

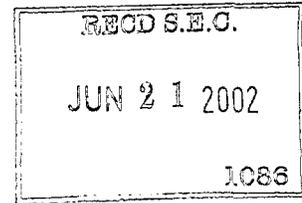
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549



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P.E 6.3.02

FORM 6-K



REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the month of June, 2002

ASIA PULP & PAPER COMPANY LTD  
(Translation of Registrant's Name Into English)

118 Pioneer Road, Singapore 639598, Republic of Singapore  
(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F  Form 40-F

PROCESSED

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(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes  No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_)

*Handwritten initials*

On May 30, 2002, APP announced details of its production volumes, sales volume and averaged realized selling prices for its major Indonesian subsidiaries for the first quarter of 2002 and April 2002. A copy of the press release dated May 30, 2002 is included in this Form 6-K.

On June 17, 2002, APP announced its preliminary unaudited results for the year ended December 31, 2001 for Pindo Deli Pulp and Paper Mills and PT Lontar Papyrus Pulp and Paper Industry. A copy of the press release dated June 17, 2002 is included in this Form 6-K.

On June 17, 2002, APP announced its preliminary results for the year ended December 31, 2001 and production, sales volume and operating data for 2001 for APP China Group limited. A copy of the press release dated June 17, 2002 is included in this Form 6-K.

On June 19, 2002, APP and SMG announced detailed sustainable wood supply assessment & planning project conducted by an independent third party. A copy of the press release dated June 19, 2002 is included in this Form 6-K.

This Form 6-K is incorporated by reference to APP's Registration Statement on Form F-3 (File No. 333-7364) which was filed on August 1, 1997 with the Securities and Exchange Commission and was declared effective on September 2, 1997.

This Form 6-K is incorporated by reference to APP's Registration Statement on Form F-3 (File No. 333-10284) which was filed on April 26, 1999 with the Securities and Exchange Commission and was declared effective on May 10, 1999.

This Form 6-K is incorporated by reference to APP's Registration Statement on Form F-3 (File No. 333-10636) which was filed on July 29, 1999 with the Securities and Exchange Commission and was declared effective on August 2, 1999.

This Form 6-K is incorporated by reference to APP's Registration Statement on Form F-3 (File No. 333-11000) which was filed on October 13, 1999 with the Securities and Exchange Commission and was declared effective on October 13, 1999.

This Form 6-K is incorporated by reference to APP's Registration Statement on Form F-3 (File No. 333-11258) which was filed on December 20, 1999 with the Securities and Exchange Commission and was declared effective on December 27, 1999.

This Form 6-K is incorporated by reference to APP's Registration Statement on Form F-3 (File No. 333-11646) which was filed on March 14, 2000 with the Securities and Exchange Commission and was declared effective on March 14, 2000.

This Form 6-K is incorporated by reference to APP's Registration Statement on Form F-3 (File No. 333-11908) which was filed on May 4, 2000 with the Securities and Exchange Commission and was declared effective on May 4, 2000.

This Form 6-K is incorporated by reference to APP's Registration Statement on Form F-3 (File No. 333-12080) which was filed on June 2, 2000 with the Securities and Exchange Commission and was declared effective on June 2, 2000.

**APP****ASIA PULP & PAPER COMPANY LTD**

118 Pioneer Road, Singapore 639598 Main Line Number: (65) 6477-6118 Main Fax Number: (65) 6477-6116

**FOR IMMEDIATE RELEASE**

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app@gavinanderson.com.sg

**ASIA PULP & PAPER COMPANY LTD ANNOUNCES DETAILS OF  
ITS PRODUCTION VOLUMES, SALES VOLUME AND AVERAGE REALIZED SELLING PRICES  
FOR ITS MAJOR INDONESIAN SUBSIDIARIES FOR THE FIRST QUARTER OF 2002 AND FOR APRIL 2002**

Singapore, May 30, 2002—Asia Pulp & Paper Company Ltd (“APP”) today announced production, sales volume and operating data for PT Indah Kiat Pulp and Paper Tbk (“*Indah Kiat*”), PT Pabrik Kertas Tjiwi Kimia Tbk (“*Tjiwi Kimia*”), PT Pindo Deli Pulp and Paper Mills (“*Pindo Deli*”) and PT Lontar Papyrus Pulp and Paper Industry (“*Lontar Papyrus*”) (collectively, the “*Indonesian Subsidiaries*”) for the first quarter of 2002 and for April 2002.

\* \* \* \* \*

**PRODUCTION, SALES VOLUMES AND AVERAGE REALIZED SALES PRICES FOR  
2000, 2001, FIRST QUARTER OF 2002 AND APRIL 2002**

The operating data APP is releasing today is preliminary only and is subject to changes, some of which may be significant. Therefore, you should not place undue reliance on the operating information set forth in this press release.

The tables below set forth the preliminary production volumes, sales volumes and average realized selling prices for APP’s Indonesian Subsidiaries.

**PRODUCTION VOLUMES**  
(in thousands of tonnes)

|                        | 2000  | 2001  | 2001 |     |     |     | 2002 |       |
|------------------------|-------|-------|------|-----|-----|-----|------|-------|
|                        |       |       | 1Q   | 2Q  | 3Q  | 4Q  | 1Q   | April |
| <b>Indah Kiat:</b>     |       |       |      |     |     |     |      |       |
| Pulp.....              | 1,777 | 1,797 | 469  | 420 | 447 | 462 | 443  | 151   |
| Paper.....             | 616   | 589   | 139  | 154 | 146 | 149 | 152  | 53    |
| Packaging.....         | 1,258 | 979   | 182  | 248 | 267 | 283 | 310  | 100   |
| <b>Tjiwi Kimia:</b>    |       |       |      |     |     |     |      |       |
| Paper.....             | 949   | 857   | 175  | 221 | 231 | 231 | 237  | 79    |
| Stationery.....        | 155   | 183   | 45   | 58  | 37  | 42  | 51   | 20    |
| Packaging.....         | 69    | 52    | 12   | 14  | 12  | 14  | 12   | 4     |
| <b>Pindo Deli:</b>     |       |       |      |     |     |     |      |       |
| Paper.....             | 631   | 551   | 108  | 146 | 149 | 149 | 153  | 57    |
| Tissue.....            | 45    | 42    | 7    | 9   | 13  | 13  | 11   | 4     |
| Packaging.....         | 56    | 47    | 10   | 12  | 13  | 12  | 12   | 3     |
| <b>Lontar Papyrus:</b> |       |       |      |     |     |     |      |       |
| Pulp.....              | 572   | 620   | 153  | 166 | 139 | 162 | 160  | 40    |
| Tissue.....            | 43    | 42    | 10   | 12  | 10  | 11  | 12   | 4     |

**SALES VOLUMES**  
(in thousands of tonnes)

|                        | 2000  | 2001  | 2001 |     |     |     | 2002 |       |
|------------------------|-------|-------|------|-----|-----|-----|------|-------|
|                        |       |       | 1Q   | 2Q  | 3Q  | 4Q  | 1Q   | April |
| <b>Indah Kiat:</b>     |       |       |      |     |     |     |      |       |
| Pulp.....              | 1,250 | 1,239 | 347  | 286 | 307 | 299 | 283  | 102   |
| Paper.....             | 577   | 575   | 128  | 160 | 144 | 143 | 150  | 58    |
| Packaging.....         | 1,091 | 875   | 201  | 215 | 218 | 241 | 284  | 89    |
| <b>Tjiwi Kimia:</b>    |       |       |      |     |     |     |      |       |
| Paper.....             | 822   | 709   | 177  | 168 | 188 | 176 | 207  | 64    |
| Stationery.....        | 142   | 163   | 43   | 66  | 30  | 24  | 31   | 17    |
| Packaging.....         | 48    | 44    | 11   | 11  | 10  | 12  | 11   | 4     |
| <b>Pindo Deli:</b>     |       |       |      |     |     |     |      |       |
| Paper.....             | 615   | 557   | 119  | 153 | 149 | 135 | 159  | 70    |
| Tissue.....            | 47    | 40    | 9    | 8   | 11  | 12  | 12   | 5     |
| Packaging.....         | 45    | 38    | 9    | 10  | 10  | 9   | 9    | 3     |
| <b>Lontar Papyrus:</b> |       |       |      |     |     |     |      |       |
| Pulp.....              | 561   | 581   | 145  | 157 | 131 | 148 | 147  | 39    |
| Tissue.....            | 41    | 41    | 10   | 11  | 9   | 11  | 11   | 3     |

**AVERAGE REALIZED SALES PRICES \***  
(US\$ per tonne)

|                        | 2001  |       |       |       |       |       | 2002  |       |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
|                        | 2000  | 2001  | 1Q    | 2Q    | 3Q    | 4Q    | 1Q    | April |
| <b>Indah Kiat:</b>     |       |       |       |       |       |       |       |       |
| Pulp .....             | 508   | 320   | 353   | 311   | 309   | 303   | 304   | 306   |
| Paper .....            | 707   | 676   | 712   | 681   | 668   | 647   | 637   | 638   |
| Packaging .....        | 448   | 351   | 389   | 354   | 355   | 312   | 343   | 382   |
| <b>Tjiwi Kimia:</b>    |       |       |       |       |       |       |       |       |
| Paper .....            | 682   | 703   | 749   | 699   | 686   | 677   | 668   | 693   |
| Stationery .....       | 1,298 | 1,072 | 1,152 | 1,038 | 1,079 | 1,019 | 1,010 | 936   |
| Packaging .....        | 481   | 402   | 431   | 373   | 489   | 314   | 357   | 382   |
| <b>Pindo Deli:</b>     |       |       |       |       |       |       |       |       |
| Paper .....            | 723   | 712   | 767   | 706   | 707   | 677   | 699   | 703   |
| Tissue .....           | 980   | 968   | 1,044 | 958   | 965   | 916   | 921   | 904   |
| Packaging .....        | 720   | 556   | 627   | 534   | 555   | 512   | 535   | 547   |
| <b>Lontar Papyrus:</b> |       |       |       |       |       |       |       |       |
| Pulp .....             | 510   | 311   | 334   | 303   | 299   | 310   | 309   | 308   |
| Tissue .....           | 805   | 777   | 863   | 786   | 736   | 721   | 722   | 728   |

- \* The average realized selling prices described above should be reviewed in the context of the following: Until 1Q2001, the average realized sales prices comprised a substantial amount of products for which the sales prices included insurance and freight costs and a small amount of products sold on an FOB basis for which the sales prices did not include insurance and freight costs. From 2Q2001 to 4Q2001, the Indonesian Subsidiaries began to sell an increasing amount of products on an FOB basis because the Indonesian Subsidiaries had difficulties obtaining shipping services after APP declared a standstill of its debt payments in March 2001. From 1Q2002, the Indonesian Subsidiaries gradually increased the amount of products sold on a CIF basis.

\* \* \* \* \*

APP is one of the world's leading pulp and paper companies. With current pulp capacity of 2.3 million tonnes and paper and packaging capacity of 5.7 million tonnes, it ranks number one in non-Japan Asia. Headquartered in Singapore, APP currently has 16 manufacturing facilities in Indonesia and China and markets its products in more than 65 countries on six continents.

\* \* \* \* \*

Certain statements made in this press release fall within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the APP Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following factors: changes in political, social and economic conditions and the regulatory environment in Indonesia and China; changes in currency exchange rates; changes in market prices for the APP Group's products; changes in the availability or prices of import tariffs and raw materials; changes in our revenue and profitability; changes to our production capacity; changes in industry trends; changes in future capital needs and the availability of financing; changes in customer preferences; demographic changes; changes in competitive conditions and our ability to compete under these conditions; and various other factors beyond our control.

**APP****ASIA PULP & PAPER COMPANY LTD**

118 Pioneer Road, Singapore 639598 Main Line Number: (65) 6477-6118 Main Fax Number: (65) 6477-6116

**FOR IMMEDIATE RELEASE**

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**ASIA PULP & PAPER COMPANY LTD ANNOUNCES  
 PRELIMINARY UNAUDITED RESULTS FOR THE YEAR ENDED DECEMBER 31, 2001  
 AND PRODUCTION, SALES VOLUME AND OPERATING DATA FOR THE FIRST QUARTER AND APRIL 2002  
 FOR PT PINDO DELI PULP AND PAPER MILLS AND PT LONTAR POPYRUS PULP AND PAPER INDUSTRY**

Singapore, June 17, 2002—Asia Pulp & Paper Company Ltd (“APP”) today announced details of (a) preliminary, unaudited condensed and consolidated financial results for the year ended December 31, 2001 and (b) preliminary production, sales volume and average realized sales prices for the first quarter 2002 and for April 2002, for both PT Pindo Deli Pulp and Paper Mills (“*Pindo Deli*”) and PT Lontar Papyrus Pulp and Paper Industry (“*Lontar Papyrus*”). The preliminary condensed financial statements for the year ended December 31, 2001 supplement this press release.

\* \* \* \* \*

**FINANCIAL HIGHLIGHTS**

The following chart shows certain financial highlights for Pindo Deli (consolidated) and Lontar Papyrus as discussed in greater detail in the press release.

|                              | Year Ended<br>December 31,                                   |         | Year Ended<br>December 31, |        |
|------------------------------|--|---------|----------------------------|--------|
|                              | 2001   | 2000    | 2001                       | 2000   |
|                              | Pindo Deli   |         | Lontar Papyrus             |        |
|                              | <i>(in millions of U.S. dollars, except for percentages)</i> |         |                            |        |
| Net sales .....              | 619.2  | 760.5   | 215.0                      | 323.4  |
| Gross profit .....           | 87.2   | 119.4   | 57.4                       | 174.9  |
| Gross profit margin.....     | 14.1%  | 15.7%   | 26.7%                      | 54.1%  |
| Operating profit/(loss)..... | 7.4  | 25.6    | 46.7                       | 161.0  |
| Operating profit margin..... | 1.2%   | 3.4%    | 21.7%                      | 49.8%  |
| Net profit/ (loss) .....     | (176.9)  | (375.8) | (18.5)                     | (66.1) |

\* \* \* \* \*

**PRELIMINARY UNAUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

The preliminary unaudited condensed consolidated financial statements of each of Pindo Deli and Lontar Papyrus for the year ended December 31, 2001 supplement this press release. The financial data for the year ended December 31, 2001 APP is releasing to the public today is subject to changes, some of which may be significant, as a result of the audit of this data currently being undertaken by the auditors of Pindo Deli and Lontar Papyrus. Therefore, you should not place undue reliance on the financial information set forth in this press release.

The debt restructuring exercise relating to APP and its subsidiaries, including Pindo Deli and Lontar Papyrus, is complex and continues to involve analysis of a myriad of complex transactions that span many jurisdictions and laws and will likely take a lengthy period of time to complete. Resolution of the issues relating to these transactions could require Pindo Deli and Lontar Papyrus, or other companies in the APP group, to recognize additional liabilities or penalties which have not been recognized or reflected on their financial statements.

**PT PINDO DELI PULP AND PAPER MILLS**

***Income Statement***

Pindo Deli's consolidated net sales for the year ended December 31, 2001 were approximately US\$619.2 million, a 18.6% decrease from consolidated net sales of approximately US\$760.5 million for the year ended December 31, 2000. The decrease in net sales primarily arose from decreases in sales volumes and average realized sales prices of pulp, paper, tissue and packaging products. The decrease in average realized sales prices was partly caused by a temporary change in shipping terms from CIF to FOB in the second quarter of 2001 due to the inability of Pindo Deli to obtain shipping services following the declaration of a standstill of its debt payments in March 2001.

Pindo Deli's gross profit decreased by 27.0% to approximately US\$87.2 million, or a gross profit margin of 14.1%, in 2001 from approximately US\$119.4 million, or a gross profit margin of 15.7%, in 2000.

Selling expenses decreased approximately 46.1% to approximately US\$36.3 million in 2001 from approximately US\$67.4 million in 2000 primarily due to decreases in freight expenses as a result of temporary changes in shipping terms from CIF to FOB. Insurance and freight costs were not included in Pindo Deli's selling expenses on FOB sales beginning from the second quarter of 2001. Consolidated operating income in 2001 was approximately US\$7.4 million, a 71.1% decrease from the consolidated operating income of US\$25.6 million in 2000.

Pindo Deli had a foreign exchange gain of approximately US\$17.4 million in 2001 compared to a foreign exchange loss of approximately US\$47.0 million in 2000, primarily due to the revaluation of Pindo Deli's debt denominated in Rupiah, Deutschemark and Japanese Yen as a result of the effect of the appreciation of the U.S. dollar against these currencies in 2001.

In 2001, Pindo Deli made provisions for accounts receivable, collection of which it determined to be doubtful, of approximately US\$23.0 million (of which approximately US\$9.1 million related to Lontar Papyrus), a significant decrease from provisions for accounts receivable of approximately US\$221.8 million (of which approximately US\$119.0 million related to Lontar Papyrus) in 2000.

Prior to 2000, bond issuance costs for bonds issued by Pindo Deli were included as deferred charges and amortized over the respective terms of the bonds. In 2000, based upon Bapepam regulations, Pindo Deli, for presentation purposes, offset unamortized bond issuance costs against the bonds, resulting in a decrease in long-term liabilities. In 2001, Pindo Deli wrote off the unamortized bond issuance costs of approximately US\$18.3 million, which resulted in an increase in long-term liabilities by the same amount.

Pindo Deli's consolidated net loss in 2001 decreased by approximately 52.9% to approximately US\$176.9 million from approximately US\$375.8 million in 2000.

### ***Balance Sheet***

Cash, cash equivalents and short-term investments increased to approximately US\$9.9 million in unrestricted cash as at December 31, 2001 from approximately US\$9.4 million in unrestricted cash as at December 31, 2000.

Current trade accounts receivable increased to approximately US\$83.5 million as at December 31, 2001 compared with approximately US\$52.8 million as at December 31, 2000. The increase in current trade accounts receivable was primarily due to sales to related parties and to APP branches.

Non-current trade accounts receivable increased to approximately US\$163.9 million as at December 31, 2001 compared with approximately US\$136.5 million as at December 31, 2000. The increase in non-current trade accounts receivable was primarily due to sales of Pindo Deli products in 2001. The collectability of these accounts receivable, which are guaranteed by APP, will depend on the outcome of the restructuring.

Inventories decreased to approximately US\$168.0 million, comprising approximately US\$79.7 million in finished goods and work in process and approximately US\$88.3 million in raw materials and spare parts, as at December 31, 2001 from approximately US\$206.4 million, comprising approximately US\$98.3 million in finished goods and work in process and approximately US\$108.1 million in raw materials and spare parts as at December 31, 2000. The decrease in finished goods and work in process was primarily due to a change in management policy to produce finished paper and packaging products based principally on customers' orders. The decrease in raw materials and spare parts was primarily due to the change in policy of reducing the amount of raw materials held in stock. These policy changes were adopted in an effort to more efficiently manage working capital.

Other assets – net decreased to approximately US\$77.0 million as at December 31, 2001 from approximately US\$181.7 million as at December 31, 2000, primarily due to the reclassification of approximately US\$110.5 million attributable to the investment in related companies for the purchase of land adjacent to Pindo Deli's Karawang mill to property, plant and equipment. As previously disclosed, this land was acquired on Pindo Deli's behalf by these related companies.

Short-term borrowings decreased to approximately US\$61.6 million as at December 31, 2001 from approximately US\$99.3 million as at December 31, 2000 as a result of a net reduction in various short-term trade facilities.

## **PT LONTAR PAPYRUS PULP & PAPER INDUSTRY**

### ***Income Statement***

Lontar Papyrus' net sales for the year ended December 31, 2001 were approximately US\$215.0 million, a 33.5% decrease from net sales of US\$323.4 million for the year ended December 31, 2000. The decrease was primarily due to a decrease in the average realized sales prices of pulp and tissue products, which more than offset an increase in sales volumes of pulp products. The decrease in average realized sales prices was partly caused by a temporary change in shipping terms from CIF to FOB in the second quarter of 2001 due to the inability of Lontar Papyrus to obtain shipping services following the declaration of a standstill of its debt payments in March 2001.

Lontar Papyrus' gross profit decreased 67.2% from approximately US\$174.9 million, or a gross profit margin of 54.1%, in 2000 to approximately US\$57.4 million, or a gross profit margin of 26.7%, in 2001 primarily due to an increase in the purchase price of wood. Wood prices increased primarily (a) due to higher heavy equipment charges (machinery prices, spare parts and fuel) incurred in harvesting and transporting wood, (b) due to increased labor costs and (c) to enable the forestry companies to self-finance their operations, including increases in their planting areas in an effort to achieve fiber sustainability.

Profit from operations of Lontar Papyrus was approximately US\$46.7 million in 2001, a 71.0% decrease in profit from operations of approximately US\$161.0 million in 2000. Profit from operations, as a percentage of net sales, was 21.7% in 2001, compared with 49.8% in 2000. In 2001, Lontar Papyrus made provisions for accounts receivable, collection of which it determined to be doubtful, of approximately US\$9.1 million, a significant decrease from provisions for accounts receivable of approximately US\$119.0 million in 2000.

Prior to 2000, bond issuance costs for bonds issued by Lontar Papyrus were included as deferred charges and amortized over the respective terms of the bonds. In 2000, based upon Bapepam regulations, Lontar Papyrus, for presentation purposes, offset unamortized bond issuance costs against the bonds, resulting in a decrease in long-term liabilities. In 2001, Lontar Papyrus wrote off the unamortized bond issuance costs of approximately US\$7.3 million, which resulted in an increase in long-term liabilities by the same amount.

Lontar Papyrus' net loss for 2001 decreased significantly to approximately US\$18.9 million, from approximately US\$66.1 million for 2000.

### ***Balance Sheet***

Cash, cash equivalents and short-term investments decreased to approximately US\$1.7 million in unrestricted cash as at December 31, 2001 from approximately US\$2.2 million in unrestricted cash as at December 31, 2000.

Current trade accounts receivable increased to approximately US\$62.7 million as at December 31, 2001 compared with approximately US\$23.0 million as at December 31, 2000. The increase in current trade accounts receivable was primarily due to sales to related parties and to APP branches.

Non-current trade accounts receivable increased to approximately US\$10.2 million as at December 31, 2001 compared with approximately US\$9.7 million as at December 31, 2000.

Inventories decreased to approximately US\$32.8 million, comprising approximately US\$7.9 million in finished goods and work in process and approximately US\$24.9 million in raw materials and spare parts, as at December 31, 2001 from approximately US\$38.2 million, comprising approximately US\$9.2 million in finished goods and work in process and approximately US\$29.0 million in raw materials and spare parts as at December 31, 2000.

Short-term borrowings decreased to approximately US\$20.9 million as at December 31, 2001 from approximately US\$31.2 million as at December 31, 2000 as a result of a net reduction in various short-term trade facilities.

\* \* \* \* \*

**PRODUCTION, SALES VOLUMES AND AVERAGE REALIZED SALES PRICES FOR  
2000, 2001, FIRST QUARTER OF 2002 AND APRIL 2002**

The operating data APP is releasing today is preliminary only and is subject to changes, some of which may be significant, as a result of the audit of this data currently being undertaken by the auditors of Pindo Deli and Lontar Papyrus. Therefore, you should not place undue reliance on the operating information set forth in this press release.

The tables below set forth the preliminary production volumes, sales volumes and average realized selling prices for Pindo Deli and Lontar Papyrus.

**PRODUCTION VOLUMES**  
(in thousands of tonnes)

|                        | 2000 | 2001 | 2001 |     |     |     | 2002 |       |
|------------------------|------|------|------|-----|-----|-----|------|-------|
|                        |      |      | 1Q   | 2Q  | 3Q  | 4Q  | 1Q   | April |
| <b>Pindo Deli:</b>     |      |      |      |     |     |     |      |       |
| Paper.....             | 631  | 551  | 108  | 146 | 149 | 149 | 153  | 57    |
| Tissue.....            | 45   | 42   | 7    | 9   | 13  | 13  | 11   | 4     |
| Packaging.....         | 56   | 47   | 10   | 12  | 13  | 12  | 12   | 3     |
| <b>Lontar Papyrus:</b> |      |      |      |     |     |     |      |       |
| Pulp.....              | 572  | 620  | 153  | 166 | 139 | 162 | 160  | 40    |
| Tissue.....            | 43   | 42   | 10   | 12  | 10  | 11  | 12   | 4     |

**SALES VOLUMES**  
(in thousands of tonnes)

|                        | 2000 | 2001 | 2001 |     |     |     | 2002 |       |
|------------------------|------|------|------|-----|-----|-----|------|-------|
|                        |      |      | 1Q   | 2Q  | 3Q  | 4Q  | 1Q   | April |
| <b>Pindo Deli:</b>     |      |      |      |     |     |     |      |       |
| Paper.....             | 615  | 557  | 119  | 153 | 149 | 135 | 159  | 70    |
| Tissue.....            | 47   | 40   | 9    | 8   | 11  | 12  | 12   | 5     |
| Packaging.....         | 45   | 38   | 9    | 10  | 10  | 9   | 9    | 3     |
| <b>Lontar Papyrus:</b> |      |      |      |     |     |     |      |       |
| Pulp.....              | 561  | 581  | 145  | 157 | 131 | 148 | 147  | 39    |
| Tissue.....            | 41   | 41   | 10   | 11  | 9   | 11  | 11   | 3     |

**AVERAGE REALIZED SALES PRICES \***  
(US\$ per tonne)

|                        | 2000 | 2001 | 2001  |     |     |     | 2002 |       |
|------------------------|------|------|-------|-----|-----|-----|------|-------|
|                        |      |      | 1Q    | 2Q  | 3Q  | 4Q  | 1Q   | April |
| <b>Pindo Deli:</b>     |      |      |       |     |     |     |      |       |
| Paper.....             | 723  | 712  | 767   | 706 | 707 | 677 | 699  | 703   |
| Tissue .....           | 980  | 968  | 1,044 | 958 | 965 | 916 | 921  | 904   |
| Packaging.....         | 720  | 556  | 627   | 534 | 555 | 512 | 535  | 547   |
| <b>Lontar Papyrus:</b> |      |      |       |     |     |     |      |       |
| Pulp .....             | 510  | 311  | 334   | 303 | 299 | 310 | 309  | 308   |
| Tissue .....           | 805  | 777  | 863   | 786 | 736 | 721 | 722  | 728   |

\* The average realized selling prices described above should be reviewed in the context of the following: Until 1Q2001, the average realized sales prices comprised a substantial amount of products for which the sales prices included insurance and freight costs and a small amount of products sold on an FOB basis for which the sales prices did not include insurance and freight costs. From 2Q2001 to 4Q2001, Pindo Deli and Lontar Papyrus began to sell an increasing amount of products on an FOB basis because Pindo Deli and Lontar Papyrus had difficulties obtaining shipping services after APP declared a standstill of its debt payments in March 2001. From 1Q2002, Pindo Deli and Lontar Papyrus gradually increased the amount of products sold on a CIF basis.

\* \* \* \* \*

APP is one of the world's leading pulp and paper companies. With current pulp capacity of 2.3 million tonnes and paper and packaging capacity of 5.7 million tonnes, it ranks number one in non-Japan Asia. Headquartered in Singapore, APP currently has 16 manufacturing facilities in Indonesia and China and markets its products in more than 65 countries on six continents.

\* \* \* \* \*

Certain statements made in this press release fall within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the APP Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following factors: changes in political, social and economic conditions and the regulatory environment in Indonesia and China; changes in currency exchange rates; changes in market prices for the APP Group's products; changes in the availability or prices of import tariffs and raw materials; changes in our revenue and profitability; changes to our production capacity; changes in industry trends; changes in future capital needs and the availability of financing; changes in customer preferences; demographic changes; changes in competitive conditions and our ability to compete under these conditions; and various other factors beyond our control.

**PT PINDO DELI PULP & PAPER MILLS**

Preliminary Unaudited Condensed Consolidated Statements of Income  
for the years ended December 31, 2000 and 2001

*(in thousands of U.S. dollars)*

|  | 2001            |                 |                 |                 | Year Ended December 31, |                  |
|--|-----------------|-----------------|-----------------|-----------------|-------------------------|------------------|
|  | 1Q              | 2Q              | 3Q              | 4Q              | 2001                    | 2000             |
| Net sales.....                           | 158,357         | 164,005         | 157,924         | 138,913         | 619,199                 | 760,522          |
| Cost of goods sold.....                  | 137,157         | 136,935         | 137,504         | 120,384         | 531,980                 | 641,136          |
| Gross profit .....                       | 21,200          | 27,070          | 20,420          | 18,529          | 87,219                  | 119,386          |
| Operating expenses:                      |                 |                 |                 |                 |                         |                  |
| Selling .....                            | 11,929          | 8,563           | 7,823           | 7,966           | 36,281                  | 67,428           |
| General and administration.....          | 1,163           | 2,165           | 8,133           | 32,063          | 43,524                  | 26,317           |
| Total operating expenses.....            | 13,092          | 10,728          | 15,956          | 40,029          | 79,805                  | 93,745           |
| Income from operations .....             | 8,108           | 16,342          | 4,464           | (21,500)        | 7,414                   | 25,641           |
| Other income (expense):                  |                 |                 |                 |                 |                         |                  |
| Interest expense—net .....               | (40,801)        | (40,098)        | (41,728)        | (39,546)        | (162,173)               | (150,108)        |
| Foreign exchange gain (loss) – net ..... | 21,301          | (4,831)         | (9,974)         | 10,918          | 17,414                  | (46,994)         |
| Provision for doubtful debts.....        | -               | -               | -               | (22,960)        | (22,960)                | (221,764)        |
| Write-off of bond issuance costs.....    | -               | -               | -               | (18,281)        | (18,281)                | -                |
| Other – net.....                         | (607)           | (375)           | (355)           | (756)           | (2,093)                 | 2,207            |
| Other income (expense) – net .....       | (20,107)        | (45,304)        | (52,057)        | (70,625)        | (188,093)               | (416,659)        |
| Income (loss) before income taxes.....   | (11,999)        | (28,962)        | (47,593)        | (92,125)        | (180,679)               | (391,018)        |
| Income tax (expense) credit .....        | -               | -               | -               | -               | -                       | 1,516            |
| Income before minority interest .....    | (11,999)        | (28,962)        | (47,593)        | (92,125)        | (180,679)               | (389,502)        |
| Minority interest .....                  | (3,409)         | (3,142)         | 5,263           | 5,068           | 3,780                   | 13,689           |
| Net income (loss) .....                  | <u>(15,408)</u> | <u>(32,104)</u> | <u>(42,330)</u> | <u>(87,057)</u> | <u>(176,899)</u>        | <u>(375,813)</u> |

*Financial data as of and for the year ended December 31, 2001  
is preliminary, unaudited and subject to change.*

**PT PINDO DELI PULP & PAPER MILLS**

Preliminary Unaudited Condensed Consolidated Balance Sheets  
at December 31, 2000 and December 31, 2001

*(in thousands of U.S. dollars)*

|   | <u>December 31,</u>     |                         |
|---|-------------------------|-------------------------|
|   | <u>2001</u>             | <u>2000</u>             |
| <b>Current Assets:</b>                                  |                         |                         |
| Cash, cash equivalents and short term investments.....  | 9,904                   | 9,436                   |
| Accounts receivable:                                    |                         |                         |
| Trade – net .....                                       | 83,468                  | 52,783                  |
| Others.....   | 1,358                   | 11,005                  |
| Inventories.....  | 168,030                 | 206,397                 |
| Advances and prepayments.....                           | 33,561                  | 17,182                  |
| <b>Total Current Assets</b> .....                       | <b>296,321</b>          | <b>296,803</b>          |
| Accounts Receivable – trade – related parties .....     | 163,930                 | 136,502                 |
| Property, Plant and Equipment – net .....               | 1,910,488               | 1,799,570               |
| Other Assets – net.....                                 | 77,031                  | 181,722                 |
| <b>Total Assets</b> .....                               | <b><u>2,447,770</u></b> | <b><u>2,414,597</u></b> |
| <b>Current Liabilities:</b>                             |                         |                         |
| Short-term borrowings .....                             | 61,601                  | 99,333                  |
| Accounts payable.....                                   | 97,217                  | 100,952                 |
| Other liabilities.....                                  | 259,521                 | 149,981                 |
| Current maturities of long-term debt .....              | 1,536,726               | 1,407,309               |
| <b>Total Current Liabilities</b> .....                  | <b>1,955,065</b>        | <b>1,757,575</b>        |
| Deferred Income Tax .....                               | 45,570                  | 45,570                  |
| Long-term Debt—net of Current Maturities.....           | -                       | -                       |
| Other liabilities .....                                 | 18,855                  | 19,720                  |
| Minority Interest .....                                 | 73,551                  | 77,331                  |
| Stockholders' Equity .....                              | 354,729                 | 514,401                 |
| <b>Total Liabilities and Stockholders' Equity</b> ..... | <b><u>2,477,770</u></b> | <b><u>2,414,597</u></b> |

*Financial data as of and for the year ended December 31, 2001  
is preliminary, unaudited and subject to change.*

**PT PINDO DELI PULP & PAPER MILLS**

Preliminary Unaudited Condensed Consolidated Selected Cash Flow Information  
for the years ended December 31, 2000 and 2001

*(in thousands of U.S. dollars)*

|  | 2001          |                 |                 |                 | Year Ended December 31, |                 |
|--|---------------|-----------------|-----------------|-----------------|-------------------------|-----------------|
|  | 1Q            | 2Q              | 3Q              | 4Q              | 2001                    | 2000            |
| Income before income tax and minority interest ..... | (11,999)      | (28,962)        | (47,593)        | (92,125)        | (180,679)               | (391,018)       |
| Interest expense .....                               | 41,006        | 40,252          | 41,875          | 39,620          | 162,753                 | 183,493         |
| Depreciation .....                                   | 21,097        | 21,114          | 22,036          | 21,657          | 85,904                  | 81,785          |
| Amortization .....                                   | 1,147         | 1,110           | 1,037           | 1,397           | 4,691                   | 4,668           |
| Foreign exchange loss (gain) .....                   | (21,301)      | 4,831           | 9,974           | (10,918)        | (17,414)                | 46,994          |
| Write-off of bond issuance costs .....               | -             | -               | -               | 18,281          | 18,281                  | -               |
| EBITDA .....   | <u>29,950</u> | <u>38,345</u>   | <u>27,329</u>   | <u>(22,088)</u> | <u>73,536</u>           | <u>(74,078)</u> |
| CAPEX:   |               |                 |                 |                 |                         |                 |
| Capital expenditures .....                           | 2,224         | 1,947           | 3,283           | 914             | 8,368                   | 44,873          |
| Capitalized interest .....                           | 1,221         | 1,926           | 1,468           | 1,008           | 5,623                   | 10,324          |
| Total .....  | <u>3,445</u>  | <u>3,873</u>    | <u>4,751</u>    | <u>1,922</u>    | <u>13,991</u>           | <u>55,197</u>   |
| Debt:  |               |                 |                 |                 |                         |                 |
| Proceeds from borrowings and trade facilities .....  | 2,173         | 1,230           | 943             | 11,265          | 15,611                  | 466,080         |
| Repayment of borrowings and trade facilities .....   | (1,932)       | (19,349)        | (21,175)        | (12,869)        | (55,325)                | (448,548)       |
| Net proceeds (repayments) .....                      | <u>241</u>    | <u>(18,119)</u> | <u>(20,232)</u> | <u>(1,604)</u>  | <u>(39,714)</u>         | <u>17,532</u>   |
| Interest income .....                                | <u>205</u>    | <u>154</u>      | <u>147</u>      | <u>74</u>       | <u>580</u>              | <u>33,385</u>   |

*Financial data as of and for the year ended December 31, 2001  
is preliminary, unaudited and subject to change.*

**PT LONTAR POPYRUS PULP & PAPER INDUSTRY**

Preliminary Unaudited Condensed Consolidated Statements of Income  
for the years ended December 31, 2000 and 2001

*(in thousands of U.S. dollars)*

|  | 2001     |          |          |          | Year Ended December 31, |           |
|--|----------|----------|----------|----------|-------------------------|-----------|
|  | 1Q       | 2Q       | 3Q       | 4Q       | 2001                    | 2000      |
| Net sales.....                           | 58,085   | 56,551   | 46,486   | 53,909   | 215,031                 | 323,440   |
| Cost of goods sold.....                  | 37,540   | 36,765   | 37,363   | 45,920   | 157,588                 | 148,498   |
| Gross profit .....                       | 20,545   | 19,786   | 9,123    | 7,989    | 57,443                  | 174,942   |
| Operating expenses:                      |          |          |          |          |                         |           |
| Selling .....                            | 2,345    | 1,440    | 1,185    | 1,294    | 6,264                   | 11,569    |
| General and administration .....         | 65       | 475      | 1,451    | 2,498    | 4,489                   | 2,324     |
| Total operating expenses.....            | 2,410    | 1,915    | 2,636    | 3,792    | 10,753                  | 13,893    |
| Income from operations .....             | 18,135   | 17,871   | 6,487    | 4,197    | 46,690                  | 161,049   |
| Other income (expense):                  |          |          |          |          |                         |           |
| Interest expense—net .....               | (11,598) | (10,715) | (12,356) | (11,858) | (46,527)                | (39,477)  |
| Foreign exchange gain (loss) – net ..... | 9,736    | 9,096    | (18,079) | 8,444    | 9,197                   | (61,346)  |
| Provision for doubtful debts.....        | -        | -        | -        | (9,073)  | (9,073)                 | (119,034) |
| Write-off of bond issuance costs.....    | -        | -        | -        | (7,323)  | (7,323)                 | -         |
| Other – net.....                         | (516)    | (566)    | (1,062)  | (9,689)  | (11,833)                | (8,497)   |
| Other income (expense)—net .....         | (2,378)  | (2,185)  | (31,497) | (29,499) | (65,559)                | (228,354) |
| Income (loss) before income taxes.....   | 15,757   | 15,686   | (25,010) | (25,302) | (18,869)                | (67,305)  |
| Income tax expense (credit).....         | -        | -        | -        | -        | -                       | 1,255     |
| Income before minority interest .....    | 15,757   | 15,686   | (25,010) | (25,302) | (18,869)                | (66,050)  |
| Minority interest .....                  | -        | -        | -        | -        | -                       | -         |
| Net income (loss) .....                  | 15,757   | 15,686   | (25,010) | (25,302) | (18,869)                | (66,050)  |

*Financial data as of and for the year ended December 31, 2001  
is preliminary, unaudited and subject to change.*

**PT LONTAR PAPYRUS PULP & PAPER INDUSTRY**

Preliminary Unaudited Condensed Consolidated Balance Sheets  
at December 31, 2000 and December 31, 2001

*(in thousands of U.S. dollars)*

|  | <u>December 31,</u> |                |
|--|---------------------|----------------|
|  | <u>2001</u>         | <u>2000</u>    |
| <b>Current Assets:</b>                                 |                     |                |
| Cash, cash equivalents and short term investments..... | 1,656               | 2,220          |
| Accounts receivable:                                   |                     |                |
| Trade – net.....                                       | 62,671              | 23,037         |
| Others.....  | 1,035               | 10,771         |
| Inventories.....                                       | 32,794              | 38,201         |
| Advances and prepayments.....                          | 6,279               | 6,230          |
| <b>Total Current Assets.....</b>                       | <b>104,435</b>      | <b>80,459</b>  |
| Accounts Receivable – trade – related parties.....     | 10,228              | 9,730          |
| Property, Plant and Equipment – net.....               | 677,702             | 711,834        |
| Other Assets – net.....                                | 84,495              | 74,231         |
| <b>Total Assets.....</b>                               | <b>876,860</b>      | <b>876,254</b> |
| <b>Current Liabilities:</b>                            |                     |                |
| Short-term borrowings.....                             | 20,911              | 31,178         |
| Accounts payable.....                                  | 16,368              | 10,349         |
| Other liabilities.....                                 | 54,668              | 31,020         |
| Current maturities of long-term debt.....              | 368,142             | 368,396        |
| <b>Total Current Liabilities.....</b>                  | <b>460,089</b>      | <b>440,943</b> |
| Deferred Income Tax.....                               | 45,570              | 45,570         |
| Long-term Debt—net of Current Maturities.....          | -                   | -              |
| Other liabilities.....                                 | 1,918               | 1,589          |
| Minority Interest.....                                 | -                   | -              |
| Stockholders' Equity.....                              | 369,283             | 388,152        |
| <b>Total Liabilities and Stockholders' Equity.....</b> | <b>876,860</b>      | <b>876,254</b> |

*Financial data as of and for the year ended December 31, 2001  
is preliminary, unaudited and subject to change.*

**PT LONTAR POPYRUS PULP & PAPER INDUSTRY**

Preliminary Unaudited Condensed Consolidated Selected Cash Flow Information  
for the years ended December 31, 2000 and 2001

*(in thousands of U.S. dollars)*

|  | 2001          |                |                |                | Year Ended December 31, |               |
|--|---------------|----------------|----------------|----------------|-------------------------|---------------|
|  | 1Q            | 2Q             | 3Q             | 4Q             | 2001                    | 2000          |
| Income before income tax and minority interest ..... | 15,757        | 15,686         | (25,010)       | (25,302)       | (18,869)                | (67,305)      |
| Interest expense.....                                | 11,699        | 10,783         | 12,387         | 11,907         | 46,776                  | 55,451        |
| Depreciation.....                                    | 9,406         | 9,404          | 9,399          | 9,410          | 37,619                  | 36,334        |
| Amortization .....                                   | 459           | 503            | 525            | 524            | 2,011                   | 2,152         |
| Foreign exchange loss (gain).....                    | (9,736)       | (9,096)        | 18,079         | (8,444)        | (9,197)                 | 61,346        |
| Write-off of bond issuance costs.....                | -             | -              | -              | 7,323          | 7,323                   | -             |
| EBITDA.....  | <u>27,585</u> | <u>27,280</u>  | <u>15,380</u>  | <u>(4,582)</u> | <u>65,663</u>           | <u>87,978</u> |
| CAPEX:   |               |                |                |                |                         |               |
| Capital expenditures.....                            | 734           | 1,495          | 674            | 584            | 3,487                   | 30,547        |
| Capitalized interest .....                           | -             | -              | -              | -              | -                       | -             |
| Total.....   | <u>734</u>    | <u>1,495</u>   | <u>674</u>     | <u>584</u>     | <u>3,487</u>            | <u>30,547</u> |
| Debt:  |               |                |                |                |                         |               |
| Proceeds from borrowings .....                       | 1,967         | 1,230          | 943            | 2,270          | 6,410                   | 273,840       |
| Repayment of borrowings.....                         | (35)          | (7,806)        | (5,315)        | (3,675)        | (16,831)                | (204,184)     |
| Net proceeds (repayments) .....                      | <u>1,932</u>  | <u>(6,576)</u> | <u>(4,372)</u> | <u>(1,405)</u> | <u>(10,421)</u>         | <u>69,656</u> |
| Interest income.....                                 | <u>101</u>    | <u>68</u>      | <u>31</u>      | <u>49</u>      | <u>249</u>              | <u>15,974</u> |

*Financial data as of and for the year ended December 31, 2001  
is preliminary, unaudited and subject to change.*



**APP**

**ASIA PULP & PAPER COMPANY LTD**

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**FOR IMMEDIATE RELEASE**

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**ASIA PULP & PAPER COMPANY LTD ANNOUNCES  
PRELIMINARY RESULTS FOR THE YEAR ENDED DECEMBER 31, 2001 AND  
PRODUCTION, SALES VOLUME AND OPERATING DATA FOR 2001 FOR APP CHINA GROUP LIMITED**

Singapore, June 17, 2002—Asia Pulp & Paper Company Ltd (“APP”) today announced details of preliminary unaudited condensed and consolidated financial results for the year ended December 31, 2001 for APP China Group Limited (“APP China”) and production, sales volume and operating data for Ningbo Zhonghua Paper Co., Ltd. (“Ningbo Zhonghua”), Gold Huasheng Paper (Suzhou Industrial Park) Co., Ltd (“Gold Huasheng”), Gold East Paper (Jiangsu) Co., Ltd (“Gold East”) and Gold Hongye Paper (Suzhou Industrial Park) Co., Ltd (“Gold Hongye”) (collectively, the “PRC Subsidiaries”) for 2001. The preliminary condensed financial statements for the year ended December 31, 2001 supplement this press release.

\* \* \* \* \*

**FINANCIAL HIGHLIGHTS**

The following chart shows certain financial highlights for APP China as discussed in greater detail in the press release.

|                               | <u>Year Ended<br/>December 31, 2001</u>                      | <u>Year Ended<br/>December 31, 2000</u> |
|-------------------------------|--|---|
|                               | <i>(in millions of U.S. dollars,<br/>except percentages)</i> |   |
| Net sales .....               | 1,277.0  | 1,220.1                                 |
| Gross profit .....            | 169.8  | 137.7                                   |
| Gross profit margin .....     | 13.3%  | 11.3%                                   |
| Operating profit/(loss) ..... | 17.1   | 2.9                                     |
| Operating profit margin ..... | 1.3%   | 0.2%                                    |
| Net profit/(loss) .....       | (209.6)  | (141.4)                                 |

\* \* \* \* \*

**PRELIMINARY UNAUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

The preliminary unaudited condensed consolidated financial statements of APP China for the year ended December 31, 2001 supplement this press release. The financial data for the year ended December 31, 2001 APP is releasing to the public today is subject to changes, some of which may be significant, as a result of the audit of this data to be undertaken by the auditors of APP China. Therefore, you should not place undue reliance on the financial and operating information set forth in this press release.

The debt restructuring exercise relating to APP China and APP is complex and continues to involve analysis of a myriad of complex transactions that span many jurisdictions and laws and will likely take a lengthy period of time to complete. Resolution of the issues relating to these transactions could require APP China, or other companies in the APP group, to recognize additional liabilities or penalties which have not been recognized or reflected on their financial statements.

***Statement of Income***

APP China's consolidated net sales were approximately US\$1,277.0 million in 2001, a 4.7% increase from consolidated net sales of approximately US\$1,220.1 million in 2000. This increase was primarily due to higher sales volumes of paper, partially offset by lower average realized selling prices for all of APP China's major products. APP China's gross profit increased to approximately US\$169.8 million in 2001, a 23.3% increase compared to gross profit of approximately US\$137.7 million in 2000. APP China's gross profit margin increased to 13.3% in 2001 from 11.3% in 2000 primarily as a result of lower average costs of raw materials, principally pulp.

Selling expenses were approximately US\$70.1 million in 2001, a 37.2% increase from selling expenses of approximately US\$51.1 million in 2000, primarily due to an increase in sales volumes. As a percentage of net sales, selling expenses increased to 5.5% in 2001 from 4.2% in 2000. Consolidated income from operations of APP China was approximately US\$17.1 million in 2001, an increase from consolidated income from operations of approximately US\$2.9 million in 2000.

In 2001, net interest expense increased to approximately US\$192.2 million, an increase of 36.6% from net interest expense of approximately US\$140.7 million in 2000, primarily due to a decrease in interest income in 2001 and an increase in interest expense relating to the APP China bonds that were issued in March 2000.

APP China's consolidated net loss was approximately US\$209.6 million in 2001, a 48.2% increase from a consolidated net loss of approximately US\$141.4 million in 2000.

***Balance Sheet***

Cash, cash equivalents and short-term investments decreased to approximately US\$295.4 million at December 31, 2001, comprising approximately US\$159.7 million of restricted cash and approximately US\$135.7 million in unrestricted cash, from approximately US\$747.6 million at December 31, 2000, comprising approximately US\$328.2 in restricted cash and approximately US\$419.4 million in unrestricted cash.

Inventories decreased to approximately US\$343.2 million, comprising approximately US\$200.7 million in finished goods and work in process and approximately US\$153.9 million in raw materials and spare parts, before an inventory write-down of approximately US\$11.4 million for the reduction in the market value, at December 31, 2001 from approximately US\$642.4 million, comprising approximately US\$415.2 million in finished goods and work in process and approximately US\$294.8 million in raw materials and spare parts, before an inventory write-down of approximately US\$67.5 million for the reduction in the market value, at December 31, 2000. The decrease in inventory in 2001 was a result of lower unit costs of finished goods and raw materials. The decrease in finished goods and work in process in 2001 was a result of an increase in sales volumes and a decrease in production of paper products. The decrease in raw materials and spare parts arose as a result of more efficient management of raw materials, especially pulp.

Short-term borrowings decreased to approximately US\$1,036.1 million at December 31, 2001 from approximately US\$1,436.8 million at December 31, 2000 primarily due to a net reduction in short-term trade financing. Accounts payable decreased to approximately US\$177.8 million at December 31, 2001 from approximately US\$292.6 million at December 31, 2000, primarily due to a tighter credit policies imposed by suppliers. Other liabilities, which comprise primarily of accrued expenses and taxes payable, increased to approximately US\$183.7 million at December 31, 2001 from approximately US\$68.5 million at December 31, 2000, primarily due to accrued interest as a result of the standstill declared by APP in March 2001.

Current maturities of long-term debt decreased by an aggregate of approximately US\$323.7 million. Approximately US\$204.9 of this decrease and the decrease in due from related parties of approximately US\$93.0 million, were primarily a result of the deconsolidation of three companies which ceased to be subsidiaries of APP China in August 2001. These three companies were acquired by AUP Management Services Ltd, a joint venture company in which APP China holds a minority interest, pursuant to the exercise of its security rights under financing arrangements. These financing arrangements are guaranteed by APP and Asia Pulp & Paper Company (China) Pte Ltd, a wholly owned subsidiary of APP China, and secured by power facilities owned by Ningbo Zhonghua, Gold East and Gold Huasheng.

\* \* \* \* \*

#### **PRODUCTION, SALES VOLUMES AND AVERAGE REALIZED SALES PRICES FOR 2001**

The operating data APP is releasing today is preliminary only and is subject to changes, some of which may be significant, as a result of the audit of this data currently being undertaken by the auditors of APP China. Therefore, you should not place undue reliance on the operating information set forth in this press release.

The table below sets forth the production and sales volumes and the average realized sales prices in 2001 for each of the PRC Subsidiaries.

**PRODUCTION VOLUMES**  
(in thousands of tonnes)

|                         | 2000 | 2001 | 2001 |     |     |     |
|-------------------------|------|------|------|-----|-----|-----|
|                         |      |      | 1Q   | 2Q  | 3Q  | 4Q  |
| <b>Ningbo Zhonghua:</b> |      |      |      |     |     |     |
| Packaging.....          | 483  | 454  | 101  | 116 | 118 | 118 |
| <b>Gold Huasheng:</b>   |      |      |      |     |     |     |
| Paper.....              | 213  | 237  | 51   | 60  | 64  | 62  |
| <b>Gold East:</b>       |      |      |      |     |     |     |
| Paper.....              | 866  | 775  | 178  | 214 | 210 | 172 |
| <b>Gold Hongye:</b>     |      |      |      |     |     |     |
| Tissue .....            | 100  | 106  | 22   | 23  | 30  | 31  |

**SALES VOLUMES**  
(in thousands of tonnes)

|                         | 2000 | 2001 | 2001 |     |     |     |
|-------------------------|------|------|------|-----|-----|-----|
|                         |      |      | 1Q   | 2Q  | 3Q  | 4Q  |
| <b>Ningbo Zhonghua:</b> |      |      |      |     |     |     |
| Packaging.....          | 480  | 481  | 105  | 117 | 141 | 119 |
| <b>Gold Huasheng:</b>   |      |      |      |     |     |     |
| Paper.....              | 172  | 236  | 51   | 61  | 61  | 63  |
| <b>Gold East:</b>       |      |      |      |     |     |     |
| Paper.....              | 698  | 875  | 174  | 222 | 266 | 212 |
| <b>Gold Hongye:</b>     |      |      |      |     |     |     |
| Tissue .....            | 59   | 67   | 15   | 15  | 17  | 20  |

**AVERAGE REALIZED SALES PRICES**  
(US\$ per tonne)

|                         | 2000  | 2001  | 2001  |       |       |       |
|-------------------------|-------|-------|-------|-------|-------|-------|
|                         |       |       | 1Q    | 2Q    | 3Q    | 4Q    |
| <b>Ningbo Zhonghua:</b> |       |       |       |       |       |       |
| Packaging.....          | 678   | 586   | 616   | 607   | 554   | 576   |
| <b>Gold Huasheng:</b>   |       |       |       |       |       |       |
| Paper.....              | 845   | 748   | 739   | 754   | 742   | 762   |
| <b>Gold East:</b>       |       |       |       |       |       |       |
| Paper.....              | 774   | 650   | 682   | 654   | 648   | 620   |
| <b>Gold Hongye:</b>     |       |       |       |       |       |       |
| Tissue .....            | 1,260 | 1,214 | 1,264 | 1,290 | 1,153 | 1,169 |

\* \* \* \* \*

APP is one of the world's leading pulp and paper companies. With current pulp capacity of 2.3 million tonnes and paper and packaging capacity of 5.7 million tonnes, it ranks number one in non-Japan Asia. Headquartered in Singapore, APP currently has 16 manufacturing facilities in Indonesia and China and markets its products in more than 65 countries on six continents.

\* \* \* \* \*

Certain statements made in this press release fall within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the

APP Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following factors: changes in political, social and economic conditions and the regulatory environment in Indonesia and China; changes in currency exchange rates; changes in market prices for the APP Group's products; changes in the availability or prices of import tariffs and raw materials; changes in our revenue and profitability; changes to our production capacity; changes in industry trends; changes in future capital needs and the availability of financing; changes in customer preferences; demographic changes; changes in competitive conditions and our ability to compete under these conditions; and various other factors beyond our control.

**APP CHINA GROUP LIMITED**

Preliminary Unaudited Condensed Consolidated Statements of Income  
for the years ended December 31, 2000 and 2001

*(in thousands of U.S. dollars)*

|  | 2001     |          |          |          | Year Ended December 31, |           |
|--|----------|----------|----------|----------|-------------------------|-----------|
|  | 1Q       | 2Q       | 3Q       | 4Q       | 2001                    | 2000      |
| Net sales .....                          | 298,499  | 326,914  | 345,364  | 306,272  | 1,277,049               | 1,220,098 |
| Cost of goods sold .....                 | 289,602  | 282,223  | 279,852  | 255,605  | 1,107,282               | 1,082,418 |
| Gross profit .....                       | 8,897    | 44,691   | 65,512   | 50,667   | 169,767                 | 137,680   |
| Operating expenses:                      |          |          |          |          |                         |           |
| Selling .....                            | 16,987   | 16,177   | 18,351   | 18,630   | 70,145                  | 51,143    |
| General and administration .....         | 19,181   | 18,558   | 24,400   | 20,431   | 82,570                  | 83,685    |
| Total operating expenses .....           | 36,167   | 34,734   | 42,751   | 39,063   | 152,715                 | 134,828   |
| Income from operations .....             | (27,270) | 9,957    | 22,761   | 11,604   | 17,052                  | 2,852     |
| Other income (expense):                  |          |          |          |          |                         |           |
| Interest expense—net .....               | (48,767) | (48,262) | (49,213) | (45,921) | (192,163)               | (140,722) |
| Foreign exchange gain (loss) – net ..... | 22,540   | 3,554    | (16,807) | 24,701   | 33,988                  | 38,351    |
| Other – net .....                        | (15,135) | (16,202) | (18,099) | (18,642) | (68,078)                | (37,008)  |
| Other income (expense)—net .....         | (41,362) | (60,910) | (84,119) | (39,862) | (226,253)               | (139,379) |
| Income (loss) before income taxes .....  | (68,633) | (50,953) | (61,357) | (28,258) | (209,201)               | (136,528) |
| Income tax expense (credit) .....        | (82)     | 417      | 385      | 611      | 1,331                   | 3,695     |
| Income before minority interest .....    | (68,550) | (51,370) | (61,743) | (28,870) | (210,533)               | (140,223) |
| Minority interest .....                  | 858      | (229)    | (662)    | 944      | 911                     | (1,221)   |
| Net income (loss) .....                  | (67,692) | (51,599) | (62,405) | (27,925) | (209,621)               | (141,444) |

*Financial data as of and for the year ended December 31, 2001  
is preliminary, unaudited and subject to change.*

**APP CHINA GROUP LIMITED**

Preliminary Unaudited Condensed Consolidated Balance Sheets  
at December 31, 2000 and 2001

*(in thousands of U.S. dollars)*

|   | December 31,            |                         |
|---|-------------------------|-------------------------|
|   | 2001                    | 2000                    |
| <b>Current Assets:</b>                                  |                         |                         |
| Cash, cash equivalents and short term investments:      |                         |                         |
| Restricted .....  | 159,714                 | 328,211                 |
| Unrestricted .....                                      | 135,723                 | 419,430                 |
| Accounts receivable:                                    |                         |                         |
| Trade .....   | 137,848                 | 162,843                 |
| Others .....  | 115,335                 | 129,277                 |
| Inventories .....                                       | 343,168                 | 642,430                 |
| Advances and prepayments .....                          | 80,958                  | 116,136                 |
| <b>Total Current Assets</b> .....                       | <u>972,746</u>          | <u>1,798,328</u>        |
| <b>Due from related parties</b> .....                   | 417,019                 | 509,958                 |
| <b>Property, Plant and Equipment – net</b> .....        | 2,698,268               | 2,651,080               |
| <b>Other Assets – net</b> .....                         | 176,965                 | 196,865                 |
| <b>Total Assets</b> .....                               | <u><u>4,264,998</u></u> | <u><u>5,156,231</u></u> |
| <b>Current Liabilities:</b>                             |                         |                         |
| Short-term borrowings .....                             | 1,036,131               | 1,436,833               |
| Accounts payable .....                                  | 177,805                 | 292,566                 |
| Other liabilities .....                                 | 183,731                 | 68,463                  |
| Current maturities of long-term debt .....              | 1,676,890               | 2,000,576               |
| <b>Total Current Liabilities</b> .....                  | <u>3,074,556</u>        | <u>3,798,438</u>        |
| <b>Due to Related Parties</b> .....                     | 80,936                  | 36,230                  |
| <b>Deferred Income Tax</b> .....                        | --                      | 7,426                   |
| <b>Other liabilities</b> .....                          | 16,358                  | 10,457                  |
| <b>Long-term Debt—net of Current Maturities</b> .....   | --                      | --                      |
| <b>Minority Interest</b> .....                          | 53,631                  | 54,542                  |
| <b>Stockholders' Equity</b> .....                       | <u>1,039,517</u>        | <u>1,249,139</u>        |
| <b>Total Liabilities and Stockholders' Equity</b> ..... | <u><u>4,264,998</u></u> | <u><u>5,156,231</u></u> |

*Financial data as of and for the year ended December 31, 2001  
is preliminary, unaudited and subject to change.*

**APP CHINA GROUP LIMITED**

Preliminary Unaudited Condensed Consolidated Selected Cash Flow Information  
for the years ended December 31, 2000 and 2001

*(in thousands of U.S. dollars)*

|  | 2001            |                  |                  |                  | Year Ended December 31, |                  |
|--|-----------------|------------------|------------------|------------------|-------------------------|------------------|
|  | 1Q              | 2Q               | 3Q               | 4Q               | 2001                    | 2000             |
| Income before income tax and               |                 |                  |                  |                  |                         |                  |
| minority interest .....                    | (68,633)        | (50,953)         | (61,357)         | (28,258)         | (209,201)               | (136,528)        |
| Interest and other financing expense ..... | 67,643          | 66,040           | 71,003           | 52,120           | 256,806                 | 245,131          |
| Depreciation .....                         | 28,326          | 30,141           | 18,942           | 32,426           | 109,835                 | 85,492           |
| Amortization .....                         | 1,441           | 1,441            | 1,441            | 1,755            | 6,078                   | 2,623            |
| Foreign exchange loss (gain).....          | (22,540)        | (3,554)          | 16,807           | (24,701)         | (33,988)                | (38,351)         |
| EBITDA .....                               | <u>6,237</u>    | <u>43,114</u>    | <u>46,836</u>    | <u>33,342</u>    | <u>129,529</u>          | <u>158,367</u>   |
| CAPEX:                                     |                 |                  |                  |                  |                         |                  |
| Capital expenditures .....                 | 108,728         | 27,506           | 10,397           | 14,711           | 161,342                 | 141,526          |
| Capitalized interest .....                 | 4,103           | 4,796            | 4,940            | 1,414            | 15,253                  | 9,468            |
| Total .....                                | <u>112,831</u>  | <u>32,302</u>    | <u>15,337</u>    | <u>16,125</u>    | <u>176,595</u>          | <u>150,994</u>   |
| DEBT:                                      |                 |                  |                  |                  |                         |                  |
| Proceeds from borrowings .....             | 137,573         | 26,731           | 20,779           | 83,605           | 268,688                 | 1,567,574        |
| Repayment of borrowings .....              | (210,360)       | (179,344)        | (156,927)        | (241,552)        | (788,183)               | (291,122)        |
| Net proceeds (repayments) .....            | <u>(72,787)</u> | <u>(152,613)</u> | <u>(136,148)</u> | <u>(157,947)</u> | <u>(519,495)</u>        | <u>1,276,452</u> |
| Interest income .....                      | <u>6,900</u>    | <u>5,764</u>     | <u>4,423</u>     | <u>1,938</u>     | <u>19,025</u>           | <u>56,891</u>    |

*Financial data as of and for the year ended December 31, 2001  
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**APP****ASIA PULP & PAPER COMPANY LTD**

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**FOR IMMEDIATE RELEASE**

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**APP AND SMG ANNOUNCE DETAILED SUSTAINABLE WOOD SUPPLY ASSESSMENT &  
PLANNING PROJECT CONDUCTED BY INDEPENDENT 3<sup>RD</sup> PARTY**

**Singapore, June 19, 2002** -- Asia Pulp & Paper Company Ltd ("**APP**") today announced plans to procure an independent sustainability assessment and plan for its fibre suppliers, which are part of the Sinar Mas Group ("**SMG**").

The assessment will be conducted by independent consultant AMEC Forest Industry Consulting ("**AMEC**") in association with APSE Pty Ltd ("**APSE**"), who will be conducting studies to identify and address the concerns of a range of stakeholders, including environmental groups, government, local communities, customers and international donors.

"This assessment by AMEC and APSE is an important step in our commitment to be a leader in sustainable forest management," said Teguh Ganda Wijaya, Chief Executive Officer of APP. "While a preliminary independent audit conducted last year gave our companies high marks for environmental performance, we promised to do more."

The preliminary audit by AMEC in November 2001 concluded that APP and SMG used legally documented timber sources and were not polluting local rivers.

"The project announced today, building on last year's preliminary audit, will result in the completion of 12-year Sustainable Wood Supply Plans for APP and SMG company operations in Sumatra," said Wijaya.

Mark Werren, leader of the APP/SMG Sustainability Task Force, elaborated on the assessment by stating that "we plan to engage interested parties in a multi-stakeholder dialogue to develop real solutions to issues identified in the assessment process".

"Environmental groups, local communities, government, customers and international donors will be invited to contribute to a positive, collaborative and scientifically-based approach to sustainable forestry," said Werren.

The assessment will include an examination of social, economic and environmental aspects of APP and SMG operations in the way they inter relate with each other, particularly:

- Forest inventory and data collection, including aerial surveying, image mapping and modeling using QuickMap
- Natural forest conversion, conservation of biodiversity and the incidence of high conservation value forests
- Harvesting and delivery systems
- Plantation and nursery research, development and productivity
- Social and community impacts of operations, including land tenure issues and joint ventures
- Detailed wood supply assessment and tracking, building upon the previous audit findings, to obtain only logs that have been documented as legally harvested from forestry companies belonging to SMG and third party sources.

The 12-year Sustainable Wood Supply Plans will be based on these assessments, and will include proposals and recommendations from AMEC which will be implemented by the fibre suppliers of APP and SMG. The sustainability assessment is therefore indicative of the firm commitment of APP and SMG towards sustainable forest management in Indonesia.

Werren concluded by saying "APP and SMG continue to take a leadership role in further promoting and implementing sustainable forest management in Indonesia, but we can only do so with the constructive commitment and contribution by all interested parties. Criticism alone is not enough."

"While Indonesia's sustainable forestry challenges are significant, it is only by working together that we will make progress towards resolving them. The sustainability assessment announced today by APP and SMG is a significant step in this direction," he said.

APP reiterated that its mills continue to operate normally. The mills have been awarded ISO 14001 certification for Environmental Management Systems and were found to have met stringent environmental standards in a recent audit by AMEC. The mills are continuing to improve the efficiency and transparency of their supply chain and anticipate further support from their valued customers.

\* \* \* \* \*

APP is one of the world's leading pulp and paper companies. With current pulp capacity of 2.3 million tonnes and paper and packaging capacity of 5.7 million tonnes, it ranks number one in non-Japan Asia. Headquartered in Singapore, APP currently has 16 manufacturing facilities in Indonesia and China and markets its products in more than 65 countries on six continents.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ASIA PULP & PAPER COMPANY LTD

By /s/ Hendrik Tee

Name: Mr. Hendrik Tee

Title: Director

Date: June 21, 2002