

Company No: 166301

*Directors' Report &
Audited Financial Statements*

**The Pataling Rubber
Estates, Limited**

30th June, 2001



Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

DIRECTORS

Kasmuri bin Sukardi
Mary Lina Sii Mei Kui

SECRETARY AND AGENT

Golden Hope Plantations Berhad,
13th Floor, Menara PNB,
No. 201-A, Jalan Tun Razak,
50400 Kuala Lumpur,
Malaysia.

REGISTERED OFFICES

United Kingdom:
One Great Tower Street,
London EC3R 5AH.

Malaysia:
20th Floor, Menara PNB,
No. 201-A, Jalan Tun Razak,
50400 Kuala Lumpur.

REGISTERED NUMBER

166301 England

AUDITORS

Ernst & Young

Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

REPORT OF THE DIRECTORS

The Directors present their Report and the Audited Financial Statements for the year ended 30th June, 2001.

The financial statements are presented in Malaysian Ringgit. The Directors are of the opinion that as the Company is principally operating in Malaysia, the financial statements should reflect its functional currency.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company ceased operations with effect from 1st July, 1999.

RESULTS

	RM
Loss attributable to shareholders	(5,882)
Retained profit brought forward	646,223,732
	646,217,850
Dividend	(11,208,757)
Retained profit carried forward	635,009,093

DIVIDENDS

Final dividends of RM0.70 per ordinary share of 10 pence each (less tax) amounting to RM16,346,103 and tax exempt dividends of RM1.90 per ordinary share of 10 pence each amounting to RM61,622,216 proposed in the previous financial year and dealt with in the previous Directors' Report were paid by the Company during the current financial year.

The Directors have proposed final dividends of RM0.48 per share of 10 pence each (less tax at 28%) amounting to RM11,208,757 to be paid on 22nd October, 2001 for the year ended 30th June, 2001.

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Kasmuri bin Sukardi	
Mary Lina Sii Mei Kui	(Appointed on 30.3.01)
Mohd Zulkifli bin Itam	(Resigned on 30.3.01)

At the end of the financial year, the following Directors had an interest in the shares of Golden Hope Plantations Berhad (Golden Hope), an intermediate holding company and options over the shares of Golden Hope, pursuant to the Employees' Share Option Scheme ("ESOS") of Golden Hope, the terms of which are disclosed in the Directors' Report of that company:

Number of ordinary shares of RM1 each

	As at <u>1.7.2000</u>	Bought <u>During the financial year</u>	Sold	As at <u>30.6.2001</u>
<u>Golden Hope Plantations Berhad</u>				
Kasmuri bin Sukardi	-	15,000	(15,000)	-
Mary Lina Sii Mei Kui	45,000	10,000	-	55,000

Options over ordinary shares of RM1 each

	As at <u>1.7.2000</u>	<u>Granted</u>	Exercised/ <u>Lapsed</u>	As at <u>30.6.2001</u>
Kasmuri bin Sukardi	105,000	-	(15,000)	90,000
Mary Lina Sii Mei Kui	53,000	-	(10,000)	43,000

Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

AUDITORS

On 28th June, 2001, Ernst & Young transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28th June, 2001. A resolution for the re-appointment of Ernst & Young LLP as auditors will be proposed at the Annual General Meeting.

By Order of the Board,



NORLIN BINTI ABDUL SAMAD
Secretary

15 JAN 2002

Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- o select suitable accounting policies and then apply them consistently;
- o make judgements and estimates that are reasonable and prudent; and
- o prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Company No: 166301

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)**

We have audited the Company's financial statements for the year ended 30th June, 2001 which comprise the Income Statement, Balance Sheet and the related notes 1 to 11. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act, 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Company No: 166301

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

**THE PATALING RUBBER ESTATES, LIMITED (CONTD.)
(Incorporated in England)**

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 30th June, 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act, 1985.



ERNST & YOUNG LLP
Registered Auditor
Becket House
1 Lambeth Palace Road
London
SE1 7EU

15 JAN 2002

Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2001

	Note	DISCONTD. <u>2001</u> RM	DISCONTD. <u>2000</u> RM
ADMINISTRATIVE EXPENSES		(5,882)	(3,135)
LOSS ON ORDINARY ACTIVITIES BEFORE TAX	3	(5,882)	(3,135)
TAXATION	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAX		(5,882)	(3,135)
DIVIDENDS	5	(11,208,757)	(77,968,320)
RETAINED LOSS FOR THE FINANCIAL YEAR		<u>(11,214,639)</u>	<u>(77,971,455)</u>

There are no recognised gains and losses other than the loss for the year.

The notes on pages 10 to 13 form part of the financial statements

Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

BALANCE SHEET AS AT 30TH JUNE, 2001

	Note	<u>2001</u> RM	<u>2000</u> RM
CURRENT ASSETS			
Debtors	6	1,114,542,968	1,115,929,627
CREDITORS			
Amounts falling due within one year	7	(451,730,251)	(441,902,271)
NET ASSETS		<u>662,812,717</u>	<u>674,027,356</u>
CAPITAL AND RESERVES			
Share capital	8	27,803,624	27,803,624
Profit and loss account	9	635,009,093	646,223,732
EQUITY & SHAREHOLDERS' FUNDS		<u>662,812,717</u>	<u>674,027,356</u>


KASMURI BIN SUKARDI
Director
Kuala Lumpur, Malaysia

15 JAN 2002

The notes on pages 10 to 13 form part of the financial statements

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

NOTES TO THE FINANCIAL STATEMENTS - 30TH JUNE, 2001

1. BOOKS OF ACCOUNT

The books of accounts of the Company are maintained in Malaysian Ringgit.

2. BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAX

	<u>2001</u> RM	<u>2000</u> RM
This is arrived at after charging:		
Auditors' remuneration	3,000	3,000

There are no employees as all administrative functions are handled by Golden Hope Plantations Berhad, the intermediate holding company.

The Directors received no remuneration during the year (2000: nil).

4. TAXATION

There is no current tax charge as the Company ceased operations with effect from 1st July, 1999.

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

5. DIVIDENDS

	<u>2001</u>		<u>2000</u>	
	<u>RM</u> <u>per share</u> <u>(Gross)</u>	<u>RM</u> <u>(Net)</u>	<u>RM</u> <u>per share</u> <u>(Gross)</u>	<u>RM</u> <u>(Net)</u>
Interim dividend, tax exempt	-	-	1.90	61,622,216
Proposed final dividend to be paid on 22nd October, 2001, net of tax at 28% (2000: 28%)	0.48	11,208,757	0.70	16,346,104
		<u>11,208,757</u>		<u>16,346,104</u>
		<u>11,208,757</u>		<u>77,968,320</u>

6. DEBTORS

	<u>2001</u> <u>RM</u>	<u>2000</u> <u>RM</u>
Amount due from intermediate holding company	625,606,577	626,992,648
Amounts due from related companies	488,936,391	488,936,979
	<u>1,114,542,968</u>	<u>1,115,929,627</u>

7. CREDITORS

Amounts falling due within one year:

Amount due to immediate holding company	379,561,649	301,593,330
Amounts due to related companies	59,681,588	59,681,588
Other creditors	4,162	3,000
Proposed dividends	11,208,757	77,968,320
Taxation	1,274,095	2,656,033
	<u>451,730,251</u>	<u>441,902,271</u>

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

8. SHARE CAPITAL

	<u>2001</u> £	<u>2000</u> £
Authorised:		
40,000,000 ordinary shares of 10 pence each	4,000,000	4,000,000
	<u>2001</u> RM	<u>2000</u> RM
Issued and fully paid:		
32,432,745 ordinary shares of 10 pence each	27,803,624	27,803,624

9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<u>Share Capital</u> RM	<u>Revaluation Reserve</u> RM	<u>Retained Profit</u> RM	<u>Total</u> RM
At 1st July, 1999	27,803,624	160,183,704	564,011,483	751,998,811
Loss for the year	-	-	(3,135)	(3,135)
Dividend	-	-	(77,968,320)	(77,968,320)
Transfer upon realisation of revalued assets	-	(160,183,704)	160,183,704	-
At 1st July, 2000	27,803,624	-	646,223,732	674,027,356
Loss for the year	-	-	(5,882)	(5,882)
Dividend	-	-	(11,208,757)	(11,208,757)
At 30th June, 2001	27,803,624	-	635,009,093	662,812,717

Based on the estimated tax credit available, approximately RM3,806,000 of the Company's retained profit is available for distribution by way of dividends without incurring additional tax liability. In addition, subject to agreement by the Inland Revenue Board, the Company has a tax exempt account balance arising out of the 1999 tax waiver available for distribution as tax exempt dividends of approximately RM16,440,000. The Company also has, subject to agreement by the Inland Revenue Board, a tax exempt account arising out of reinvestment allowances available for distribution as tax exempt dividends of approximately RM1,032,000.

Company No: 166301

THE PATALING RUBBER ESTATES, LIMITED
(Incorporated in England)

10. HOLDING AND RELATED COMPANIES

The immediate holding company is Malaysian Estates PLC, a company incorporated and registered in England. Malaysian Estates PLC is in turn a wholly-owned subsidiary of Golden Hope Plantations Berhad, a company incorporated and registered in Malaysia. The ultimate holding company is Yayasan Pelaburan Bumiputra, a company incorporated and registered in Malaysia, limited by guarantee.

Related companies refer to companies within the Golden Hope Plantations Berhad group of companies. The amounts due to/from related companies, immediate holding company and intermediate holding company are unsecured, interest free and have no fixed terms of repayment.

The largest group in which the results of the Company are consolidated is that headed by Golden Hope Plantations Berhad. The smallest group in which they are consolidated is that headed by Malaysian Estates PLC. Copies of its group financial statements, which include the company are available from 13th Floor, Menara PNB, No.201-A, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption contained within FRS 8 and has not disclosed transactions with group companies.