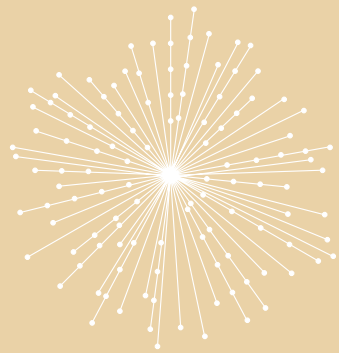




our mission • Is to provide excellent quality and reliable supply of wood-based products to our customers in the worldwide building and furniture industry and contribute to society and environment by providing stable job opportunities, creating quality awareness, practising reforestation and wood re-cycling

our vision • Is to be a leading totally integrated and advanced wood-based group in Asia Pacific region, and a preferred supplier of a wide range of quality wood-based products to the worldwide building and furniture industry





notice of annual general meeting • **2**

notice of book closure • **4**

board of directors • **6**

corporate information • **7**

audit committee • **8**

financial highlights • **10**

export market highlights • **11**

chairman's statement • **12**

review of operations by managing director • **14**

corporate structure • **19**

directors' interest • **20**

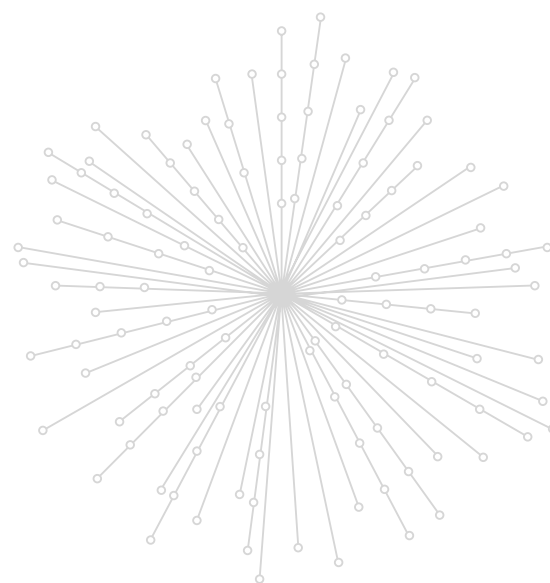
financial statements • **21**

list of properties • **53**

analysis of shareholdings • **54**

appendix A • **58**

proxy form



Notice Is Hereby Given that the Sixth Annual General Meeting of the Company will be held at the Company's Auditorium Room, Ground Floor, No. 66-78, Pusat Suria Permata, Jalan Upper Lanang, C.D.T. 123, 96000 Sibul, Sarawak on Thursday, 21 June, 2001 at 11.00am for the following purposes:

Agenda

- 1 To receive and adopt the Audited Accounts for the year ended 31 January, 2001 together with the Reports of the Directors and Auditors thereon.
resolution 1
- 2 To declare a First and Final dividend of 3 sen per share, tax exempt, in respect of the year ended 31 January, 2001 as recommended by the Directors.
resolution 2
- 3 To re-elect the following directors:
 - a• Mr Tiong Kiong King who retires in accordance with Article 86 of the Company's Articles of Association and being eligible, offers himself for re-election.
resolution 3
 - b• To consider and if thought fit, to pass the following resolution:

*THAT YABhg Datuk Patinggi Tan Sri Dr Wong Soon Kai who retires in accordance with Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a director of the Company to hold office until the conclusion of the next Annual General Meeting.
resolution 4
- 4 To approve the payment of directors' fees for the year ended 31 January, 2001.
resolution 5
- 5 To re-appoint Messrs. PricewaterhouseCoopers as the Company's Auditors and to authorise the Directors to fix their remuneration for the ensuing year.
resolution 6



As Special Business

- 6 To consider and, if thought fit, pass the following resolutions as Special and Ordinary Resolutions respectively:

Special Resolution

- Amendments to the Company's Articles of Association

"THAT in compliance with the Revamped Listing Requirements of the Kuala Lumpur Stock Exchange, the alterations, modifications and additions to the Articles of Association as set out in Appendix A of the Annual Report 2001, be and are hereby approved."

resolution 7

Ordinary Resolution

- Authority pursuant to Section 132E of the Companies Act, 1965

"THAT, in accordance with Section 132E of the Companies Act, 1965, authority be and is hereby given to the Company or its related corporations to enter into arrangements or transactions with the Directors of the Company or any person connected with such Directors (within the meaning of Section 122A, Companies Act, 1965) whereby the Company or its related corporations may acquire from or dispose to such Directors or connected persons non-cash assets including but not limited to land, development properties, capital equipment and related machineries and/or any other assets or products of the Company or its related corporations provided that such acquisitions or disposals are on commercial terms, of a revenue and/or trading nature and in the ordinary course of business, such authority will continue to be in force until the conclusion of the next Annual General Meeting AND THAT for the avoidance of doubt, any such transactions entered into by the Company or its subsidiaries with the Directors or connected persons prior to the date of this resolution be and are hereby approved and ratified."

resolution 8

- 7 To transact any other business which may properly be transacted at an annual general meeting, due notice of which shall have been previously given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

Notice Is Hereby Given that the Share Transfer Books and Register of Members of the Company will be closed on 27 July, 2001 to determine shareholders' entitlement to payment of a First and Final Dividend of 3 sen per share, Tax Exempt, in respect of the financial year ended 31 January, 2001.

Duly completed transfers received by the Company's Registrars, Signet Share Registration Services Sdn Bhd of 11th Floor, Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur up to 5.00pm on 27 July 2001 will be registered before entitlement to the dividend is determined. The dividend, if approved, will be paid on 14 September, 2001.

A depositor shall qualify for entitlement only in respect of:

- a• shares deposited into the depositor's securities account before 12.30pm on 25 July, 2001 (in respect of shares which are exempted from mandatory deposit);
- b• shares transferred into the depositor's securities account before 12.30pm on 27 July, 2001 in respect of ordinary transfers;
- c• shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the rules of the Kuala Lumpur Stock Exchange.

Shareholders are reminded that pursuant to the Securities Industry (Central Depositories) (Amendment) (No 2) Act, 1998 which came into effect on 1 November, 1998, all shares not deposited with Malaysian Central Depository Sdn Bhd by 12.30pm on 1 December, 1998 and not exempted from mandatory deposit, have been transferred to the Minister of Finance ("MOF"). Accordingly, the dividend for such undeposited shares will be paid to MOF.

By order of the board

LEONG OI WAH (MAICSA 7023802)
FIONA ANNE WONG LAI MANN (MIA 12106)
Joint Company Secretaries

Sibu, Sarawak

29 May, 2001



Explanatory Notes on Special Business

a• Special Resolution on Amendments to the Company's Articles of Association

The Special Resolution on the amendments to the Company's Articles of Association is to bring the articles in line with the Revamped Listing Requirements of the Kuala Lumpur Stock Exchange.

b• Ordinary Resolution Pursuant to Section 132E of the Companies Act, 1965

Section 132E of the Companies Act, 1965 prohibits a company or its subsidiaries from entering into any arrangement or transaction with its Directors or persons connected with such Directors in respect of the acquisition from or disposal to such Directors or connected persons of any non-cash assets of the "requisite value" without prior approval of the Company in General Meeting. According to the Companies Act, 1965, a non-cash asset is considered to be of the "requisite value", if, at the time of the arrangement or transaction, its value is greater than RM250,000 or 10% of the Company's net assets, subject to minimum of RM10,000.

The Ordinary Resolution 10 proposed and if passed, will authorise the Company and each of its subsidiaries to acquire from or dispose to its Directors or connected persons, products, services or any other non-cash assets which may fall within the definition of the "requisite value", provided that such acquisitions or disposals are on normal commercial terms, of a revenue and/or trading nature and in the ordinary course of business. This authority, unless revoked or varied by the Company at General Meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

notes:

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- 2 Where a member appoints more than one proxy to attend the said meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.
- 3 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
- 4 The instrument appointing a proxy must be deposited at the Registered Office of the Company at No 66-78, Pusat Suria Permata, Jalan Upper Lanang, C.D.T. 123, 96000 Sibul, Sarawak not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- 5 Shareholders are reminded that pursuant to the Securities Industry (Central Depositories) (Amendment) (No 2) Act 1998 which came into effect on 1 November, 1998, all shares not deposited with Malaysian Central Depository Sdn Bhd by 12.30pm on 1 December, 1998 and not exempted from mandatory deposit, have been transferred to the Minister of Finance ("MOF"). Accordingly, only the MOF is eligible to attend the meeting in respect of such undeposited shares.

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1 • YABhg Datuk Patinggi Tan Sri Dr Wong Soon Kai **chairman**

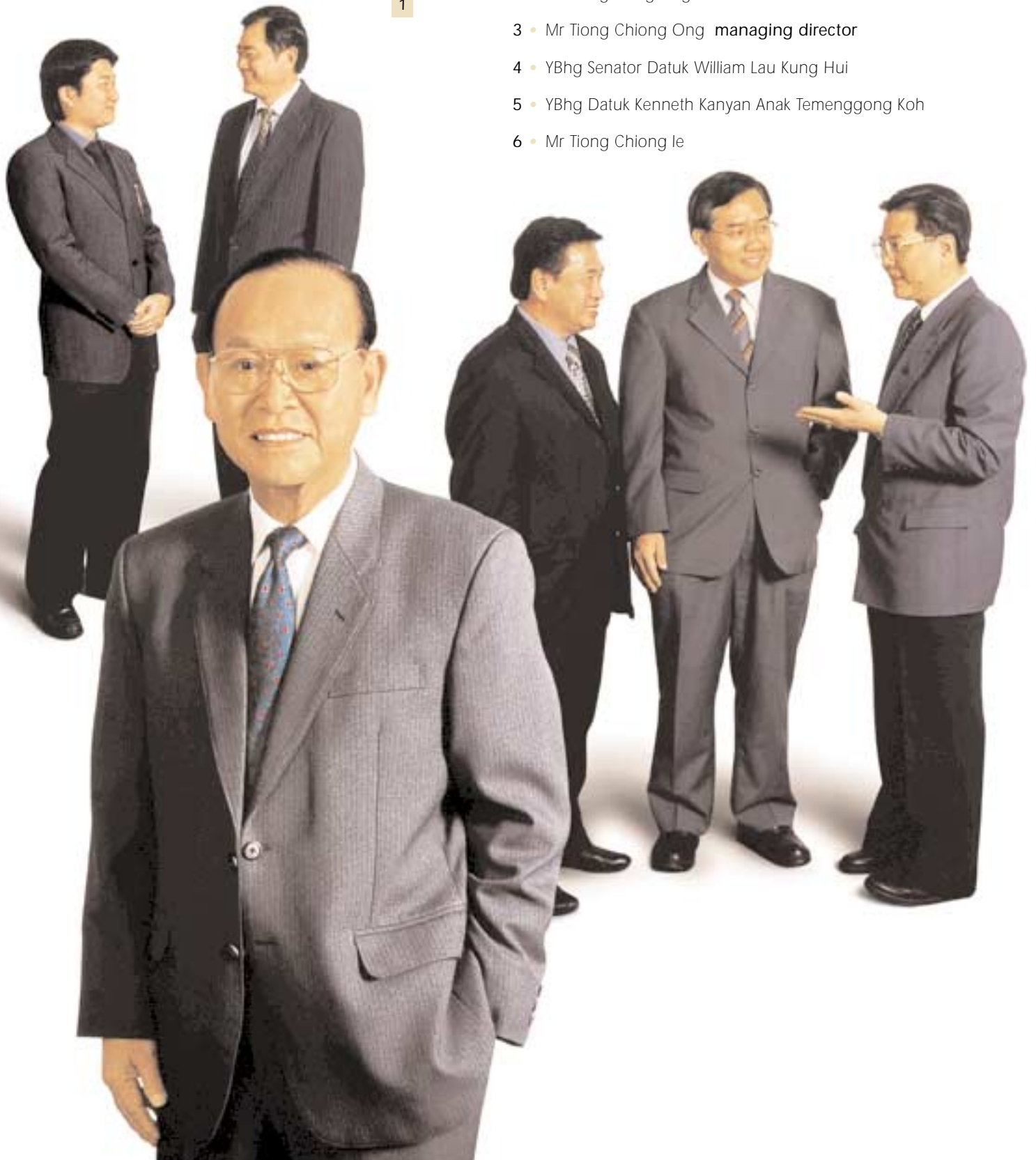
2 • Mr Tiong Kiong King **vice chairman**

3 • Mr Tiong Chiong Ong **managing director**

4 • YBhg Senator Datuk William Lau Kung Hui

5 • YBhg Datuk Kenneth Kanyan Anak Temenggong Koh

6 • Mr Tiong Chiong le



Board of directors

YABhg Datuk Patinggi Tan Sri Dr Wong Soon Kai
chairman, independent non-executive director

Mr Tiong Kiong King
vice chairman, non-executive director

Mr Tiong Chiong Ong
managing director

YBhg Senator Datuk William Lau Kung Hui
independent non-executive director

YBhg Datuk Kenneth Kanyan Anak Temenggong Koh
non-executive director

Mr Tiong Chiong Ie
non-executive director

Audit committee

YABhg Datuk Patinggi Tan Sri Dr Wong Soon Kai
chairman, independent non-executive director

YBhg Senator Datuk William Lau Kung Hui
member, independent non-executive director

Mr Tiong Chiong Ong
member, managing director

Company secretaries

Leong Oi Wah (MAICSA 7023802)

Fiona Anne Wong Lai Mann (MIA 12106)

Registered office

No 66-78, Pusat Suria Permata, Jalan Upper Lanang
C.D.T.123, 96000 Sibu, Sarawak

Tel• 084 211555 Fax• 084 211886

<http://www.suburtiasa.com.my> e-mail:suburth@tm.net.my

Registrar

Signet Share Registration Services Sdn Bhd
(Company No 506293-D)

11th Floor, Tower Block, Kompleks Antarabangsa
Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel• 03 21454337 Fax• 03 21421353

Auditors

PricewaterhouseCoopers

9th Floor, Bangunan Binamas, Jalan Padungan
93100 Kuching, Sarawak

Tel• 082 413957 Fax• 082 412644

Advocates & solicitors

Khaw & Partner

Reddi & Co

Principal bankers

Malayan Banking Berhad

HSBC Bank Malaysia Berhad

RHB Bank Berhad

Citibank Berhad

Stock exchange listing

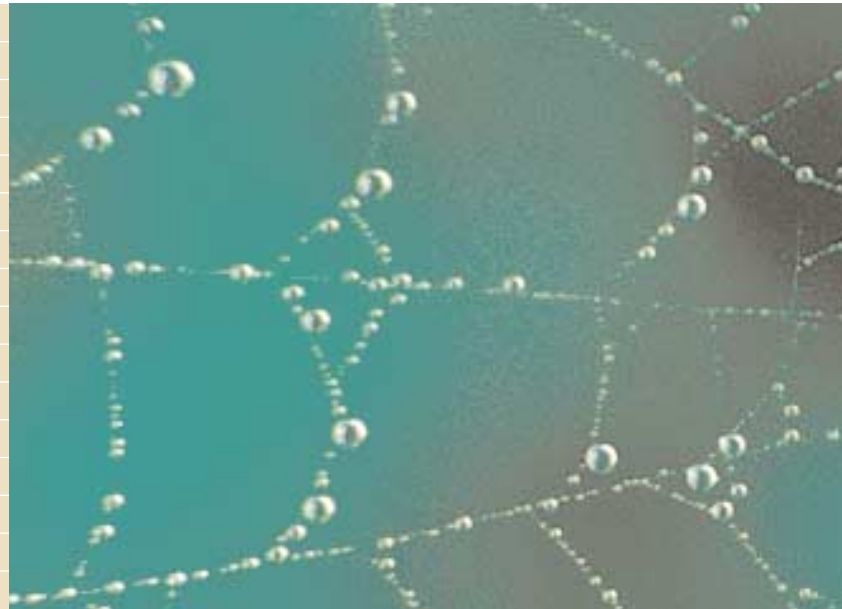
Main Board of the Kuala Lumpur Stock Exchange

Members

YABhg Datuk Patinggi Tan Sri Dr Wong Soon Kai
chairman, independent non-executive chairman

YBhg Senator Datuk William Lau Kung Hui
member, independent non-executive director

Mr Tiong Chiong Ong
member, managing director



Terms of reference

1 Appointment/Composition

The members of the Committee shall be appointed by the Board and their period of appointment shall be concurrent with their tenure on the Board.

The Audit Committee shall consist of not less than 3 members of whom a majority shall not be:

- (a) Executive Directors of the Company or any related corporation;
- (b) A spouse, parent, brother, sister, son or adopted son or daughter or adopted daughter of an Executive Director of the Company or of any related corporation; or
- (c) Any person having a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgement in carrying out the functions of the Audit Committee.

A quorum shall be 2 members with at least one Independent Non-Executive Director present.

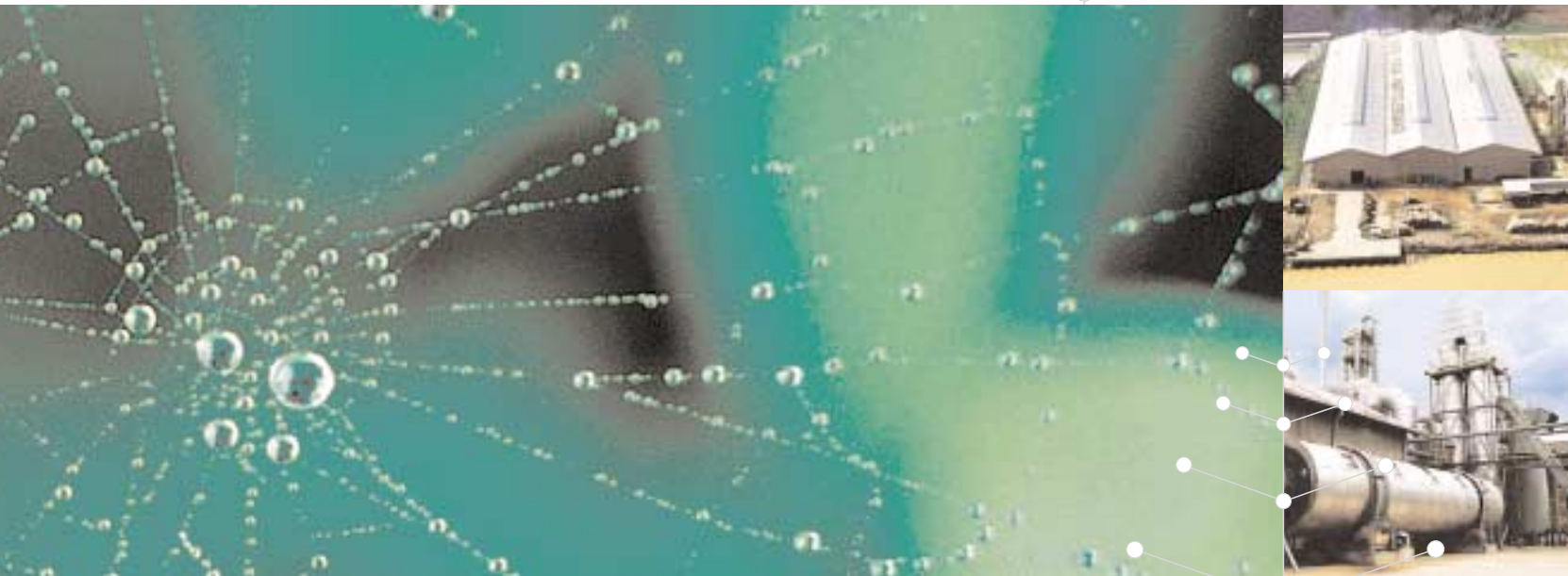
The Chairman of the Committee shall be appointed by the members of the Committee from among themselves and who shall not be an Executive Director or employee of the Company or any related corporation.

The Board shall, within 3 months of a vacancy occurring in the Audit Committee which results in the number of members reduced to below 3, appoint such number of new members as may be required to make up the minimum number of 3 members.

2 Meetings

Meetings shall be held not less than 4 times a year. In addition, the Chairman may call a meeting of the Committee if a request is made by any member, the Company's Chairman, Managing Director or the internal or external auditors if they consider it necessary.

Meetings will be attended by the members of the Committee and the Company Secretary who shall also act as the Secretary of the Committee.



Participants may be invited from time to time to attend the meetings depending on the nature of the subject under review. These participants may include the Director, General Manager, Division Heads, representatives from the Finance and Internal Audit Departments and the external auditors. The Committee shall also meet with the external auditors at least once a year.

3 Authority

The Committee is authorised by the Board to carry out the duties mentioned below. It has unrestricted access to all of the Groups records, properties and personnel to enable it to discharge its duties. It is also authorised by the Board to seek outside legal or other independent advice and to secure attendance of outside experts if it considers it necessary.

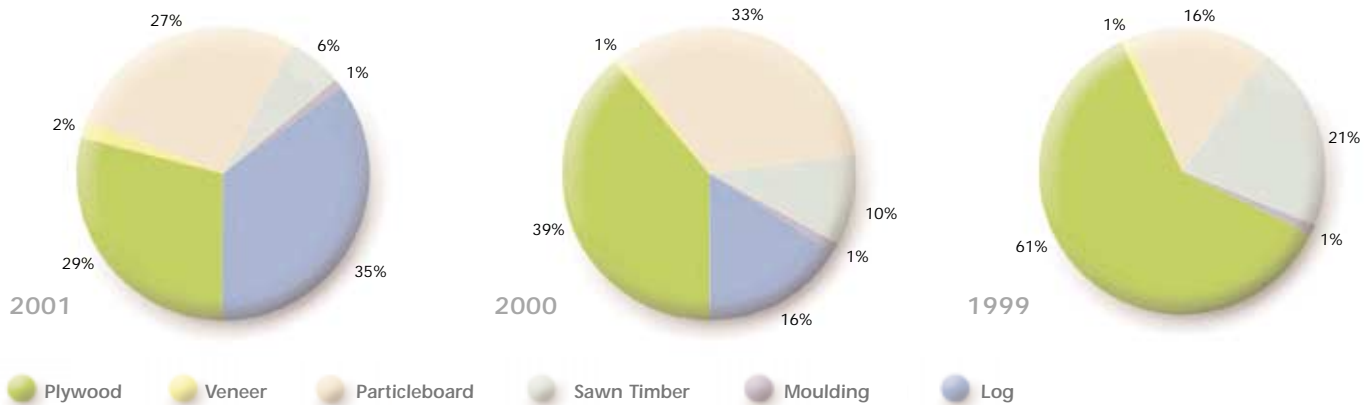
4 Duties

- (a) To discuss and liaise with external auditors to ensure the smooth implementation of the audit of the Group, to review their findings and to make recommendations to the Board concerning their appointment/replacement and remuneration;
- (b) To assist in the development of an environment in which controls can operate effectively and to keep under review the effectiveness of internal control systems and the findings of internal auditors, if available;
- (c) To provide a forum for non-executive directors to improve their understanding of the Groups operations to enable them to perform a more active role;
- (d) To review the financial statements on a quarterly basis and to recommend to the Board on their release and adoption;
- (e) To review any related party transactions that may arise within the Company and the Group;
- (f) To review and assess the appropriateness of the Groups accounting policies and the adequacy of management reporting requirements;
- (g) To review the Groups business ethics and compliance with the law; and
- (h) To perform any other such functions as may be agreed by the Audit Committee and the Board.

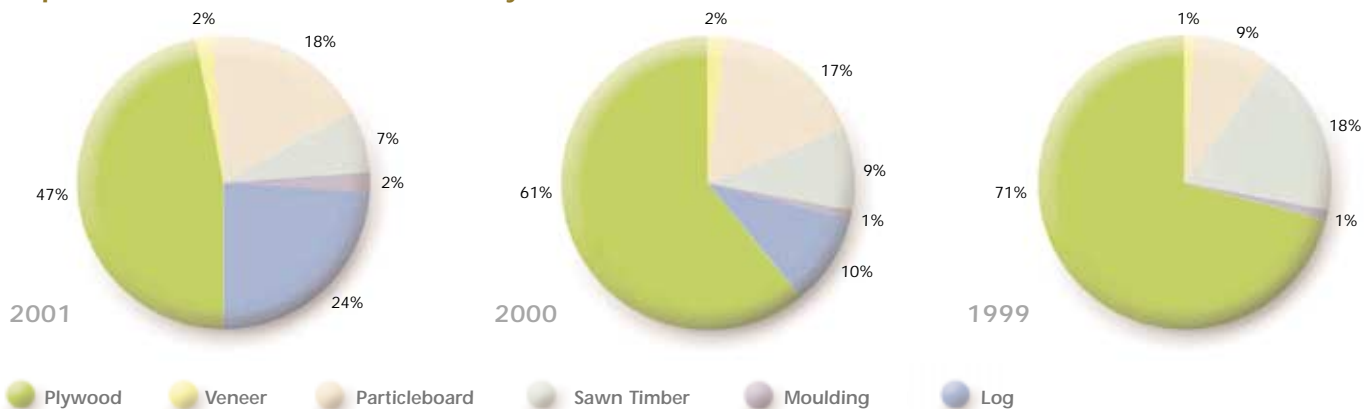
5 Minutes

The Secretary shall maintain minutes of the proceedings of the meetings and circulate such minutes to all members of the Committee.

Export volume in % for last 3 financial years



Export value in % for last 3 financial years



Group financial highlights

in RM'000	2001	2000	1999	1998
Turnover	308,353	267,184	194,964	227,611
Profit/(Loss) Before Taxation	31,518	49,072	(46,404)	41,285
Profit/(Loss) After Tax	28,139	45,933	(47,169)	30,289
Shareholders' Funds	322,156	305,094	273,418	315,171
Net Earning/(Loss) Per Share (Sen)	14.07	22.97	(23.58)	26.21
Return on Shareholders' Funds (%)	8.73	15.05	(17.25)	9.61
Net Tangible Assets Per Share (RM)	1.58	1.48	1.32	1.57



- Japan
- USA
- Korea
- Singapore
- United Kingdom
- China
- Taiwan
- India
- Hong Kong
- Thailand
- Philippines
- Australia
- Vietnam
- Middle East



On behalf of the Board of Directors of Subur Tiasa Holdings Berhad, I am pleased to present the Annual Report and Audited Accounts of the Group and the Company for the financial year ended 31 January 2001.

A soft timber market

The global tropical timber market staged a rebound in 1999, in line with the positive economic recovery in Malaysia and the Region following the economic and currency crisis in 1997/1998.

However, the rebound of the global timber market fizzled out in 2000 and started to soften in the second half of 2000 due to a series of adverse political, economic, environmental and regulatory factors; adverse political developments in Indonesia and the resulting fall in the Rupiah, slowdown in USAs economy, strong competition from substitute temperate wood products, environmental pressure from USA and Europe and other consumer countries, and changes in Government regulations.

As a result, timber prices fell and profit margins were eroded. In addition, escalation in production costs put further pressure on profit margins.

Achieving another milestone of growth

Despite the softening in the timber market, and the difficult challenges currently facing the timber industry, the Group took bold moves to launch new business initiatives which are in line with the Groups strategy to be a leading timber player in the Asia Pacific Region. These business initiatives would make the Group a bigger timber player, a more integrated timber player, a more competitive timber player, and a more profitable player in the long term.

The most important initiative is the acquisition of six timber licences covering 553,000 acres for RM100 million. This enables the Group to achieve self-sufficiency in terms of log supplying requirements for its timber manufacturing activities and expand its logging operations significantly.

Enhancing human and technological resources

STH appreciates the efforts and contributions of all our employees in making the Company a success. Management and staff must work in harmony and synergy so as to maximise performance and mould an effective and integrated team.

In 2000 the Company took several additional steps to promote employee morale and teambuilding. First, we reduced the work week from six to five days. Secondly, we undertook to revise the remuneration package for all employees so as to more accurately reflect their job title and performance skills.

Training has been another important facet in our drive to enhance human assets. The Group conducted internal training programmes, many of which focused on IT-related projects which we are implementing or upgrading. In addition, our staff attended external trainings, many of them held at international venues.

Of course, nurturing positive attitudes and work skills should not just be confined to the workplace. Therefore, in 2000 we set up our first Sports & Recreation Club. Now employees and their families will enjoy a host of activities and events throughout the year of which I am confident, will solidify our collective spirit and commitment.

In the technology arena, the Company continues to make impressive strides. In the past year we have expanded our business process re-engineering programme with the conversion from SAP to mySAP.com. Besides providing a solid e-Business platform from which the Company will be uniquely positioned to



take advantage of next-generation technology in the timber products sector, it will also improve internal functionality and efficiencies while offering our customers and partners instant access to business-critical information.

This upgrading, in tandem with our Business Transformation Phase 3 (BTP3) initiative, will also allow greater corporate transparency and more flexible and facilitated decision-making. We are totally committed to pioneering our industry's move into e-Business, wherein we will be able to capitalise on improved customer relations and supply-chain management.

During 2000, we also continued with the implementation of the Corporate Information Security initiative, which will ensure greater access control, safeguarding and management of company data.

Group financial performance

Against the backdrop of a soft timber market, and various challenges facing the timber industry, the Group achieved healthy growth in turnover and satisfactory profit before taxation.

Group turnover increased by RM42.3 million or 16% to RM308.4 million for the year ended 31 January 2001. This is the net result of higher log sales and particleboard sales being partly offset by lower plywood sales.

The Group achieved satisfactory profit before taxation of RM31.5 million. The Group profit before taxation was lower

despite the healthy growth in turnover. This is mainly attributed to the fall in plywood prices, log prices and the escalation in production costs of plywood.

Celebrating another milestone

As we look ahead, I am extremely confident that, with the progress we have made these past years, we are already laying a strong foundation for the future and I can think of no more fitting symbol of our strength and resolve than our gleaming new corporate headquarters, which is scheduled to open in June 2001.

Dividend

The Board of Directors recommended a final tax exempt dividend of 3 sen per share in respect of the financial year ended 31 January 2001.

Acknowledgement

On behalf of the Board of Directors, I wish to thank the Management and staff for their loyalty and dedication; thanks as well to our shareholders for their strong support and contributions; to our business partners and the relevant government authorities; and last but not least, my sincere thanks to our clients.

YBhg Datuk Patinggi Tan Sri Dr Wong Soon Kai
chairman
 17 May 2001



Continued economic uncertainty in the South East Asian region, combined with fears of a global slowdown in major markets such as Japan and the United States, contributed to slackening demand in timber and plywood products.

BUSINESS REVIEW

Plywood

The Group achieved RM146.5 million in turnover. Plywood contributed about 47% to the Group turnover. However, plywood turnover was marginally lower than the previous year despite a marginal increase in volume sold. This is due to the fall in plywood prices.

Changes in plywood prices are a function of supply and demand. Indonesia is the dominant producer of plywood. Supply from Indonesian mills has fluctuated widely mainly due to the uncertain and fluctuating supply of timber logs following the lifting of a total ban on the export of timber logs. The depreciation of the Rupiah as a result of adverse political developments in Indonesia caused plywood prices to fall in the second half of the year under review. This was further aggravated when Indonesian producers lowered their prices in order to gain more market share.

In addition, plywood producers are also facing escalation in costs of fuel, spare parts and glue following the weakening of currency and rising oil prices. This posed a significant challenge to the plywood producers.

Whilst China continued to import plywood, demand from China has dropped significantly due to strong competition from domestically produced plywood, which benefited from zero tariff on log imports and a lower cost structure compared to Malaysia. Nevertheless, the decision of the Chinese Government to implement a Natural Forest Programme and the increase in infrastructure and housing development projects created a continuous demand for plywood in China.

The demand from Japan started on a positive note in the first half of 2000, which was boosted by recovery in the housing sector at the beginning of 2000 with the introduction of incentives for home ownership. However, demand started to gradually soften in the second half of 2000 due to lower projected housing starts for 2000. The other significant development in Japan is the implementation of new quality requirements in respect of formaldehyde emission.

As for South Korea, demand was more encouraging in 2000 as their economic recovery gained momentum.

In moving forward, environmental issues will determine the directions and landscape of the tropical timber business. European countries and dealers are demanding certification that the wood products which they buy come from sustainably managed forests. In this regard, STH will proactively manage these issues and will continue to embrace sustainable forest management practices and prepare itself for eventual timber certification.

Particleboard

Particleboard achieved higher sales of RM59.1 million in the year under review on the back of higher selling prices and higher volumes sold. In addition, particleboard contributed 19% to the Groups turnover.

More than 50% of the Groups particleboard is sold to South Korea. STH will continue to open up non-traditional markets and increase market penetration in existing traditional markets.



Log trading

At company level, sales of logs to downstream manufacturing activities grew by almost two-fold from RM69.4 million to RM118.2 million. In addition, at Group level, sales of logs increased by almost three-fold from RM28.3 million to RM73.9 million. Whilst turnover increased significantly, profit before taxation increased moderately primarily because of lower log prices.

The higher sales of logs was mainly the result of a full year of operations. The logging trading operations started in August 1999. The other main contributing factor is higher production level with the introduction of heli-logging in the year under review and more favourable weather conditions.

With logging bans in China and the benefit of zero tariff on imported logs, China is the dominant player. Japan continued to be an active player. Japan's trends in purchasing of logs reflected more or less those of plywood; that is, an encouraging start at the beginning of 2000, then a gradual reduction in the second half of 2000.

The other significant development in the marketplace is that in the Japan and China markets, tropical wood is facing strong competition from soft wood from New Zealand, Chile and Russia as their prices are much more attractive and their use is gaining increasing acceptance by customers of plywood made from soft wood.

Sawn timber and mouldings

Sawn timber and mouldings contributed 9% to the Group's turnover on a sales turnover of RM27.8 million. This was lower than last year's 10% as we reduced sawn timber production and sales due to depressed market conditions. In addition, sawn timber & moulding achieved lower operating losses in the year under review.

Energy

Energy operations contributed only 0.3% to the Group's aggregate turnover, generating RM1.0 million in sales turnover due to reduced consumption of energy from the sawmill.

New business

In the year under review, the Group has completed acquisition of six timber concessions in Sarawak covering a total area of approximately 553,000 acres with an annual logging quota of 446,400 cubic metres. The six timber licences have been amalgamated into 2 timber licences with a tenure of 15 years. This will give the Group a total annual logging quota of 708,000 cubic metres.

These acquisitions will further enhance its position of being a bigger and more integrated producer with both upstream and downstream activities and at the same time, achieve self-sufficiency in log supply for its downstream activities.

HUMAN RESOURCE DEVELOPMENT

Training

The Group continues to provide comprehensive training and development programmes so as to improve quality control, allow staff to add to their skills and expertise and, foster increased loyalty and team spirit, while helping support the Company's business growth and achieve its vision and mission.

The Group sent its management staff to external training forums, including conferences, exhibitions and seminars in Malaysia and overseas. These included 'Sarawak 2000 and Beyond' in Kuching, 'Centenary Forum 2000' in Sibul, 'Sapphire' in Australia, and 'Comdex' in Singapore. These contacts also served to expose staff to new technologies as well as to establish new business contacts. The Group also conducted internal training sessions focusing on IT-related programmes.

Employee welfare

This was another important area in which the Group sought to enhance worker welfare and motivation, and increase worker productivity and efficiency. As a far-sighted and caring employer, the management agreed to reduce the work week from six days to five. This was implemented on 1 February 2001.

It was further decided by the management to review company-wide remuneration structures to see what improvements could be made. An outside consultancy was engaged to study remuneration packages and the study has been completed. 2000 also saw the establishment of Subur Tiasa Sports and Recreation Club, which will organise routine sports, social and community activities regularly.

This is part of a concerted drive to motivate employees and boost performance. The Company plans to schedule effective, fun and interesting activities throughout the year for all staff levels, promote team work and creativity, and cultivate a positive attitude.

IT initiatives

STH forged ahead dramatically on a variety of IT fronts, including business process engineering, and information security management. With the commitment to mySAP.com, the Group is proceeding with SAP upgrading to version 4.6C for the mySAP.com E-business platform, which will be completed in the 2nd quarter of 2001.

With the upgrade, the Group will gain competitive advantage by making full use of the system to improve supply chain and customer relationship management.

The Group has already successfully implemented three additional modules of core Enterprise Resources Planning (ERP); namely, Plant Maintenance, Project System and Profitability Analysis in the 3rd Quarter of 2000. STH converted its core ERP system to mySAP.com in June 2000. MySAP.com will provide the Group with a total integrated business solution, a solid business information framework and e-Business architecture to enable the Group to participate in the internet economy to support its long-term objectives. MySAP.com will deliver the required solutions, technologies and services that companies need to work together towards corporate goals in the new economy.



The Group will also continue implementation of the Corporate Information Security Framework to safeguard the integrity and confidentiality of its business information systems. This will include user access control and management, computer disaster recovery planning, problem and change management and network security control.

An Information Security Committee was formed to oversee and resolve related corporate and operational issues to improve efficiencies.

With the establishment of next-generation IT infrastructure providing a reliable, resilient and seamless network connectivity and a strong network security framework, the Group has moved close to its vision of being a major regional industry player in the years ahead.

New corporate office

It is STH's vision to establish a new corporate identity as a household name, an employer of choice, and a leader in integrated and advanced wood systems. Our new office in Sibuh, scheduled to open in June 2001, will reflect this new vision. More than just an architectural statement, it is also an intelligent building, a business centre, an eco-friendly office environment that stimulates productivity and a high-profile, image-building corporate symbol.

Future prospects

The new businesses secured by the Group during the year under review and those which the Group is confident of securing in the next financial year will make significant positive contributions to Group turnover. However, profit margins will continue to be under pressure because of a soft timber market.

Generally, the timber market is likely to remain soft in the short term. As a result, log prices, and prices of plywood, particleboard and other wood products are expected to remain soft.

The directions of the timber market will largely depend on a number of key factors including economic recovery in Japan, the dominant export market of STH. Falling domestic plywood production in Japan and efforts made by the Japanese Government to stimulate its stagnant economy will have a material positive impact on the direction of the timber market in addition to the Chinese Government's continued efforts to stimulate its economic growth through various measures and to gain entry into the World Trade Organisation.

Other factors which could also have a material effect on the direction of the timber market are increased competition from substitute products such as softwood plywood, combination plywood, wood panels and a more cost-competitive log supply from Russia, Chile and New Zealand. Russian logs have





penetrated the Japanese and China markets and have captured a sizable market share.

In addition, developments in Indonesia, notably movements in the exchange rate of the Rupiah, and governmental policy changes over management of its forest resources will also determine the direction of the timber market. Also, the continued pegging of Ringgit/US\$ at RM3.80 will provide some stability on profits and costs. In addition, any re-pegging of the Ringgit/US\$ will have a material impact on the profit/costs of STH Group unless timber prices in US\$ move in tandem with the movement in the fixed exchange rate of Ringgit/US\$.

Moreover, the tropical timber market will continue to face environmental issues; in particular, certification of timber products, and sustainable forest management.

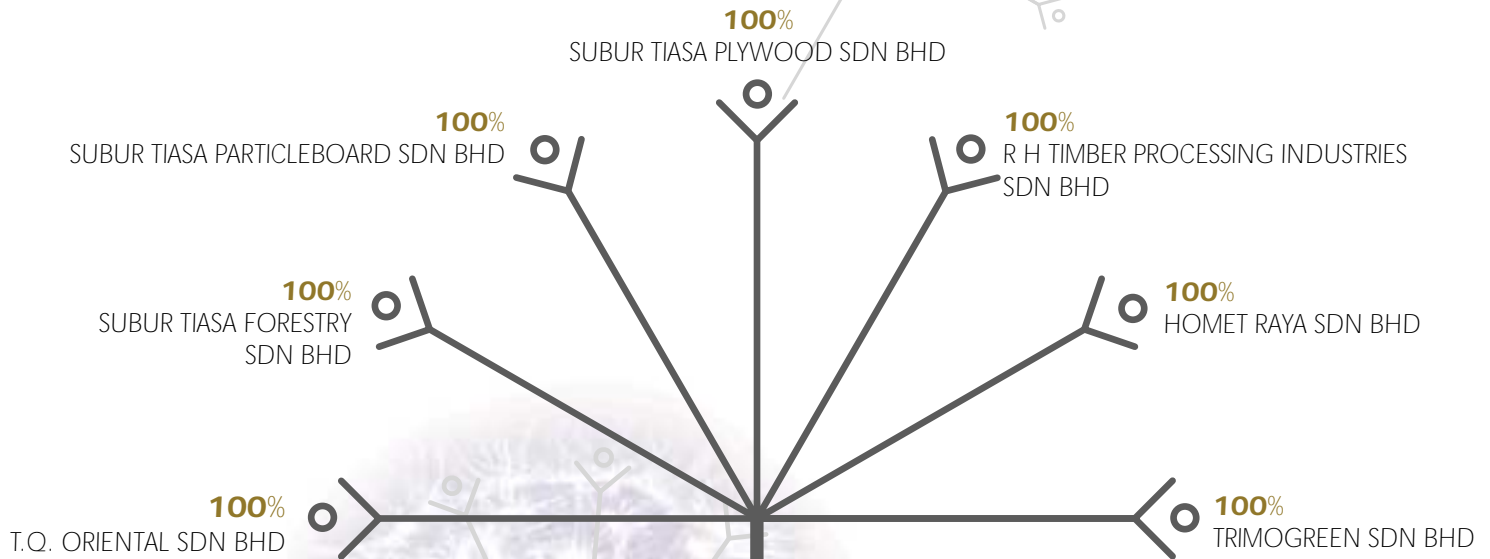
STH is aggressively expanding existing markets while exploring new markets. It is our goal to promote and sell more customised products to existing customers and new customers, with special emphasis on developing strategic alliances and increased market share in USA, UK, the Middle East and Vietnam.

We will further improve our production processes and cost efficiency by upgrading machinery.

Barring any unforeseen circumstances, the Group is expected to achieve positive net earnings in the next financial year.

Mr Tiong Chiong Ong
managing director
 17 May 2001





SUBUR TIASA HOLDINGS BERHAD

A Member of Rimbunan Hijau Group (341792-W)

No	Name of Director	No of shares held		Total	
		Direct	Indirect	Shareholding	%
1	YABhg Datuk Patinggi Tan Sri Dr Wong Soon Kai	10,000	-	10,000	0.01
2	YBhg Senator Datuk William Lau Kung Hui	10,000	-	10,000	0.01
3	YBhg Datuk Kenneth Kanyan Anak Temenggong Koh	300,000 *	16,130,983 #	16,430,983	8.22
4	Tiong Kiong King	1,119,404 **	91,943,557 @	93,062,961	46.53
5	Tiong Chiong Ong	736,058	91,943,557 @	92,679,615	46.34
6	Tiong Chiong le	-	92,563,867 ##	92,563,867	46.28

notes:

* Held through Hock Hua Nominees (Tempatan) Sdn Bhd.

** 1,108,289 shares is held through AMSEC Nominees (Tempatan) Sdn Bhd.

Deemed interested through Kinta Hijau Sdn Bhd.

@ Deemed interested by virtue of their family interest in Tiong Toh Siong Holdings Sdn Bhd, Twintop Sdn Bhd, Tiong Toh Siong & Sons Sdn Bhd and Teck Sing Lik Enterprise Sdn Bhd.

Deemed interested through Priharti Development Sdn Bhd, and deemed interested by virtue of family interest in Tiong Toh Siong Holdings Sdn Bhd, Twintop Sdn Bhd, Tiong Toh Siong & Sons Sdn Bhd and Teck Sing Lik Enterprise Sdn Bhd.



financial statements

directors' report	• 22
statement by directors	• 26
statutory declaration	• 26
report of the auditors	• 27
income statements	• 28
balance sheets	• 29
statements of changes in equity	
– consolidated	• 30
– company	• 31
cash flow statements	• 32
notes to the financial statements	• 34
list of properties	• 53

The Directors are pleased to submit their annual report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 January, 2001.

Principal activities

The principal activities of the Company are that of investment holding, extraction and sale of logs.

The principal activities of the Group consist of extraction and sale of logs, manufacturing and trading of plywood, veneer, raw and laminated particleboard, sawn timber and finger joint moulding and supply of energy.

There was no significant change in the nature of these activities during the financial year.

Financial results

	Group RM	Company RM
Net profit attributable to shareholders	28,138,843	13,288,891

Dividends

The dividends paid by the Company since 31 January, 2000 were as follows:

In respect of the financial year ended 31 January, 2000, as shown in the Directors' report of that financial year, final dividend of 5 sen per share, tax exempt, paid on 11 July, 2000

RM
10,000,000

The Directors now recommend the payment of a first and final dividend of 3 sen per share, tax exempt amounting to RM6,000,000 in respect of the financial year ended 31 January, 2001, subject to the approval of members at the forthcoming Annual General Meeting of the Company.

Reserves and provisions

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

Directors

The Directors who have held office during the period since the date of the last report are as follows:

YABhg Datuk Patinggi Tan Sri Dr Wong Soon Kai
 YBhg Senator Datuk William Lau Kung Hui
 YBhg Datuk Kenneth Kanyan Anak Temenggong Koh

Tiong Chiong Ong
 Tiong Kiong King
 Tiong Chiong Ie

In accordance with the Company's Articles of Association, Tiong Kiong King retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election. YABhg Datuk Patinggi Tan Sri Dr Wong Soon Kai retires pursuant to Section 129(2) of the Companies Act, 1965. His re-appointment to hold office until the next Annual General Meeting of the Company will be proposed at the forthcoming Annual General Meeting.

Directors' benefits

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed as Directors' remuneration in Note 5 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefits arising from transactions as disclosed in Note 24 to the financial statements.

Directors' interest in shares

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares in the Company are as follows:

	Number of ordinary shares of RM1 each			
	At 1.2.2000	Bought	Sold	At 31.1.2001
Direct interest				
YABhg Datuk Patinggi Tan Sri Dr Wong Soon Kai	10,000	-	-	10,000
YBhg Senator Datuk William Lau Kung Hui	10,000	-	-	10,000
YBhg Datuk Kenneth Kanyan Anak Temenggong Koh (held through Hock Hua Nominees (Tempatan) Sdn Bhd)	300,000	-	-	300,000
Tiong Chiong Ong	736,058	-	-	736,058
Tiong Kiong King	183,115	-	(172,000)	11,115
Tiong Kiong King (held through Amsec Nominees (Tempatan) Sdn Bhd)	1,108,289	-	-	1,108,289
Indirect interest				
YBhg Datuk Kenneth Kanyan Anak Temenggong Koh	16,130,983	-	-	16,130,983
Tiong Chiong Ong	91,943,557	-	-	91,943,557
Tiong Kiong King	91,943,557	-	-	91,943,557
Tiong Chiong Ie	92,563,867	-	-	92,563,867

Statutory information on the financial statements

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and the Company have been written down to an amount which they might be expected so to realise.

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

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

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

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

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

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

Statutory information on the financial statements cont'd

In the opinion of the Directors:

- (a) the results of the Groups and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) except as disclosed in Note 28 to the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 17 April, 2001 .

TIONG CHIONG ONG
Director

TIONG KIONG KING
Director

SIBU

We, Tiong Chiong Ong and Tiong Kiong King, being the Directors of Subur Tiasa Holdings Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 28 to 52 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 January, 2001 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 17 April, 2001

TIONG CHIONG ONG
Director

TIONG KIONG KING
Director

SIBU

statutory declaration pursuant to section 169(16) of the companies act, 1965

I, Tiong Chiong Ong, the Director primarily responsible for the financial management of Subur Tiasa Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 28 to 52 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 Tiong Chiong Ong at Sibul, Sarawak on 17 April, 2001, before me.

COMMISSIONER FOR OATHS

We have audited the financial statements set out on pages 28 to 52. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:

(i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

(ii) the state of affairs of the Group and Company as at 31 January, 2001 and of the results and cash flows of the Group and Company for the financial year ended on that date;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.

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

Our reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection 3 of Section 174 of the Act.

PRICEWATERHOUSECOOPERS

(NO AF: 1146)

Public Accountants

LEE YOKE KHAI

(NO 1589/8/01(J))

Partner of the Firm

KUCHING

	Note	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Revenue	4	308,352,796	266,058,593	129,264,116	80,547,774
Cost of sales		(239,651,039)	(192,558,978)	(98,055,608)	(57,796,009)
Gross profit		68,701,757	73,499,615	31,208,508	22,751,765
Other operating income		8,551,601	12,480,902	472,096	1,151,591
Selling and distribution expenses		(20,410,413)	(14,609,306)	(1,516,477)	(725,782)
Administrative expenses		(21,452,201)	(21,133,026)	(9,701,727)	(9,895,525)
Other operating expenses		(1,165,829)	(1,165,829)	-	-
Profit from operations	5	34,224,915	49,072,356	20,462,400	13,282,049
Finance cost	6	(2,707,204)	-	(2,561,096)	-
Profit from ordinary activities before tax		31,517,711	49,072,356	17,901,304	13,282,049
Tax	7	(3,378,868)	(3,139,700)	(4,612,413)	(3,000,000)
Net profit attributable to shareholders		28,138,843	45,932,656	13,288,891	10,282,049
Earnings per share (sen)	8	14.07	22.97		
Dividends per share (sen)	9	3	5	3	5

	Note	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Non current assets					
Property, plant and equipment	10	171,450,369	173,940,102	10,675,059	3,397,009
Subsidiary companies	11	-	997,558	147,021,237	147,021,237
Rights in timber licenses	12	165,145,028	74,985,532	165,145,028	74,985,532
Deferred expenditure		-	107,085	-	88,470
Goodwill on consolidation	13	6,994,976	8,160,805	-	-
		343,590,373	258,191,082	322,841,324	225,492,248
Current assets					
Inventories	14	44,763,769	53,920,624	5,564,541	6,598,038
Trade and other receivables	15	25,112,948	25,452,664	7,352,307	5,106,957
Amounts due from subsidiary companies	16	-	-	46,443,631	65,487,640
Dividends receivable		-	-	10,000,000	10,000,000
Tax recoverable		4,480,768	-	-	-
Deposit, bank and cash balances	17	69,580,301	52,257,805	40,698,990	16,219,575
		143,937,786	131,631,093	110,059,469	103,412,210
Current liabilities					
Trade and other payables	18	40,296,616	68,341,017	23,777,640	53,693,427
Amounts due to subsidiary companies	16	-	1,673,122	30,575,778	-
Bankers' acceptance	19	16,000,000	-	-	-
Proposed dividend		6,000,000	10,000,000	6,000,000	10,000,000
Provision for taxation		3,075,702	4,713,778	3,053,572	3,006,119
		65,372,318	84,727,917	63,406,990	66,699,546
Net current assets		78,565,468	46,903,176	46,652,479	36,712,664
		422,155,841	305,094,258	369,493,803	262,204,912
Capital and reserves					
Share capital	20	200,000,000	200,000,000	200,000,000	200,000,000
Share premium		59,679,744	59,679,744	59,679,744	59,679,744
Reserves on consolidation		30,463,566	35,540,826	-	-
Retained earnings	21	32,012,531	9,873,688	9,814,059	2,525,168
Shareholders' equity		322,155,841	305,094,258	269,493,803	262,204,912
Non current liabilities					
Term loan (unsecured)	22	100,000,000	-	100,000,000	-
		422,155,841	305,094,258	369,493,803	262,204,912

Note	Issued and fully paid ordinary shares of RM1 each		Non distributable		Distributable	Total RM
	Number of shares	Nominal value RM	Share premium RM	Reserve on consolidation RM	Retained earnings RM	
At 1 February, 1999						
- as previously reported	200,000,000	200,000,000	59,679,744	40,618,086	(24,728,976)	275,568,854
- prior year adjustments	23	-	-	-	(2,151,437)	(2,151,437)
- as restated	200,000,000	200,000,000	59,679,744	40,618,086	(26,880,413)	273,417,417
Deconsolidation of a subsidiary company under liquidation	-	-	-	-	821,445	821,445
Net profit for the financial year	-	-	-	-	45,932,656	45,932,656
Amortisation of reserve on consolidation	-	-	-	(5,077,260)	-	(5,077,260)
Dividends for the financial year ended 31 January, 2000	9	-	-	-	(10,000,000)	(10,000,000)
At 31 January, 2000	200,000,000	200,000,000	59,679,744	35,540,826	9,873,688	305,094,258
At 1 February, 2000	200,000,000	200,000,000	59,679,744	35,540,826	9,873,688	305,094,258
Net profit for the financial year	-	-	-	-	28,138,843	28,138,843
Amortisation of reserve on consolidation	-	-	-	(5,077,260)	-	(5,077,260)
Dividends for the financial year ended 31 January, 2001	9	-	-	-	(6,000,000)	(6,000,000)
At 31 January, 2001	200,000,000	200,000,000	59,679,744	30,463,566	32,012,531	322,155,841

Note	Issued and fully paid ordinary shares of RM1 each		Non distributable	Distributable	Total RM
	Number of shares	Nominal value RM	Share premium RM	Retained earnings RM	
At 1 February, 1999					
- as previously reported	200,000,000	200,000,000	59,679,744	4,394,556	264,074,300
- prior year adjustments	23	-	-	(2,151,437)	(2,151,437)
- as restated	200,000,000	200,000,000	59,679,744	2,243,119	261,922,863
Net profit for the financial year	-	-	-	10,282,049	10,282,049
Dividends for the financial year ended 31 January, 2000	9	-	-	(10,000,000)	(10,000,000)
At 31 January, 2000	200,000,000	200,000,000	59,679,744	2,525,168	262,204,912
At 1 February, 2000	200,000,000	200,000,000	59,679,744	2,525,168	262,204,912
Net profit for the financial year	-	-	-	13,288,891	13,288,891
Dividends for the financial year ended 31 January, 2001	9	-	-	(6,000,000)	(6,000,000)
At 31 January, 2001	200,000,000	200,000,000	59,679,744	9,814,059	269,493,803

Note	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Operating activities				
Net profit attributable to shareholders	28,138,843	45,932,656	13,288,891	10,282,049
Adjustments for:				
Amortisation of reserve on consolidation	(5,077,260)	(5,077,260)	-	-
Amortisation of goodwill on consolidation	1,165,829	1,165,829	-	-
Amortisation of deferred expenditure	-	46,248	-	44,235
Deferred expenditure written off	107,085	-	88,470	-
Amortisation of timber rights	6,926,938	7,054,104	6,926,938	7,054,104
Depreciation of property, plant and equipment	18,963,066	20,334,142	28,346	15,863
Property, plant and equipment written off	6,044	17,977	-	-
Net gain on disposal of property, plant and equipment	(124,338)	(400,987)	-	-
Dividend income	-	-	(10,000,000)	(10,000,000)
Interest expenses	2,707,204	-	2,561,096	-
Interest income	(2,092,059)	(3,106,973)	(1,082,139)	(1,125,103)
Gain on liquidation of subsidiary company	11 (675,564)	-	-	-
Write-back of provision for foreign exchange losses	-	(1,170,330)	-	-
Tax	3,378,868	3,139,700	4,612,413	3,000,000
	53,424,656	67,935,106	16,424,015	9,271,148
Changes in working capital:				
Inventories	9,156,855	(4,509,796)	1,033,497	(3,283,714)
Trade and other receivables	431,225	31,089,867	(2,236,455)	3,525,450
Trade and other payables	(24,969,329)	(70,250,412)	(26,840,715)	(41,222,786)
Amounts due from/(to) subsidiary companies	11 -	-	49,619,787	25,183,505
	38,043,407	24,264,765	38,000,129	(6,526,397)
Payment of pre-operating expenses	-	(2,002)	-	-
Dividend received	-	-	10,000,000	-
Interest paid	(1,696,245)	-	(1,550,137)	-
Interest received	2,000,550	3,089,025	1,073,244	1,125,103
Tax paid	(9,497,712)	(16,305,449)	(4,564,960)	(503,881)
Net cash flow from operating activities	28,850,000	11,046,339	42,958,276	(5,905,175)

	Note	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Investing activities					
Purchase of property, plant and equipment		(16,765,769)	(15,249,207)	(7,306,396)	(3,403,494)
Proceeds from disposal of property, plant and equipment		410,730	518,721	-	-
Purchase of timber rights		(101,172,465)	-	(101,172,465)	-
Net cash flow from investing activities		(117,527,504)	(14,730,486)	(108,478,861)	(3,403,494)
Financing activities					
Dividends paid to shareholders		(10,000,000)	-	(10,000,000)	-
Drawdown of term loan		100,000,000	-	100,000,000	-
Drawdown of bankers' acceptance		42,967,000	-	-	-
Repayment of bankers' acceptance		(26,967,000)	-	-	-
Net cash flow from financing activities		106,000,000	-	90,000,000	-
Net change in cash and cash equivalents		17,322,496	(3,684,147)	24,479,415	(9,308,669)
Cash and cash equivalents at beginning of the financial year		52,257,805	55,941,952	16,219,575	25,528,244
Cash and cash equivalents at end of the financial year	17	69,580,301	52,257,805	40,698,990	16,219,575

1 General information

The principal activities of the Company are that of investment holding, extraction and sale of logs.

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

The address of the registered office and the principal place of business of the Company is as follows:

No 8-14, 1st-3rd Floor, Jalan Chengal, C. D. T. 123, 96000 Sibul, Sarawak, Malaysia

The principal closing rate used in translation of foreign currency amounts was as follows:

Foreign currency

	2001 RM	2000 RM
1 USD	3.80	3.80

The number of employees at end of the financial year amounted to 1,677 (2000 : 1,836) employees in the Group and 17 (2000 : 17) employees in the Company.

2 Basis of preparation

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

The preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act require the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. Actual results could differ from those estimates.

3 Summary of significant accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies made up to the end of the financial year.

The results of all subsidiary companies acquired or disposed of during the financial year are included in the consolidated income statements from the date of acquisition or up to the date of disposal.

3 Summary of significant accounting policies cont'd**(a) Basis of consolidation** cont'd

The difference between the fair value of the purchase consideration and the fair values of the separable net assets of subsidiary companies at the date of acquisition, is treated as goodwill or reserve on consolidation. Goodwill or reserve on consolidation is amortised over a period of ten years through the income statement.

All inter-company balances and significant transactions have been eliminated on consolidation.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Capital work-in-progress is not depreciated until they are put into use. Depreciation on the other property, plant and equipment is provided for on the straight-line basis to write off the cost of the property, plant and equipment over their estimated useful lives at the following annual rates:

Long leasehold land	60 years
Short leasehold land	26 - 31 years
Buildings	2% - 10%
Infrastructure facilities	5% - 10%
Watercrafts, tractors, trucks and motor vehicles	10% - 25%
Plant and machinery	7.5% - 20%
Furniture, fittings and equipment	5% - 20%
Computer hardware and software	10% - 20%

(c) Investments

Investments in subsidiary companies held for long term are stated at cost less provision for diminution in value. Provision for diminution in value is made when the Directors are of the opinion that there has been a permanent impairment in value.

(d) Deferred expenditure

In previous financial years, expenditure incurred prior to incorporation are classified as preliminary expenses while expenses incurred subsequent to incorporation but before commencement of operations are shown as pre-operating expenses. These expenses are deferred and written off over a period of five years commencing from the date of operations.

In accordance with the Malaysian Accounting Standard Board's Interpretation Bulletin No 1, Preliminary and Pre-operating Expenditure, the Group changed its accounting policy with effect from the current financial year so as to recognise the deferred expenditure as an expense in the financial year when they are incurred.

No prior year adjustment is effected in the financial statements as the effect of the change on the financial statements is insignificant. Accordingly, the unamortised deferred expenditure amounting to RM107,085 for the Group and RM88,470 for the Company has been written off to the income statements of the current financial year.

3 Summary of significant accounting policies cont'd

(e) Rights in timber licences

Expenditure incurred in respect of acquisition of timber license is deferred and is amortised upon commencement of extraction of timber. Rights in timber licences are stated at cost and are amortised on a straight-line basis over the remaining tenure of the licence periods, which ranged between 12 and 15 years.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials and general stores is determined using the weighted average method. The cost of finished goods and work-in-progress, which is stated at standard cost, comprise direct materials, labour costs and production overheads based on normal level of activity. The standard cost is adjusted to actual cost by prorating the price variance between actual and standard cost into finished goods and work-in-progress.

(g) Receivables

All known bad debts in respect of trade receivables are written off or fully provided for.

(h) Deferred taxation

Deferred taxation is provided on the liability method in respect of timing differences between accounting and taxable profits. Debit balances in the deferred taxation account is not recognised unless there is reasonable certainty of their realisation in the foreseeable future.

(i) Foreign currencies

Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such balances are translated at year end exchange rates unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used.

(j) Revenue recognition

Revenue are recognised upon delivery of goods or transmission of electricity. Interest and dividend are recognised on an accrual basis.

(k) Cash and cash equivalents

Cash and cash equivalents comprise bank and cash balances, fixed deposits with licensed financial institutions and bank overdraft. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4 Revenue

	2001 RM	2000 RM
Group		
Sale of logs	73,937,252	28,278,956
Sale of plywood	140,731,577	155,199,830
Sale of veneer	5,755,294	6,139,628
Sale of raw and laminated particleboard	59,093,220	48,462,356
Sale of sawn timber, finger joint moulding and by products	27,800,538	27,524,638
Supply of energy and electricity	1,034,915	453,185
	308,352,796	266,058,593
Company		
Sale of logs	118,181,977	69,422,671
Interest income	1,082,139	1,125,103
Dividend income from a subsidiary company	10,000,000	10,000,000
	129,264,116	80,547,774

5 Profit from Operations

Profit from operations is arrived at after charging:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Auditors' remuneration				
- current financial year	85,000	99,500	20,000	20,000
- over provision in prior financial year	(15,000)	-	-	-
Amortisation of goodwill on consolidation	1,165,829	1,165,829	-	-
Amortisation of timber rights	6,926,938	7,054,104	6,926,938	7,054,104
Amortisation of deferred expenditure	-	46,248	-	44,235
Bad debts written off	75,833	-	-	-
Deferred expenditure written off	107,085	-	88,470	-
Depreciation of property, plant and equipment	18,963,066	20,334,142	28,346	15,863
Directors' remuneration				
- fees	60,600	50,325	57,600	44,875
- other emoluments	878,290	504,000	878,290	504,000
Hiring charges	63,000	104,688	-	6,760
Net realised foreign exchange loss	-	1,370,132	-	-
Property, plant and equipment written off	6,044	17,977	-	-
Provision for doubtful debts	40,762	602,452	-	-
Inventory writedown	268,110	700,000	-	-
Rental of				
- buildings	162,957	283,490	1,397	-
- land	249,984	147,218	-	-
- rivercrafts	14,402	-	14,142	-
- tools and equipment	4,575	-	750	-
- vehicles	7,054	-	6,814	-
Staff cost	20,068,181	18,552,851	1,564,877	1,693,996
and crediting:				
Amortisation of reserve on consolidation	(5,077,260)	(5,077,260)	-	-
Dividend income from unquoted investment in subsidiary company, tax exempt	-	-	(10,000,000)	(10,000,000)
Gain on liquidation of a subsidiary company	(675,564)	-	-	-
Interest income				
- fixed deposits	(2,085,124)	(2,378,493)	(1,078,350)	(1,125,103)
- others	(6,935)	(728,480)	(3,789)	-
Net realised foreign exchange gain	(21,432)	-	(1,653)	(1,360)
Net gain on disposal of property, plant and equipment	(124,338)	(400,987)	-	-
Rental income				
- buildings	(134,400)	(134,400)	-	-
- land	(93,120)	(55,200)	-	-
- others	(31,200)	(48,950)	-	-
Write-back of provision for foreign exchange losses	-	(1,170,330)	-	-

The estimated monetary value of benefits-in-kind provided to a Director of the Company was RM5,300 (2000 : RM5,300).

6 Finance Cost

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Interest expenses:				
Term loan	2,561,096	-	2,561,096	-
Bankers' acceptance	146,108	-	-	-
	2,707,204	-	2,561,096	-

7 Tax

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Current financial year	4,904,574	3,503,200	4,585,574	3,000,000
(Over)/under provision in prior financial years	(1,525,706)	-	26,839	-
Deferred taxation	-	(363,500)	-	-
	3,378,868	3,139,700	4,612,413	3,000,000

The effective tax rate of the Company is lower than the statutory tax rate due to the net impact of dividend income which is tax exempt, and certain expenses which are not deductible for tax purposes.

The effective tax rate of the Group is lower than the statutory tax rate due to utilisation of capital allowances to set off against the adjusted taxable income for the financial year.

The unutilised tax losses and capital allowances of the Group for which the tax effects have not been recognised in the financial statements amounted to approximately RM7,900,000 (2000 : RM7,900,000) and RM50,800,000 (2000 : RM56,300,000), respectively.

Current and cumulative timing differences not accounted for amounted to approximately RM5,500,000 (2000 : RM3,300,000) and RM58,700,000 (2000 : RM64,200,000), respectively.

8 Earnings per share

The earnings per share of the Group has been calculated based on the net profit attributable to shareholders of RM28,138,843 (2000 : RM45,932,656) and the number of ordinary shares in issue of 200,000,000 (2000: 200,000,000) during the financial year.

9 Dividends

	Group and Company	
	2001 RM	2000 RM
Proposed final dividend of 3 sen (2000 : 5 sen) per share, tax exempt	6,000,000	10,000,000

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 January, 2001 of 3 sen per share, tax exempt, amounting to RM6,000,000 will be proposed for shareholders' approval.

10 Property, plant and equipment**Group
2001**

	Long leasehold land RM	Short leasehold land RM	Buildings RM	Watercrafts, tractors, trucks and motor vehicles RM
Cost				
As at 1.2.2000	13,183,177	2,949,776	80,681,634	11,069,739
Additions	-	1,290,103	335,155	136,000
Disposals/written off	-	-	(367,089)	-
Reclassification	-	-	263,899	-
As at 31.1.2001	13,183,177	4,239,879	80,913,599	11,205,739
Accumulated depreciation				
As at 1.2.2000	595,833	381,383	33,892,904	9,165,972
Charge for the financial year	224,774	121,170	3,583,157	786,894
Disposals/written off	-	-	(94,832)	-
Reclassification	-	-	-	-
As at 31.1.2001	820,607	502,553	37,381,229	9,952,866
Net book value				
As at 31.1.2001	12,362,570	3,737,326	43,532,370	1,252,873

2000

Cost				
As at 1.2.1999	11,585,127	2,949,776	80,615,212	10,627,579
Deconsolidation of subsidiary	1,598,050	-	-	-
Additions	-	-	2,520	442,160
Disposals/written off	-	-	-	-
Reclassification	-	-	63,902	-
As at 31.1.2000	13,183,177	2,949,776	80,681,634	11,069,739
Accumulated depreciation				
As at 1.2.1999	371,059	285,724	29,842,935	8,201,833
Charge for the financial year	224,774	95,659	4,049,969	964,139
Disposals/written off	-	-	-	-
Reclassification	-	-	-	-
As at 31.1.2000	595,833	381,383	33,892,904	9,165,972
Net book value				
As at 31.1.2000	12,587,344	2,568,393	46,788,730	1,903,767

Certain buildings of the Group are situated on land which belongs to a company in which certain Directors and certain substantial shareholders of the Company have financial interests.

Long leasehold land with net book value of RM12,362,570 (2000 : RM12,587,344) is pledged as security for banking facilities for the Company and its subsidiary companies.

Plant and machinery RM	Infrastructure facilities RM	Furniture, fittings and equipment RM	Computer hardware and software RM	Capital work-in-progress RM	Total RM
192,377,033	12,965,235	3,007,341	15,388,678	4,706,166	336,328,779
1,335,031	93,041	152,320	2,107,010	11,317,109	16,765,769
(146,592)	-	(11,170)	-	-	(524,851)
16,029	-	(189,148)	189,148	(279,928)	-
193,581,501	13,058,276	2,959,343	17,684,836	15,743,347	352,569,697
109,882,853	6,237,621	1,057,289	1,174,822	-	162,388,677
11,496,700	840,920	342,118	1,567,333	-	18,963,066
(129,340)	-	(8,243)	-	-	(232,415)
-	-	(78,435)	78,435	-	-
121,250,213	7,078,541	1,312,729	2,820,590	-	181,119,328
72,331,288	5,979,735	1,646,614	14,864,246	15,743,347	171,450,369
189,166,998	12,933,922	2,667,571	-	10,782,994	321,329,179
-	-	-	-	-	1,598,050
161,302	-	346,246	-	14,296,979	15,249,207
(1,822,115)	-	(7,661)	-	(17,881)	(1,847,657)
4,870,848	31,313	1,185	15,388,678	(20,355,926)	-
192,377,033	12,965,235	3,007,341	15,388,678	4,706,166	336,328,779
98,943,579	5,391,651	729,700	-	-	143,766,481
12,647,400	845,970	331,409	1,174,822	-	20,334,142
(1,708,126)	-	(3,820)	-	-	(1,711,946)
-	-	-	-	-	-
109,882,853	6,237,621	1,057,289	1,174,822	-	162,388,677
82,494,180	6,727,614	1,950,052	14,213,856	4,706,166	173,940,102

10 Property, plant and equipment cont'd**Company
2001****Cost**

	Furniture, fittings and equipment RM	Motor vehicle RM	Capital work-in- progress RM	Total RM
As at 1.2.2000	214,741	-	3,199,838	3,414,579
Additions	2,150	136,000	7,168,246	7,306,396
Disposals	-	-	-	-
As at 31.1.2001	216,891	136,000	10,368,084	10,720,975

Accumulated depreciation

As at 1.2.2000	17,570	-	-	17,570
Charge for the financial year	21,546	6,800	-	28,346
Disposals	-	-	-	-
As at 31.1.2001	39,116	6,800	-	45,916

Net book value

As at 31.1.2001	177,775	129,200	10,368,084	10,675,059
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2000**Cost**

As at 1.2.1999	11,085	-	-	11,085
Additions	203,656	-	3,199,838	3,403,494
Disposals	-	-	-	-
As at 31.1.2000	214,741	-	3,199,838	3,414,579

Accumulated depreciation

As at 1.2.1999	1,707	-	-	1,707
Charge for the financial year	15,863	-	-	15,863
Disposals	-	-	-	-
As at 31.1.2000	17,570	-	-	17,570

Net book value

As at 31.1.2000	197,171	-	3,199,838	3,397,009
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11 Subsidiary companies

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Unquoted shares, at cost	-	997,558	147,021,237	147,021,237

The shares of all subsidiary companies are held directly by the Company except for Great Eastern Trade Sdn Bhd which is held by Subur Tiasa Plywood Sdn Bhd. Details of the subsidiary companies, all of which are incorporated in Malaysia, are as follows:

Subsidiary companies	Principal activities	Effective equity interest	
		2001	2000
		%	%
Subur Tiasa Plywood Sdn Bhd	Manufacture and sale of plywood and veneer	100	100
Subur Tiasa Particleboard Sdn Bhd	Manufacture and sale of particleboard	100	100
R H Timber Processing Industries Sdn Bhd	Manufacture and sale of sawn timber	100	100
Trimogreen Sdn Bhd	Manufacture and sale of sawn timber and finger joints moulding	100	100
Homet Raya Sdn Bhd	Independent power producer	100	100
T Q Oriental Sdn Bhd	Dormant	100	100
Subur Tiasa Forestry Sdn Bhd	Dormant	100	100
Great Eastern Trade Sdn Bhd*	Dormant	-	100

*The subsidiary company was placed under members' voluntary liquidation on 12 November, 1999. Following the appointment of liquidators, the company ceased to have control over the subsidiary company. The subsidiary company has therefore been excluded from consolidation and is stated in the financial statements at cost in the previous financial year.

The liquidation of the subsidiary company was completed on 21 December, 2000. The gain on liquidation of the subsidiary company was arrived at as follows:

	RM
Investment, at cost	997,558
Waiver of amount due to the subsidiary company	(1,673,122)
Gain on liquidation	(675,564)

12 Rights in timber licences

	Group and Company	
	2001 RM	2000 RM
Purchase consideration, at cost	84,391,000	84,391,000
Less: Discounts received	(4,086,031)	-
	80,304,969	84,391,000
Add: Additions	101,172,465	-
	181,477,434	84,391,000
Less: Accumulated amortisation	(16,332,406)	(9,405,468)
	165,145,028	74,985,532

13 Goodwill on consolidation

	Group	
	2001 RM	2000 RM
Acquisition of subsidiary companies	11,658,293	11,658,293
Less: Accumulated amortisation	(4,663,317)	(3,497,488)
	6,994,976	8,160,805

14 Inventories

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
At cost				
Raw materials				
- Logs	9,138,989	12,751,607	5,564,541	6,598,038
- Waste timber	258,099	95,861	-	-
Finished goods				
- Finger joint moulding	415,341	277,704	-	-
- Particleboard	2,702,566	1,631,211	-	-
- Plywood and veneer	8,436,996	14,888,181	-	-
- Sawn timber	2,625,325	2,516,231	-	-
Work-in-progress	3,974,382	4,807,514	-	-
General stores	13,203,586	11,930,294	-	-
	40,755,284	48,898,603	5,564,541	6,598,038
At net realisable value				
Finished goods				
- Particleboard	1,683,949	5,022,021	-	-
- Plywood and veneers	2,324,536	-	-	-
	44,763,769	53,920,624	5,564,541	6,598,038

15 Trade and other receivables

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade receivables	20,179,950	24,608,804	6,914,156	4,710,933
Less: Provision for doubtful debts	(361,293)	(1,208,858)	-	-
	19,818,657	23,399,946	6,914,156	4,710,933
Other receivables	530,441	442,335	434,691	392,724
Deposits	3,298,076	279,729	2,460	2,300
Prepayments	1,465,774	1,330,654	1,000	1,000
	25,112,948	25,452,664	7,352,307	5,106,957

Trade receivables of the Group and the Company include amounts of RM6,758,932 (2000 : RM10,936,277) and RM4,741,710 (2000 : RM3,093,471) respectively due from companies in which certain Directors and substantial shareholders of the Company have financial interests.

These amounts are unsecured, interest free and have no fixed terms of repayment except for RM6,125,648 of the amount outstanding of the Group at the previous financial year end which bore interest for part of that financial year at rates ranging from 3.75% to 6.50% per annum.

16 Amounts due from/(to) subsidiary companies

Amounts due from/(to) subsidiary companies are unsecured, interest free and have no fixed terms of repayment.

17 Deposit, bank and cash balances

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Fixed deposits with:				
- licensed banks	67,898,924	-	40,456,312	-
- licensed finance companies	-	46,256,868	-	15,119,669
	67,898,924	46,256,868	40,456,312	15,119,669
Bank and cash balances	1,681,377	6,000,937	242,678	1,099,906
	69,580,301	52,257,805	40,698,990	16,219,575

18 Trade and other payables

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade payables	29,593,593	59,028,207	15,505,213	46,010,288
Other payables	1,525	19,040	-	-
Deposits	118,899	104,699	-	-
Trade accruals	10,582,599	9,189,071	8,272,427	7,683,139
	40,296,616	68,341,017	23,777,640	53,693,427

Trade payables of the Group and the Company include amounts of RM20,402,166 (2000 : RM47,510,045) and RM14,607,955 (2000 : RM43,453,952) respectively due to companies in which certain Directors and substantial shareholders of the Company have financial interests. These amounts are in respect of trade purchases in the normal course of business and are unsecured, interest free and have no fixed terms of repayment.

19 Bankers' acceptance

	Group and Company	
	2001 RM	2000 RM
Bankers' acceptance		
- secured	6,000,000	-
- unsecured	10,000,000	-
	16,000,000	-

The secured bankers' acceptance are secured by way of a fixed charge over a subsidiary company's long leasehold land, a fixed and floating charge on all assets of a subsidiary company and jointly and severally guaranteed by certain Directors of the Company and the subsidiary companies. Interest was charged during the financial year at rates ranging from 3.20% to 3.50% (2000 : Nil) per annum.

20 Share capital

	Group and Company	
	2001 RM	2000 RM
Authorised:		
Ordinary shares of RM1 each	1,000,000,000	1,000,000,000
Issued and fully paid:		
Ordinary shares of RM1 each	200,000,000	200,000,000

21 Retained earnings

Subject to agreement by the tax authorities, the Company has sufficient Malaysian Section 108 tax credits to frank all (2000 : All) of the retained earnings of the Company if paid out as dividends.

Subject to agreement by the tax authorities, pursuant to Section 8 of the Income Tax (Amendment) Act, 1999, the Company has tax exempt account to frank approximately RM4,829,000 (2000 : RM4,829,000) of the retained earnings of the Company if paid out as tax exempt dividends.

Subject to agreement by the tax authorities, the Company has a tax exempt account from tax exempt dividends received to frank approximately RM5,315,000 (2000 : RM1,315,000) of the retained earnings of the Company if paid out as tax exempt dividends.

22 Term loan (unsecured)

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Later than 1 year and not later than 5 years	100,000,000	-	100,000,000	-
Disclosed as:				
Non current	100,000,000	-	100,000,000	-

Interest was incurred during the financial year at 6.15% (2000 : Nil) per annum. The term loan is repayable over eleven quarterly instalments commencing February 2002, with the first two instalments payable at RM5,000,000 each, and thereafter at RM10,000,000 each.

23 Prior year adjustments

The prior year adjustments represent adjustments for:

	Group and Company	
	2001 RM	2000 RM
Prior years sales taken up in the previous financial year	-	686,487
Overstatement of prior years inventories	-	(2,837,924)
	-	(2,151,437)

24 Significant related party disclosures

During the financial year, the Group and the Company entered into the following significant related party transactions:

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM

Transactions with subsidiary companies:

Sale of logs to:

- R H Timber Processing Industries Sdn Bhd	-	-	8,253,376	7,557,817
- Subur Tiasa Plywood Sdn Bhd	-	-	31,543,253	33,667,176
- Trimogreen Sdn Bhd	-	-	4,558,374	-

Transactions with companies in which certain Directors and substantial shareholders have financial interests:

Air ticket charges paid/payable to:

- R H Tours and Travel Agency Sdn Bhd	247,440	284,503	41,781	38,889
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Freight and handling charges paid/payable to:

- Caswan Jaya Sdn Bhd	1,084,174	1,831,224	-	-
- Globular Sdn Bhd	864,993	445,116	863,613	444,516
- Hak Jaya Sdn Bhd	-	960	-	960
- Inland Timber Industries Sdn Bhd	-	9,636	-	9,636
- Kunari Timber Sdn Bhd	2,616	-	2,216	-
- Ocean Bounty Sdn Bhd	55,838	-	-	-
- Onward Shipping Sdn Bhd	653,481	696,726	-	-
- Rimbunan Hijau Sdn Bhd	(794)	(75,525)	(794)	(75,525)
- Syarikat Perkapalan C. H. Ling Sdn Bhd	10,232,408	5,149,803	-	-
- Transport Resources Sdn Bhd	-	240	-	240

Insurance charges paid/payable to:

- Evershine Agency Sdn Bhd	260,578	340,846	772	-
- Harmony Agencies Sdn Bhd	911,977	303,871	2,947	-

Logging contract fee paid/payable to:

- Baram Lumber Sdn Bhd	40,342,676	24,492,263	40,342,676	24,492,263
- Sovereign Hill Sdn Bhd	18,214,019	14,607,461	18,214,019	14,607,461

24 Significant related party disclosures cont'd

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Purchase of consumable stores from:				
- Comserv (Sarawak) Sdn Bhd	191,444	137,429	-	-
- Rimbunan Hijau General Trading Sdn Bhd	236,175	283,680	-	-
- Tiong Toh Siong & Sons Sdn Bhd	3,900,570	4,795,802	-	-
Purchase of electricity from:				
- Jaya Tiasa Timber Products Sdn Bhd (formerly known as Rimtara Sdn Bhd)	1,195,321	633,048	-	-
Purchase of logs from:				
- Binamewah Sdn Bhd	1,270,056	73,326	182,205	-
- Bornion Timber Sdn Bhd	251,977	-	-	-
- Curiah Sdn Bhd	352,856	-	-	-
- Dahasil Sdn Bhd	-	8,240	-	-
- Garu Sdn Bhd	-	211,171	-	-
- Hak Jaya Sdn Bhd	591,164	-	-	-
- Inland Timber Industries Sdn Bhd	-	41,090	-	-
- Jaras Sdn Bhd	625,461	713,110	-	-
- Kunari Timber Sdn Bhd	1,378,406	79,081	-	-
- Lasuria Sdn Bhd	3,544,420	3,470,344	152,513	-
- Lukutan Enterprises Sdn Bhd	3,304,915	3,805,622	149,213	12,754
- Mantan Sdn Bhd	-	161,801	-	-
- Maxiwealth Holdings Sdn Bhd	205,135	-	-	-
- Rejang Logging Co Sdn Bhd	14,594,925	10,012,577	1,457,774	229,334
- Rimbunan Hijau Sdn Bhd	9,126,080	5,021,729	71,958	77,694
- Sericahaya Sdn Bhd	497,777	491,126	-	-
- Subur Abadi Sdn Bhd	11,954,787	10,402,379	1,121,110	26,757
- Timbunan Hijau Sdn Bhd	5,254,922	13,394,211	11,412	94,336
Purchase of raw materials from:				
- Petanak Enterprise Sdn Bhd	10,080,078	9,076,262	-	-
Purchase of waste timber from:				
- Perpuluhan Jaya Sdn Bhd	1,300	18,020	-	-

24 Significant related party disclosures cont'd

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Rental of land paid/payable to:				
- Rimbunan Hijau Sdn Bhd	104,400	101,561	-	-
- Sericahaya Sdn Bhd	-	800	-	-
- Tiong Toh Siong Holdings Sdn Bhd	10,200	11,050	-	-
Waiver of interest income from:				
- Garu Sdn Bhd	91,170	-	-	-
- Inland Timber Industries Sdn Bhd	101,928	-	-	-
Consultancy and technical services provided to:				
- Perpuluhan Jaya Sdn Bhd	(60,000)	(60,000)	-	-
Interest income from:				
- Binamewah Sdn Bhd	-	(201,749)	-	-
- Garu Sdn Bhd	-	(98,636)	-	-
- Inland Timber Industries Sdn Bhd	-	(153,919)	-	-
- Rejang Logging Co Sdn Bhd	-	(124,389)	-	-
- Subur Abadi Sdn Bhd	-	(133,068)	-	-
Rental income from:				
- Perpuluhan Jaya Sdn Bhd	(30,000)	(12,000)	-	-
Sales of electricity to:				
- Jaya Tiasa Holdings Berhad	-	(396)	-	-
- Perpuluhan Jaya Sdn Bhd	(1,034,916)	(1,061,125)	-	-
Sales of logs to:				
- Hak Jaya Sdn Bhd	(729,222)	-	(729,222)	-
- Kunari Timber Sdn Bhd	(18,641)	-	(18,641)	-
- Lukutan Enterprises Sdn Bhd	(4,325,680)	-	(4,325,680)	-
- Sarawak Forest Product Sdn Bhd	(129,118)	-	(129,118)	-
Sales of logs, sawn timber and by products to:				
- Jaya Tiasa Timber Product Sdn Bhd (formerly known as Rimtara Sdn Bhd)	(74,712)	(56,656)	-	-
- Perpuluhan Jaya Sdn Bhd	(110,276)	(95,899)	-	-

24 Significant related party disclosures cont'd

The above transactions have been entered into during normal course of business and have been established under terms negotiated between the parties concerned, and were not materially different from those entered with third parties except for purchases of logs from companies in which a Director of the Company and certain substantial shareholders of the Company have financial interests, which were on average 12% lower than market price.

25 Commitments

Capital expenditure not provided for in the financial statements is as follows:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Authorised and contracted for	30,486,554	6,438,600	4,954,721	6,438,600
Authorised and not contracted for	13,957,124	9,000,000	387,616	9,000,000
	44,443,678	15,438,600	5,342,337	15,438,600
Analysed as follows:				
- Property, plant and equipment	44,443,678	15,438,600	5,342,337	15,438,600

26 Contingent liabilities (unsecured)

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Guarantees provided for banking facilities of subsidiary companies	-	-	54,045,000	44,045,000
Guarantees to the Forest Department of the State of Sarawak for extension of timber licenses	5,420,000	3,020,000	5,420,000	3,020,000
Guarantees to the Labour Department for foreign workers employed	1,115,900	668,500	-	-
	6,535,900	3,688,500	59,465,000	47,065,000

27 Segmental analysis

No segmental analysis is prepared as the Group is primarily engaged in the manufacturing, marketing and trading of timber and timber related products in Malaysia.

28 Significant post balance sheet event

On 1 February, 2001, the Company entered into an agreement with a third party in its ordinary course of business whereby the third party shall sell and the Company shall purchase all the merchantable timber logs from a forest concession area over a period of twenty years from 1 February, 2001 to 31 January, 2021. Under the agreement, the Company shall make a down payment of RM40,800,000, which will be utilised against the amounts payable arising from timber log purchases over the twenty year period.

On 8 February, 2001, the Company has paid RM32,800,000 of the down payment, and the balance of RM8,000,000 will be due and payable on or before 1 February, 2006.

29 Comparative figures

The comparative figures have been extended to comply with the additional disclosure requirements of the new Malaysian Accounting Standards Board Standards that are applicable for the financial year ended 31 January, 2001.

Location	Tenure	Existing use	Land area (Hectares)	Approximate age of building	Net book value as at 31/01/01 RM
Subur Tiasa Plywood Sdn Bhd					
Lot 96, block 16, Seduan Land District	31 Dec, 2031	vacant	2.315	-	513,692
Lot 97, block 16, Seduan Land District	31 Dec, 2026	vacant	1.5621	-	463,998
Lot 270, block 16, Seduan Land District	31 Dec, 2026	vacant	2.035	-	647,070
Lot 272, block 16, Seduan Land District	31 Dec, 2026	vacant	2.286	-	759,623
Lot 1494, block 16, Seduan Land District	31 Dec, 2029	vacant	0.1921	-	88,351
Lot 1495, block 16, Seduan Land District	25 Sep, 2057	factory, office, welfare building	24.054	12 years	30,035,259
Lot 101, block 16, Seduan Land District	31 Dec, 2029	vacant	2.185	-	494,808
Lot 103, block 16, Seduan Land District	31 Dec, 2029	vacant	1.4043	-	769,784
R H Timber Processing Industries Sdn Bhd					
Lot 250, Block 10, Sibu Town District (9, Jalan Poh Yew, 96000 Sibu)	10 Jun, 2050	Residential Use	0.1104	10 years	1
Lot 482, Block 18, Seduan Land District (7 A, Jalan Maludan Utara, 96000 Sibu)	7 Apr, 2052	Residential Use	0.0312	8 years	108,474
Subur Tiasa Particleboard Sdn Bhd					
Lot 1495, block 16, Seduan Land District	25 Sep, 2057	factory, office, welfare building	-	7 years	20,637,291
Trimogreen Sdn Bhd					
Lot 113, Block 3, Sare Land District	2 May, 2053	factory, office, welfare building	-	8 years	3,397,890
Homet Raya Sdn Bhd					
Lot 82, Block 3, Sare Land District	22 Sep, 2052	factory, office, building	-	6 years	511,651
R H Timber Processing Industries Sdn Bhd					
Lot 113, Block 3, Sare Land District	2 May, 2053	factory, office, welfare building	-	9 years	1,140,470

Authorised Share Capital	:	RM1,000,000,000
Paid-up Share Capital	:	RM200,000,000
Class of Share	:	Ordinary Share of RM1.00 each
Voting Right	:	1 vote per Ordinary Share

Distribution of shareholders

Holdings	No of holders	Total holdings	%
less than 1,000	10	1,644	0.00
1,000 to 10,000	8,301	18,689,677	9.35
10,001 to 100,000	445	11,839,426	5.92
100,001 to less than 5% of issued shares	58	52,062,474	26.03
5% and above of issued shares	6	117,406,779	58.70

List of substantial shareholders as at 23 april 2001

Name	No of Shares		
	Direct interest (registered in own name)	Direct interest (held through nominees)	Deemed interest
1 Tiong Toh Siong Holdings Sdn Bhd	61,682,405 (30.84%)	-	28,671,436 ^{*1} (14.34%)
2 Twintop Sdn Bhd	15,331,424 (7.67%)	10,000,000 (5.00%)	-
3 Raya Abadi Sdn Bhd	10,130,984 (5.07%)	6,000,000 (3.00%)	-
4 Kinta Hijau Sdn Bhd	10,130,983 (5.07%)	6,000,000 (3.00%)	-
5 Bahagia Abadi Timber Industries Sdn Bhd	10,130,983 (5.07%)	6,000,000 (3.00%)	-
6 Permodalan Nasional Berhad	4,945,200 (2.47%)	-	-
7 Yayasan Pelaburan Bumiputera	-	-	4,945,200 ^{*2} (2.47%)
8 Tan Sri Datuk Tiong Hiew King @ Diong Hiew King	1,056,305 (0.53%)	-	91,943,557 ^{*3} (45.97%)
9 Datuk Kenneth Kanyan Anak Temenggong Koh	-	300,000 (0.15%)	16,130,983 ^{*4} (8.07%)
10 Tiong Kiong King	11,115 (0.01%)	1,108,289 (0.55%)	91,943,557 ^{*5} (45.97%)
11 Tiong Chiong Ong	736,058 (0.37%)	-	91,943,557 ^{*5} (45.97%)
12 Tiong Chiong Ie	-	-	92,563,867 ^{*6} (46.28%)

*1 Deemed interested by virtue of substantial shareholding in Twintop Sdn Bhd and Tiong Toh Siong & Sons Sdn Bhd.

*2 Deemed interested by virtue of substantial shareholding in Permodalan Nasional Berhad

*3 Deemed interested by virtue of substantial shareholding in Twintop Sdn Bhd, Tiong Toh Siong Holdings Sdn Bhd, Tiong Toh Siong & Sons Sdn Bhd and Teck Sing Lik Enterprise Sdn Bhd

*4 Deemed interested by virtue of substantial shareholding in Kinta Hijau Sdn Bhd.

*5 Deemed interested by virtue of family's substantial shareholding in Twintop Sdn Bhd, Tiong Toh Siong Holdings Sdn Bhd, Tiong Toh Siong & Sons Sdn Bhd and Teck Sing Lik Enterprise Sdn Bhd.

*6 Deemed interested through Prihartta Development Sdn Bhd, and by virtue of family interest in Tiong Toh Siong Holdings Sdn Bhd, Twintop Sdn Bhd, Tiong Toh Siong & Sons Sdn Bhd and Teck Sing Lik Enterprise Sdn Bhd.

List of thirty largest shareholders as at 23 april 2001

	No of ordinary shares of RM1.00 each	Percentage (%)
1 Tiong Toh Siong Holdings Sdn Bhd	61,682,405	30.84
2 Twintop Sdn Bhd	15,331,424	7.67
3 Raya Abadi Sdn Bhd	10,130,984	5.07
4 Kinta Hijau Sdn Bhd	10,130,983	5.07
5 Bahagia Abadi Timber Industries Sdn Bhd	10,130,983	5.07
6 Hwang-DBS Custodian Nominees (Tempatan) Sdn Bhd - DBS Bank for Twintop Sdn Bhd	10,000,000	5.00
7 HSBC Nominees (Tempatan) Sdn Bhd - Pledged securities account for Kinta Hijau Sdn Bhd	6,000,000	3.00
8 HSBC Nominees (Tempatan) Sdn Bhd - Pledged securities account for Bahagia Abadi Timber Industries Sdn Bhd	6,000,000	3.00
9 HSBC Nominees (Tempatan) Sdn Bhd - Pledged securities account for Raya Abadi Sdn Bhd	6,000,000	3.00
10 Permodalan Nasional Berhad	4,945,200	2.47
11 DB (Malaysia) Nominee (Asing) Sdn Bhd - UBS AG Singapore for Pacific Investment Fund	3,499,000	1.75
12 Tiong Toh Siong & Sons Sdn Bhd	3,340,012	1.67
13 Teck Sing Lik Enterprise Sdn Bhd	1,589,716	0.79
14 HSBC Nominees (Tempatan) Sdn Bhd - HSBC SG for Tiong Ik King	1,400,000	0.70
15 Lembaga Tabung Haji	1,113,560	0.56
16 AMSEC Nominees (Tempatan) Sdn Bhd - Pledged securities account for Tiong Kiong King	1,108,289	0.55
17 Tiong Ik King	1,080,000	0.54
18 Diong Hiew King @ Tiong Hiew King	1,056,305	0.53
19 HLG Nominee (Asing) Sdn Bhd - Commerzbank (Sea) Ltd. for Tiong Thai King	1,000,115	0.50
20 Chase Malaysia Nominees (Asing) Sdn Bhd - The Chase Manhattan Bank for Roxton Investments Limited	890,440	0.45
21 Tiong Chiong Ong	736,058	0.37

List of thirty largest shareholders as at 23 april 2001 cont'd

	No of ordinary shares of RM1.00 each	Percentage (%)
22 Public Nominees (Tempatan) Sdn Bhd - Law Cheng King	718,749	0.36
23 Priharta Development Sdn Bhd	620,310	0.31
24 Quarry Lane Sdn Bhd	620,000	0.31
25 HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Berhad for Arab-Malaysian Cumulative Growth Fund	603,000	0.30
26 HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Berhad for Amanah Saham Sarawak	532,560	0.27
27 Lembaga Tabung Angkatan Tentera	532,560	0.27
28 Mayban Nominees (Tempatan) Sdn Bhd - Pledged securities account for Koperasi Polis Diraja Malaysia Berhad	532,560	0.27
29 Hwang-DBS Custodian Nominees (Asing) Sdn Bhd - DBS Bank for Bloomswick Ltd.	506,000	0.25
30 Satria Nominees (Tempatan) Sdn Bhd - Pledged securities account for Lau Pek Kii	491,000	0.25

This is the Appendix A referred to in Agenda No 6 of the notice of Sixth Annual General Meeting dated 29 May, 2001 as set out in the Annual Report 2001

Details of the proposed amendments to the articles of association

The Articles of Association shall be altered, modified, added and deleted in the following manner:

1 Article 2-Interpretations

(A) Existing interpretation

Word	Meaning
"Market Day"	"Market Day" means any day between Mondays and Fridays (inclusive of both days) which is not a market holiday of the Exchange or a public holiday.

(B) The existing interpretation in Article 2 be amended as follow:

Word	Meaning
"Market Day"	"Market Day" means a day on which the stock market of the Exchange is open for trading in securities.

(C) The following new interpretations be incorporated to the existing Article 2:

Word	Meaning
"beneficial owner"	"beneficial owner" means in relation to deposited securities, the ultimate owner of the deposited securities who is entitled to all rights, benefits, powers and privileges and is subject to all liabilities, duties and obligations in respect of, or arising from, the deposited securities and does not include a nominee of any description.
"books closing date"	"books closing date" means the specified time and date set by the Company for the purpose of determining entitlements to dividends, interest, new securities or other distributions or rights of holders of its securities.
"Listing Requirements"	"Listing Requirements" means the Listing Requirements of the Exchange including any amendment to the Listing Requirements that may be made from time to time.

2 Article 4B-Issue of new shares

(A) The following new Article 4B be inserted immediately after the existing Article 4A:

"(a) Subject to provision on the allotment of shares to Director and notwithstanding the existence of a resolution pursuant to Section 132D of the Companies Act 1965, the Company must ensure that it shall not issue any shares or convertible securities if the nominal value of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the nominal value of the issued and paid-up capital of the listed issuer, except where the shares or convertible securities are issued with the prior approval of the shareholders in general meeting of the precise terms and conditions of the issue.

2 Article 4B-Issue of new shares cont'd

- (A) (b) In working out the number of shares or convertible securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.
- (c) Subject to any direction to the contrary that may be given by the company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the directors may dispose of those shares or securities in such manner as they think most beneficial to the company. The directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the directors, be conveniently offered under this article."

3 Article 8-Rights of preference shareholders

(A) Existing Article 8

"Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital, or winding-up, or sanctioning a sale of the undertaking of the Company, or where the proposition to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is in arrear more than six (6) months."

(B) The existing Article 8 be deleted in its entirety and to substitute in lieu hereof with the following provision:

- 1 The holder of a preference share must be entitled to a right to vote in each of the following circumstances:
 - (a) when the dividend or part of the dividend on the share is in arrears for more than six (6) months;
 - (b) on a proposal to reduce the company's share capital;
 - (c) on a proposal for the disposal of the whole of the company's property, business and undertaking;
 - (d) on a proposal that affects rights attached to the share;
 - (e) on a proposal to wind up the company; and
 - (f) during the winding up of the company.

- 2 The holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the company is wound up.

- 3 A holder of a preference share must be entitled to the same rights as a holder of an ordinary share in relation to receiving notices, reports and audited accounts, and attending meetings."

4 Article 15-Allotment and despatch of certificate for an issue

(A) Existing Article 15

"Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Company shall allot shares and despatch notices of allotment to the allottees, within 20 market days of the final applications closing date for an issue of shares or such other period as may be prescribed by the Exchange."

(B) The existing Article 15 be deleted in its entirety and to substitute in lieu hereof with the following provision:

"Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Company shall allot and/or issue securities, despatch notices of allotment to the successful allottees and make an application for the quotation of such securities :

- (a) within 15 market days of the final applications closing date for an issue of securities or such other period as may be prescribed by the Exchange for issues of securities to the public or a rights issue;
- (b) within 10 market days of the books closing date for a bonus issue or such other period as may be prescribed by the Exchange;
- (c) within 10 market days of the date of receipt of a notice of the exercise of an employee share option together with the requisite payment or such other period as may be prescribed by the Exchange;
- (d) within 10 market days of the receipt of a subscription form together with the requisite payment in respect of warrant or convertible securities or such other period as may be prescribed by the Exchange."

5 Article 21-No privileges until calls paid

(A) Existing Article 21

"No member shall be entitled to receive any dividend or to exercise any privileges as a member until he has paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interests and expenses (if any)."

(B) The existing Article 21 be deleted in its entirety and to substitute in lieu hereof with the following provision:

"No member shall be entitled to receive any dividend or to exercise any privileges as a member until he has paid all calls for the time being due and payable on every share held by him, together with interests and expenses (if any)."

6 Article 35 - Form of instrument of transfer

(A) Existing Article 35

"Where a member transfers only a portion of the shares comprised in a certificate or where a member requires the Company to cancel any certificate and issue new certificates for the purpose of sub-dividing his holding in a different manner, the old certificate(s) shall be cancelled and a new certificate(s) for the balance of such shares issued in lieu thereof subject to the member complying with the provisions of Article 34 in respect of transfer of shares and paying to the Company, a fee not exceeding Ringgit Malaysia Three (RM3.00) (or such other sum as may from time to time be permitted by the Exchange and as approved by the directors) for each new certificate required, together with the proper amount of stamp duty."

6 Article 35 - Form of instrument of transfer cont'd

(B) The existing Article 35 be deleted in its entirety and to substitute in lieu hereof with the following provision:

"Subject to these Articles, the Rules, the Central Depositories Act, the Exchange Listing Requirements and Rules of the Exchange, any member may transfer all or any of his shares by instrument in writing in the form prescribed and approved by the Exchange, the Act, and/or the Central Depositories Act as the case may be."

7 Article 37-Fixing of book closing date

(A) Existing Article 37

"The registration of transfers may be suspended at such times and for such periods as the directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) market days in any year. Any notice of intention to fix a books closing date and the reason therefor shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange, such notice shall state the books closing date, which shall be at least eighteen (18) market days after the date of notification to the Exchange and the address of the share registry at which documents will be accepted for registration. In relation to the closure, the Company shall give written notice in accordance with the Rules, to the Central Depository to prepare the appropriate Record of Depositors."

(B) The existing Article 37 be deleted in its entirety and to substitute in lieu hereof with the following provision:

"The Register of Transfers may be closed at such time and for such period as the Directors may from time to time determine Provided Always that it shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason therefor shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange, such notice shall state the books closing date, which shall be at least twelve (12) market days after the date of notification to the Exchange. The transfer books and Record of Depositors may be closed for the purpose of determining persons entitled to dividends, interest, or new securities, or rights to a priority of application for issued of securities. The Company shall request the Central Depository in accordance with the Rules to issue a Record of Depositors as at a date not less than three (3) market days before the occurrence of the related event."

8 Article 43A-Transmission of securities from foreign register

(A) Existing Article 43A

1 Where (if applicable):

- (a) the shares of the Company are listed on an Approved Market Place; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Central Depository in respect of such securities.

the Company shall, upon request of a shareholder, permit a transmission of shares held by such shareholder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as "the Malaysian Register") subject to the following conditions:

8 Article 43A-Transmission of securities from foreign register cont'd

- (A) (i) there shall be no change in the ownership of such shares; and
- (ii) the transmission shall be executed by causing such shares to be credited directly into the securities account of such shareholder.

Where (1)(a) and (1)(b) are fulfilled, the Company shall not allow any transmission of shares from the Malaysian Register into the Foreign Register.”

(B) The existing Article 43A be deleted in its entirety and to substitute in lieu hereof with the following provision:

1 Where (if applicable):

- (a) the shares of the Company are listed on an Approved Market Place; and
- (b) the Company is exempted from compliance with section 14 of the Central Depositories Act or section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Central Depository in respect of such securities.

the Company shall, upon request of a shareholder, permit a transmission of shares held by such shareholder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as “the Foreign Register”), to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as “the Malaysian Register”) provided that there shall be no change in the ownership of such shares.

- 2 Where the requirements under (1)(a) and (1)(b) are fulfilled, the Company shall not allow any transmission of shares from the Malaysian Register into the Foreign Register.
- 3 Subject to the provisions of the Act, the Central Depositories Act and the Rules, where the Company is also listed on an Approved Market Place, the Company must ensure that any new issue of securities to the allottees or entitled persons who have invested in the securities of the Company in the Approved Market Place, will not result in the percentage of the issued and paid-up capital of the Company appearing in the register maintained by the Company in the Approved Market Place exceeding the percentage as at 1 November 1998.”

9 Article 58-Notice of general meeting**(A) Existing Article 58**

“Subject to the provisions of the Act relating to special resolutions and special notice and the rules of the Exchange, a meeting called for the passing of a special resolution shall be called by twenty one (21) days’ notice in writing at the least and any other meeting of the Company shall be called by fourteen (14) days’ notice in writing at the least (exclusive in either case of the day on which it is or deemed to be served and of the day for which it is given), specifying the place, the day and the hour of every general meeting (and in the case of special business, the general nature of such business) and shall:

9 Article 58-Notice of general meeting cont'd

- (A) (a) be given in manner hereinafter mentioned to such persons (including the Company's auditors') as are under the provisions of these Articles, entitled to receive notices of general meetings from the Company; and
- (b) (except in respect of an adjourned meeting adjourned for less than thirty (30) days) be given by advertisement in at least one (1) national daily newspaper published in Malaysia; and
- (c) be served on the Exchange (and every stock exchange (if any) upon which the shares of the Company are for the time being listed;

provided that a general meeting shall be deemed to have been duly called notwithstanding that it has been called by a shorter notice than that specified above, if it is so agreed:

- (i) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- (ii) in the case of an extraordinary general meeting, by that number of majority in number of the members entitled to attend and vote thereat as is required by the Act.

Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such businesses."

(B) The existing Article 58 be deleted in its entirety and to substitute in lieu hereof with the following provision:

- (a) The notices convening general meetings shall be given to all shareholders at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed subject to the provisions of the Act by members entitled to attend and vote at such meeting.
- (b) Every notice convening meetings shall specify the place, day and hour of the meeting.
- (c) The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given.
- (d) Any notice of a meeting called to consider special business shall be accompanied by a statement of the general nature of the business and the effect of any proposed resolution in respect of such special business.
- (e) At least fourteen (14) days' notice or twenty one (21) days' notice with case where any special resolution is proposed or where it is a general meeting of every such meeting shall be given by advertisement in the daily press and in writing to each Stock Exchange upon which the Company is listed."

10 Article 71A-Voting rights of members

(A) The following new Article 71A be inserted immediately after the existing Article 71:

"Subject to Article 59 above, a member of the company shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the company have been paid."

11 Article 77A-Appointment of more than one proxy

(A) The following new Article 77A be inserted immediately after the existing Article 77:

"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 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account."

12 Article 78-Form of proxy

(A) Existing Article 78

"The instrument appointing a proxy shall be in the following form or substantially in the following form:

SUBUR TIASA HOLDINGS BERHAD (Company No 341792-W)

I/We,

of

being a member/members of the abovenamed Company, hereby appoint

of

or failing him

of

as my/our proxy to vote for me/us on my/our behalf at the (annual, extraordinary, or adjourned, as the case may be) general meeting of the Company, to be held on the _____ day of _____ 19____, and at every adjournment thereof.

Signed this _____ day of _____ 19____.

OR

The common seal was hereunto affixed this _____ day of _____ 19____.

This form is to be used + $\frac{\text{in favour of}}{\text{against}}$ the resolution.

+ Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit)."

12 Article 78-Form of proxy cont'd

(B) The existing Article 78 be amended by replacing the words "19" with "20" and to substitute in lieu hereof with the following provision:

"The instrument appointing a proxy shall be in the following form or substantially in the following form:

SUBUR TIASA HOLDINGS BERHAD (COMPANY NO 341792-W)

I/We, _____
of _____
being a member/members of the abovenamed Company, hereby appoint
of _____
or failing him _____
of _____
as my/our proxy to vote for me/us on my/our behalf at the (annual, extraordinary, or adjourned, as the case may be) general meeting of the Company, to be held on the _____ day of _____ 20____, and at every adjournment thereof.

Signed this _____ day of _____ 20____.

OR

The common seal was hereunto affixed this _____ day of _____ 20____.

This form is to be used + $\frac{\text{in favour of}}{\text{against}}$ the resolution.

+ Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit).

13 Article 86-Retirement of directors by rotation

(A) Existing Article 86

"Subject to Article 84, at the first annual general meeting of the Company, all the directors except the managing director shall retire from office, and at the annual general meeting in every subsequent year, one-third of the directors except the managing director for the time being, or if their number is not three or a multiple of three, then the number nearest one-third (with a minimum of one) shall retire from office and an election of directors shall take place. Each director except the managing director, shall retire from office once at least in every three (3) years but shall be eligible for re-election. A director retiring at a meeting shall retain office until the close of the meeting (whether adjourned or not). An election of directors shall take place each year."

13 Article 86-Retirement of directors by rotation cont'd

(B) The existing Article 86 be deleted in its entirety and to substitute in lieu hereof with the following provision:

- "(a) At the first annual general meeting of the Company all the Directors shall retire from office and at the annual general meeting in every subsequent year one-third of the Directors for the time being or the number nearest to one-third shall retire from office.
- (b) The Directors to retire at such annual general meeting (other than the first) shall be the Directors who shall have been longest in office. As between two or more who have been in office an equal length of time the Director to retire shall in default of agreement between them, be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment when he has previously vacated office.
- (c) Notwithstanding the above, all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires. An election of Directors shall take place each year."

14 Article 94 (f)-Vacation of office of Director

(A) Existing Article 94 (f)

"absents himself for more than six (6) months without permission of the other directors from meetings of the directors held during that period and such other directors have passed a resolution that he has by reason of such absence vacated his office; or"

(B) The existing Article 94 (f) be deleted in its entirety and to substitute in lieu hereof with the following provision:

"is absent from more than half of the total board of directors' meeting held during a financial year; or"

15 Article 95-Directors may appoint Managing Director

(A) Existing Article 95

"The Directors may from time to time:

- (a) appoint any one or more of their body to be Managing Director or Managing Directors of the Company who shall be subject to the control of the board of directors and upon such terms as they think fit;
- (b) vest in such Managing Director(s) such of the powers exercisable by the directors as they may think fit (either collaterally with or to the exclusion of their own powers);
- (c) remove or dismiss such Managing Director(s) from office and appoint another or others in his or their places (subject to the provisions of any contract between such Managing Director(s) and the Company); or
- (d) revoke, withdraw, alter, or vary all or any of such powers vested in a Managing Director as aforesaid.

Where an appointment of a Managing Director is for a fixed term, such term shall not exceed five (5) years."

15 Article 95-Directors may appoint Managing Director cont'd

(B) The existing Article 95 be deleted in its entirety and to substitute in lieu hereof with the following provision:

"The Directors may from time to time:

- (a) appoint any one or more of their body to be Managing Director or Managing Directors of the Company who shall be subject to the control of the board of directors and upon such terms as they think fit;
- (b) vest in such Managing Director(s) such of the powers exercisable by the directors as they may think fit (either collaterally with or to the exclusion of their own powers);
- (c) remove or dismiss such Managing Director(s) from office and appoint another or others in his or their places (subject to the provisions of any contract between such Managing Director(s) and the Company); or
- (d) revoke, withdraw, alter, or vary all or any of such powers vested in a Managing Director as aforesaid.

Where an appointment of a Managing Director is for a fixed term, such term shall not exceed three (3) years."

16 Article 96-Managing Director subject to retirement by rotation

(A) Existing Article 96

"A Managing Director shall not, while he continues to hold office, be subject to retirement by rotation, and he shall not be taken into account in determining the rotation of retirement of Directors, but he shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to removal as the other Directors of the Company, and if he ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director."

(B) The existing Article 96 be deleted in its entirety and to substitute in lieu hereof with the following provision:

"A Managing Director shall, while he continues to hold that office, be subject to retirement by rotation and he shall be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or fixing the number of Directors to retire, and he shall be subject to the same provision of resignation and removal as the other Directors of the Company, and he shall, ipso facto and immediately, cease to be a Managing Director if he ceased to hold the office of Director."

17 Article 98-Appointment of alternate Director

(A) Existing Article 98

"Each director shall have power from time to time to appoint (subject to the approval of a majority of the other directors) any person to act as his alternate director and may from time to time remove such alternate director from office. All appointments and removals of alternate directors shall be effected in writing under the hand of the director making or terminating such appointment and left at the Office and such appointments shall be conditional appointments until such time as the majority of the other directors approve the appointment."

(B) The existing Article 98 be deleted in its entirety and to substitute in lieu hereof with the following provision:

"A director may appoint a person approved by a majority of his co-directors to act as his alternate, provided that any fee paid by the company to the alternate shall be deducted from that director's remuneration."

18 Article 111-Quorum**(A) Existing Article 111**

"The quorum necessary for the transaction of the business of the directors shall be two (2) directors. Where only two (2) directors are present or where only two (2) directors are competent to vote on the issue, the chairman of the meeting shall not have a second or casting vote. A meeting of the directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the directors. A director who is in constant communication by means of a conference telephone call to the other directors attending a meeting of the directors shall be deemed to be present at such meeting and be counted in a quorum and shall accordingly be entitled to vote."

(B) The existing Article 111 be deleted in its entirety and to substitute in lieu hereof with the following provision:

"(a) The Directors may meet together for the despatch of business, adjourn or otherwise regulate their meetings as they think fit and may determine the quorum necessary for the transaction of business. Until otherwise determined two Directors for the time being shall form a quorum.

(b) Notice of any meeting of the Directors may be given by telephone or facsimile and the contemporaneous linking together by telephone or such other electronic communication of a number of the Directors being not less than the quorum shall be deemed to constitute a meeting of the Directors wherever in the world they are, as long as:

- (i) the quorum of Directors is met;
- (ii) at the commencement of the meeting each Director acknowledges the presence thereof to all the other Directors taking part and such participation shall be deemed to be presence in person;
- (iii) each of the Directors taking part is able to hear each of them subject as hereinafter mentioned throughout the meeting;
- (iv) the Directors present at the commencement of the meeting do not leave the meeting by disconnecting the telephone, but the meeting shall be deemed to have been conducted validly notwithstanding that a Directors' telephone is accidentally disconnected during the meeting and the proceedings thereof shall be deemed to be as valid as if the telephone had not been disconnected;
- (v) all information and documents are made equally available to all participants prior to or at/during the meeting; and
- (vi) a minutes of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if certified by both the Chairman and the Secretary of the Company.

Subject to above provisions, question arising at any meeting shall be decided by a majority of votes of the Directors present, each Director having one vote. In case of an equality of votes the Chairman shall have a second or casting vote PROVIDED ALWAYS THAT the Chairman of a meeting at which only two Directors are present or at which only two Directors are competent to vote in the question at issue shall not have a second or casting vote."

19 Article 126-Presentation of accounts

(A) Existing Article 126

"In accordance with the provisions of the Act and any extension of time allowed by the Registrar of Companies and the Exchange, the directors shall lay before the Company in general meeting, a profit and loss account and a balance sheet (prepared in compliance with the relevant accounting standards and the Ninth Schedule of the Act) and such other statement(s) as may be required by the Act provided that the interval between the close of the financial year of the Company and the issue of accounts relating to it shall not exceed six (6) months."

(B) The existing Article 126 be deleted in its entirety and to substitute in lieu hereof with the following provision:

"(a) The Directors shall from time to time, in accordance with provisions of the Act and the Listing Requirements cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required under the Act and the Listing Requirements.

(b) The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the Directors' and auditors' reports shall not exceed 4 months."

20 Article 127-Copies of accounts

(A) Existing Article 127

"A copy of every balance sheet and profit and loss account which is to be laid before the Company in general meeting (including every document required by law to be annexed thereto) together with a copy of the auditors' report relating thereto and of the directors' report shall, not more than six (6) months after the close of the financial year and not less than fourteen (14) days before the date of the meeting, be sent to every member and every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such document as may be required by the Exchange shall at the same time be likewise sent to the Exchange. This Article shall however not oblige the Company to send a copy of these documents to any person whose address the Company is not aware of or to more than one (1) joint holders of any shares or debentures, but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application to the Office."

(B) The existing Article 127 be deleted in its entirety and to substitute in lieu hereof with the following provision:

"(i) A copy of every balance sheet and profit and loss account which is to be laid before the Company in general meeting (including every document required by law to be annexed thereto) together with a copy of the auditors' report relating thereto and of the directors' report shall, not more than four (4) months after the close of the financial year and not less than twenty-one (21) days before the date of the meeting, be sent to every member and every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles.

(ii) The requisite number of copies of each such document as may be required by the Exchange shall at the same time be likewise sent to the Exchange.

20 Article 127-Copies of accounts

- (B) (iii) This Article shall however not oblige the Company to send a copy of these documents to any person whose address the Company is not aware of, but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application to the Office."

21 Article 136-Dividend payable by cheque

(A) Existing Article 136

"Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last known address of the holder or, in the case of joint holders, to the last known address of the joint holder who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and payment of the cheque shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other money payable in respect of the shares held by them as joint holders."

(B) The existing Article 136 be deleted in its entirety and to substitute in lieu hereof with the following provision:

"Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last known address of the holder or to such person and to such address as the holder may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and payment of the cheque shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby."

22 Article 154-Effect of the listing requirements

(A) The following new Article 154 be inserted immediately after the existing Article 153:

- "(1) Notwithstanding anything contained in these articles, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (2) Nothing contained in these articles prevents an act being done that the Listing Requirements require to be done.
- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (4) If the Listing Requirements require these articles to contain a provision and they do not contain such a provision, these articles are deemed to contain that provision.
- (5) If the Listing Requirements require these articles not to contain a provision and they contain such a provision, these articles are deemed not to contain that provision.
- (6) If any provision of these articles is or becomes inconsistent with the Listing Requirements, these articles are deemed not to contain that provision to the extent of the inconsistency.
- (7) For the purpose of this article, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Kuala Lumpur Stock Exchange including any amendment to the Listing Requirements that may be made from time to time."

I/We _____
of _____
being a member/members of Subur Tiasa Holdings Berhad hereby appoint _____
_____ of _____
or failing him _____
of _____
as my/our proxy to vote for me/us and on my/our behalf at the Sixth Annual General Meeting of the Company to be held on Thursday, 21 June, 2001 at 11.00am and any adjournment thereof.

No	Resolution	For	Against
1	To adopt the Audited Accounts for the year ended 31 January, 2001		
2	To declare a First and Final dividend of 3 sen per share, tax exempt, for the year ended 31 January 2001		
3	To re-elect Mr Tiong Kiong King retiring in accordance with Article 86 of the Company's Article of Association		
4	To re-appoint YABhg Datuk Patinggi Tan Sri Dr Wong Soon Kai in accordance with Section 129 (2) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting		
5	To approve the payment of Directors' fee for the year ended 31 January 2001		
6	To re-appoint Messrs. PricewaterhouseCoopers as auditors		
7	Special business Special resolution on amendment of Company's Articles of Association		
8	Special business Ordinary resolution on authority pursuant to Section 132E of the Companies Act, 1965		

Please indicate "X" in the appropriate box against each resolution how you wish your vote to be casted. If no specific direction as to voting is indicated, the proxy will vote or abstain at his/her direction.

Dated this _____ day of _____ 2001 _____ Number of shares held: _____

Signature of shareholder(s)/common seal _____

notes:

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- 2 Where a member appoints more than one proxy to attend the said meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.
- 3 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
- 4 The instrument appointing a proxy must be deposited at the Registered Office of the Company at No 66-78, Pusat Suria Permata, Jalan Upper Lanang, C.D.T. 123, 96000 Sibul, Sarawak not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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stamp



The Secretary
Subur Tiasa Holdings Berhad
No 66-78, Pusat Suria Permata
Jalan Upper Lanang, C.D.T. No 123
96000 Sibu Sarawak
Malaysia

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