Fully Paid	:	94,968,240 Ordinary Shares of RM1.00 each
Voting Rights	:	One Vote Per Share

### BREAKDOWN OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
Less than 1,000	885	12.19	228,499	0.24
1,000 - 10,000	5,876	80.94	15,052,489	15.85
10,001 - 100,000	461	6.35	11,936,000	12.57
100,001 to less than 5% of issued shares	35	0.48	14,320,812	15.08
5% and above of issued shares	3	0.04	53,430,440	56.26
<b>Total</b>	<b>7,260</b>	<b>100.00</b>	<b>94,968,240</b>	<b>100.00</b>

### Substantial Shareholders

	No of Shares Held	% of Issued Capital
1. Pelita Holdings Sdn Bhd	24,334,458	25.62
2. Shin Yang Plantation Sdn Bhd	23,749,982	25.01
3. Perra Group Ltd	5,346,000	5.63
<b>Total</b>	<b>53,430,440</b>	<b>56.26</b>

### Directors' Interests In Shares

Size of Holdings	Direct Interest		Deemed Interest	
	No. of shares	% of Issued capital	No. of shares	% of Issued capital
<b>In the company</b>				
Ling Chiong Ho	-	-	23,749,982	25.01
Datu Haji Hamzah Haji Drahan	5000	*	-	-
Lai Yew Hock	10,000	0.01	-	-
<b>In Subsidiary Companies</b>				
<b>SOP Plantation ( Balingian) Sdn Bhd</b>				
Ling Chiong Ho **	-	-	4,800,000	80
<b>SOP Plantations (Niah) Sdn Bhd</b>				
Ling Chiong Ho **	-	-	6,000,000	80
<b>SOP Plantations (Suai) Sdn Bhd</b>				
Ling Chiong Ho **	-	-	1,700,000	85

\* negligible

\*\* by virtue of his interest in the shares of Sarawak Oil Palms Berhad



## Thirty Largest Shareholders

Name	No. of	Shares %
1. Pelita Holdings Sdn Bhd	24,334,458	25.62
2. Arab-Malaysian Nominees (Tempatan) Sdn Bhd AMMB International (L) Ltd for Shin Yang Plantation Sdn Bhd	23,749,982	25.01
3. HSBC Nominees (Asing) Sdn Bhd HIB SG for Perra Group Ltd.	5,346,000	5.63
4. HSBC Nominees (Asing) Sdn Bhd HSBC Trustee SG Ltd for Millionasia Properties Limited	1,873,000	1.97
5. HSBC Nominees (Tempatan) Sdn Bhd HSBC (Malaysia) Trustee Berhad for Amanah Saham Sarawak	1,538,800	1.62
6. Ling Lu Kuang	1,287,000	1.36
7. Pekan Megah Sdn Bhd	1,208,000	1.27
8. Citicorp Nominees (Asing) Sdn Bhd MLPFS for Shen Kin Kwok	993,400	1.05
9. UB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for UT Securities Sdn Bhd	557,000	0.59
10. Sia Su King	464,000	0.49
11. Cimsec Nominees (Tempatan) Sdn Bhd Libra Asia Securities Limited for Euphorex Corporation Sdn Bhd	449,000	0.47
12. Ki Yien Ping	439,000	0.46
13. HDM Nominees (Tempatan) Sdn Bhd Pledged securities account for LSM Enterprise Sdn Bhd	422,000	0.44
14. Ministry of Finance Malaysia	379,812	0.40
15. Wong Ing Yung	321,000	0.34
16. Citicorp Nominees (Asing) Sdn Bhd MLPFS for Shea Kin Kwok	316,000	0.33
17. Alliance Group Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd for Employees Provident Fund	310,000	0.33
18. HSBC Nominees (Asing) Sdn Bhd HIB SG for Longville Ltd	290,000	0.31
19. Universal Trustee (Malaysia) Berhad Alliance First Fund	261,000	0.27
20. Botly Nominees (Tempatan) Sdn Bhd Pledged securities account for Chan Kam Leong	256,000	0.27
21. HLG Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Quek Leng Chye	240,000	0.25
22. Ling Pien Huoi@ Ling Beng Hui	236,800	0.25
23. HDM Nominees (Asing) Sdn. Bhd Ong & Company Private Limited for Global Bridge Venture Ltd	220,000	0.23
24. Eow Cheng Siew	214,000	0.23
25. Public Nominees (Tempatan) Sdn Bhd Pledged securities account for Wong Ing Kee	200,000	0.21
26. Ha Diong Ing	165,000	0.17
27. Tiong Su Kouk	163,000	0.17
28. Cimsec Nominees (Tempatan) Sdn Bhd Libra Asia Securities Limited for Chemical Company of Malaysia Berhad	151,000	0.16
29. Lee Yoke Wan	150,000	0.16
30. Ricojaya Sdn Bhd	150,000	0.16
	<b>66,685,252</b>	<b>70.22</b>

## Laporan Ahli Lembaga Pengarah untuk tahun berakhir 31 Disember 2001

Dengan hormatnya, Ahli Lembaga Pengarah ingin menyampaikan laporan mereka dan membentangkan penyata kewangan Kumpulan serta Syarikat untuk tahun yang berakhir 31 Disember 2001.

### Aktiviti-aktiviti Utama

Aktiviti-aktiviti utama Syarikat ialah penanaman pokok kelapa sawit dan operasi kilang minyak kelapa sawit sementara aktiviti-aktiviti anak-anak syarikatnya dinyatakan pada Nota 4 penyata kewangan yang sama. Tiada perubahan menonjol yang berlaku pada jenis aktiviti-aktiviti tersebut di sepanjang tahun kewangan.

### Keputusan

	Kumpulan RM'000	Syarikat RM'000
Keuntungan bersih tahunan	2,020	4,302

### Dividen

Sejak akhir tahun kewangan yang lalu, Syarikat telah membayar dividen pertama dan terakhir sebanyak 5% tolak cukai berjumlah RM3,418,857 untuk tahun kewangan yang berakhir 31 Disember 2000 pada 18 Julai 2001.

Ahli Lembaga Pengarah menyarankan supaya Syarikat membayar dividen sebanyak 3% tolak cukai berjumlah RM2,051,314 untuk tahun kewangan yang berakhir 31 Disember 2001.

### Rizab dan peruntukan

Tiada perpindahan penting yang dibuat sama ada dari atau ke akaun rizab atau peruntukan kecuali seperti yang dilaporkan di dalam penyata kewangan ini.

### Pengarah-pengarah Syarikat

Pengarah-pengarah sejak laporan tahun dahulu terdiri daripada:

Polit Bin Hamzah  
Datu Haji Hamzah Haji Drahan  
Gerald Rentap Jabu  
Ling Chiong Ho  
Tang Tiong Ing  
Fong Tshu Kwong @ Fong Tshun Kwong  
Lai Yew Hock  
Gary Tan Yow Hoo  
Wong Ngie Yong (dilantik pada 15.6.2001)

Menurut Artikel Penubuhan Syarikat, Fong Tshu Kwong @ Fong Tshun Kwong dan Lai Yew Hock bersara daripada Lembaga pengarah secara giliran pada Mesyuarat Agung Tahunan yang akan datang dan disebabkan layak, kini menawarkan diri mereka untuk dilantik semula.

Menurut Artikel Penubuhan Syarikat, Wong Ngie Yong, yang telah dilantik ke Lembaga Pengarah sejak Mesyuarat Agung Tahunan yang lepas, akan bersara, dan disebabkan layak, kini menawarkan dirinya untuk dilantik semula.

### Pegangan saham oleh Lembaga Pengarah Syarikat

Pegangan secara langsung atau tidak langsung Pengarah-pengarahnya ke atas saham biasa syarikat serta lain-lain syarikat yang bersekutu seperti yang tercatat pada Daftar Pegangan Saham Pengarah-pengarah Syarikat adalah seperti berikut:

	Baki pada 1.1.2001	Bilangan saham biasa yang bernilai RM1.00 setiap saham		Baki pada 31.12.2001
		Dibeli	Dijual	
<b>Sarawak Oil Palms Berhad</b>				
<b>Pegangan Secara Langsung</b>				
Datu Haji Hamzah Haji Drahan	5,000	-	-	5,000
Lai Yew Hock	10,000	-	-	10,000
<b>Pegangan Secara Tidak Langsung</b>				
Ling Chiong Ho	23,749,982	-	-	23,749,982

Pegangan secara tidak langsung mewakili saham-saham yang dimiliki oleh syarikat di mana seseorang Pengarahnya mempunyai pegangan yang banyak.

Dengan merujuk kepada pegangan saham Sarawak Oil Palms Berhad oleh Ling Chiong Ho's, pegangan secara tidak langsungnya pada saham anak-anak syarikat pada akhir tahun adalah seperti berikut:

	Baki pada 1.1.2001	Jumlah saham biasa pada RM1.00 setiap saham		Baki pada 31.12.2001
		Dibeli	Dijual	
SOP Plantations (Balingian) Sdn. Bhd.	4,800,000	-	-	4,800,000
SOP Plantations (Niah) Sdn. Bhd.	6,000,000	-	-	6,000,000
SOP Plantations (Suai) Sdn. Bhd.	1,700,000	-	-	1,700,000

Tiada Pengarah pada 31 Disember 2001 yang mempunyai sebarang pegangan saham biasa Syarikat serta syarikat-syarikat yang berkaitan di dalam tahun kewangan.

### *Faedah Pengarah*

Sejak akhir tahun kewangan yang lepas, tiada Pengarah Syarikat yang telah menerima atau layak menerima sebarang faedah (selain daripada faedah yang dimasukkan di dalam agregat jumlah emolumen yang diterima atau perlu dibayar atau diterima oleh Pengarah-pengarah seperti yang dinyatakan di dalam penyata kewangan) disebabkan oleh sebuah kontrak yang dibuat oleh Syarikat atau sebuah syarikat berkaitan dengan Pengarah ataupun dengan sebuah firma di mana Pengarah tersebut merupakan seorang ahli, atau dengan sebuah syarikat di mana Pengarah tersebut mempunyai pegangan kewangan yang banyak, selain daripada sesetengah Pengarah yang mempunyai hak kewangan yang penting di dalam syarikat-syarikat di dalam Kumpulan di sepanjang perniagaan biasanya (rujuk Nota 26 pada Penyata Kewangan).

Tiada terdapat rancangan pada atau di akhir tahun kewangan yang bertujuan untuk membolehkan Pengarah-pengarah Syarikat untuk memperolehi faedah-faedah melalui pemerolehan saham atau debentur Syarikat atau syarikat lain.

### *Terbitan Saham*

Tiada terdapat perubahan pada modal yang dibenarkan atau berbayar Syarikat di dalam tahun kewangan.

### *Opsyen yang diberi ke atas saham yang belum diterbitkan serta debentur*

Tiada opsiyen yang telah diberi kepada sesiapa untuk memperolehi saham yang belum diterbitkan dan debentur Syarikat di dalam tahun kewangan.

### *Pelbagai Maklumat Yang Diperlukan*

Sebelum penyata kewangan Kumpulan dan Syarikat disediakan, Pengarah-pengarah telah mengambil langkah-langkah sewajarnya untuk menentukan bahawa:

- i. semua hutang yang diketahui telah dihapuskan dan peruntukan yang secukupnya telah dilakukan untuk hutang yang diragukan, dan
- ii. semua aset semasa telah dinyatakan pada kos dan nilai penukaran semula yang lebih rendah.

#### **Pada tarikh Laporan ini, Pengarah-pengarah tidak sedia maklum mengenai keadaan yang:**

- i. boleh menyebabkan jumlah yang dihapuskan untuk hutang yang tidak berbayar, atau amaun peruntukan untuk hutang yang diragukan, di dalam Kumpulan dan Syarikat tidak mencukupi untuk suatu amaun yang besar, atau
- ii. boleh menyebabkan nilai yang berkaitan dengan aset semasa di dalam penyata kewangan Kumpulan dan Syarikat mengelirukan, atau
- iii. telah berlaku di mana penggunaan kaedah semasa menilai aset dan liabiliti Kumpulan dan Syarikat mengelirukan atau tidak bersesuaian, atau
- iv. tidak sebelum ini dilakukan di dalam laporan ini atau penyata kewangan, yang membolehkan amaun yang dinyatakan di dalam penyata kewangan Kumpulan dan Syarikat mengelirukan

#### **Pada tarikh laporan ini, tiada didapati tiada berlaku**

- i. sebarang cagaran ke atas aset Kumpulan dan Syarikat semenjak akhir tahun kewangan tersebut dan yang menyebabkan sebarang liabiliti individu yang lain.
- ii. sebarang liabiliti mengejut yang berkaitan dengan Kumpulan dan Syarikat semenjak akhir tahun kewangan tersebut.

Tiada terdapat sebarang liabiliti mengejut atau berlaku liabiliti lain Syarikat di dalam Kumpulan yang perlu dikuatkuasakan, atau mungkin terpaksa dikuatkuasakan di dalam jangkamasa dua belas bulan selepas tahun kewangan tersebut di mana, pada pendapat Para Pengarah, akan atau mungkin banyak menjejaskan keupayaan Kumpulan dan Syarikat untuk menebus semula liabiliti-liabiliti apabila cukup tempohnya.

Pada pendapat para Pengarah, kecuali seperti yang dinyatakan di dalam penyata kewangan, keputusan-keputusan operasi Kumpulan dan Syarikat untuk tahun kewangan yang berakhir 31 Disember 2001 belum terjejas dengan besarnya disebabkan oleh sebarang perkara, transaksi atau peristiwa yang biasa atau luar biasa ataupun perkara, transaksi dan peristiwa berlaku terjadi pada jangkamasa di antara akhir tahun kewangan tersebut dan tarikh penyediaan laporan ini.

### **Juruaudit**

Juruaudit, Messrs KPMG, telah menyatakan kesediaan mereka untuk menerima perlantikan semula.

Ditandatangani menurut resolusi para pengarah:

**Tang Tiong Ing**  
(Pengarah)

**Lai Yew Hock**  
(Pengarah)

Miri,  
Date: 19 April 2002

## ***Kenyataan Pengarah Mengikut Seksyen 169 (15) Akta Syarikat, 1965***

Pada pendapat para Pengarah, penyata kewangan yang dibentangkan pada muka surat 34 hingga 51 telah disediakan mengikut piawaian akaun Malaysia yang sah dan bersesuaian, supaya memberi penjelasan yang benar dan adil mengenai kedudukan Kumpulan dan Syarikat pada 31 Disember 2001 dan keputusan-keputusan operasi serta aliran tunai untuk tahun yang berakhir pada tarikh yang sama.

Ditandatangani mengikut resolusi Pengarah:

**Tang Tiong Ing**  
(Pengarah)

**Lai Yew Hock**  
(Pengarah)

Miri,

Tarikh: 19 April 2002

## *Pengakuan Statutori Mengikut Seksyen 169 (16) Akta Syarikat, 1965*

Saya, Wong Hee Kwong, pegawai utama yang bertanggungjawab untuk pengurusan kewangan Sarawak Oil Palms Berhad, dengan ini mengaku bahawa penyata kewangan yang dibentangkan pada muka surat 34 hingga 51 adalah, pada pendapat dan kepercayaan saya, benar dan saya membuat pengakuan ini dengan penuh jujur mengenai kebenaran penyata kewangan tersebut, berlandaskan peruntukan yang terdapat di dalam Akta Pengakuan Statutori, 1960.

Persetujuan dan pengakuan dibuat oleh penama yang tersebut di atas di Miri di dalam Negeri Serawak pada 19 April 2002

Di hadapan saya

DOMINIC LAI YEW HOCK  
Pesuruhjaya Sumpah  
Lot 273, 2nd Floor  
Jalan Nahkoda Gampar  
98000 Miri Sarawak

## *Laporan Juruaudit kepada ahli-ahli Sarawak Oil Palms Berhad*

Kami telah mengaudit penyata kewangan yang dibentangkan pada muka surat 34 hingga 51. Persediaan penyata kewangan tersebut merupakan tanggungjawab para Pengarah Syarikat. Tanggungjawab kami adalah untuk memberi pendapat mengenai penyata kewangan tersebut berdasarkan audit yang dijalankan oleh pihak kami.

Kami telah menjalankan proses audit mengikut Piawaian Audit Malaysia. Piawaian ini memerlukan perancangan dan perjalanan audit untuk mendapatkan maklumat dan penjelasan, yang mana kami anggap perlu sebagai bukti untuk memberikan kepastian yang berpatutan bahawa penyata kewangan tersebut bebas daripada sebarang pemesongan. Aktiviti audit termasuk penilaian prinsip-prinsip akaun yang digunakan dan anggaran penting yang dilakukan oleh para Pengarah serta menilai sama ada pembentangan maklumat keseluruhan di dalam penyata kewangan adalah mencukupi. Kami percaya bahawa proses audit ini telah memberi asas yang cukup untuk pendapat kami.

Pada pendapat kami:

(a) penyata kewangan ini telah disediakan dengan baik mengikut peruntukan-peruntukan Akta Syarikat, 1965 dan piawaian akaun yang sah dan bersesuaian di Malaysia supaya memberi gambaran yang benar dan adil mengenai

i. kedudukan Kumpulan dan Syarikat pada 31 Disember 2001 dan keputusan operasi dan aliran tunai untuk tahun tersebut yang berakhir pada tarikh yang sama; dan

ii. perkara-perkara yang diperlukan oleh Seksyen 169 Akta Syarikat, 1965 yang perlu dilengkapkan di dalam penyata kewangan Kumpulan dan Syarikat.

(b) rekod akaun dan lain-lain serta buku daftar akaun yang perlu disimpan di Syarikat dan anak-anak Syarikatnya di bawah Akta Syarikat, 1965 telah disimpan dengan rapi mengikut peruntukan di dalam Akta tersebut.

Kami berpuas hati bahawa penyata kewangan anak-anak syarikatnya yang telah disatukan dengan penyata kewangan Kumpulan adalah berkesesuaian daripada segi format dan kandungan dan juga bersesuaian untuk persediaan penyata akaun yang disatukan dan kami telah menerima maklumat dan penjelasan yang memuaskan untuk tujuan tersebut.

Laporan audit mengenai penyata kewangan anak-anak syarikat tidak mengambilkira sebarang kelayakan atau sebarang komen yang terdapat pada sub-seksyen (3) Seksyen 174 Akta tersebut.

KPMG  
Nombor Firma: AF 0758  
Akauntan Bertauliah

Kuching,  
Tarikh: 19 April 2002

Chin Chee Kong  
Rakan Kongsi  
No. Pengesahan: 1481/1/03 (J)

SARAWAK OIL PALMS BERHAD  
 (Company No. 7949-M)  
 (Incorporated in Malaysia)

No of ordinary shares held

PROXY FORM

I/We, \_\_\_\_\_  
 of \_\_\_\_\_  
 being a member/members of the above Company, hereby appoint \* Chairman of the meeting or \_\_\_\_\_  
 of \_\_\_\_\_ or failing him/  
 her \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ as \*my/our proxy to attend and vote for \* me/us and on \* my/our behalf at the Thirty-Fourth Annual General Meeting of the Company, to be held at the Ballroom 1 (4th Floor) Mega Hotel Lot 907 Jalan Merbau 98000 Miri Sarawak on the 18th day of June 2002 at 10.00 a.m. and, at every adjournment thereof. The proxy is to vote on the resolutions set out in the Notice of Annual General Meeting as indicated with an "X" in the appropriate spaces.

Resolution No.	For	Against
1. Adoption of Annual Accounts and Reports of the Directors and Auditors		
2. Declaration of Final Dividend.		
3. Approval of Directors' fees.		
4. Re-election of retiring directors:- Fong Tshu Kwong @ Fong Tshun Kwong Lai Yew Hock Wong Ngie Yong		
5. Re-appointment of Auditors		
6. Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature		

(Please indicate with an "X" in the space provided above on 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)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2002

\_\_\_\_\_  
 Signature and/or Common Seal of Shareholders

**Notes:**

- A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his instead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- Where a member appoints more than one (1) proxy, the proportion of his shareholdings to be represented by each proxy must be specified in order for the appointments to be valid. Pursuant to paragraph 7.22 of the Listing Requirements of Kuala Lumpur Stock Exchange, where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- The instrument appointing a proxy or proxies shall be in writing (in the common and usual form) under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, the instrument appointing a proxy or proxies must be either under seal or under the hand of an office or attorney duly authorised.
- The instrument appointing a proxy must be deposited at either of the following offices not less than forty-eight (48) hours before the time appointed for the holding of the meeting:
  - The Office of the Share Registrars, Signet Share Registration Services Sdn. Bhd. At 11th Floor- Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur
  - The Registered Office of the Company at 41KM, Miri-Bintulu Road, 98000 Miri, Sarawak.