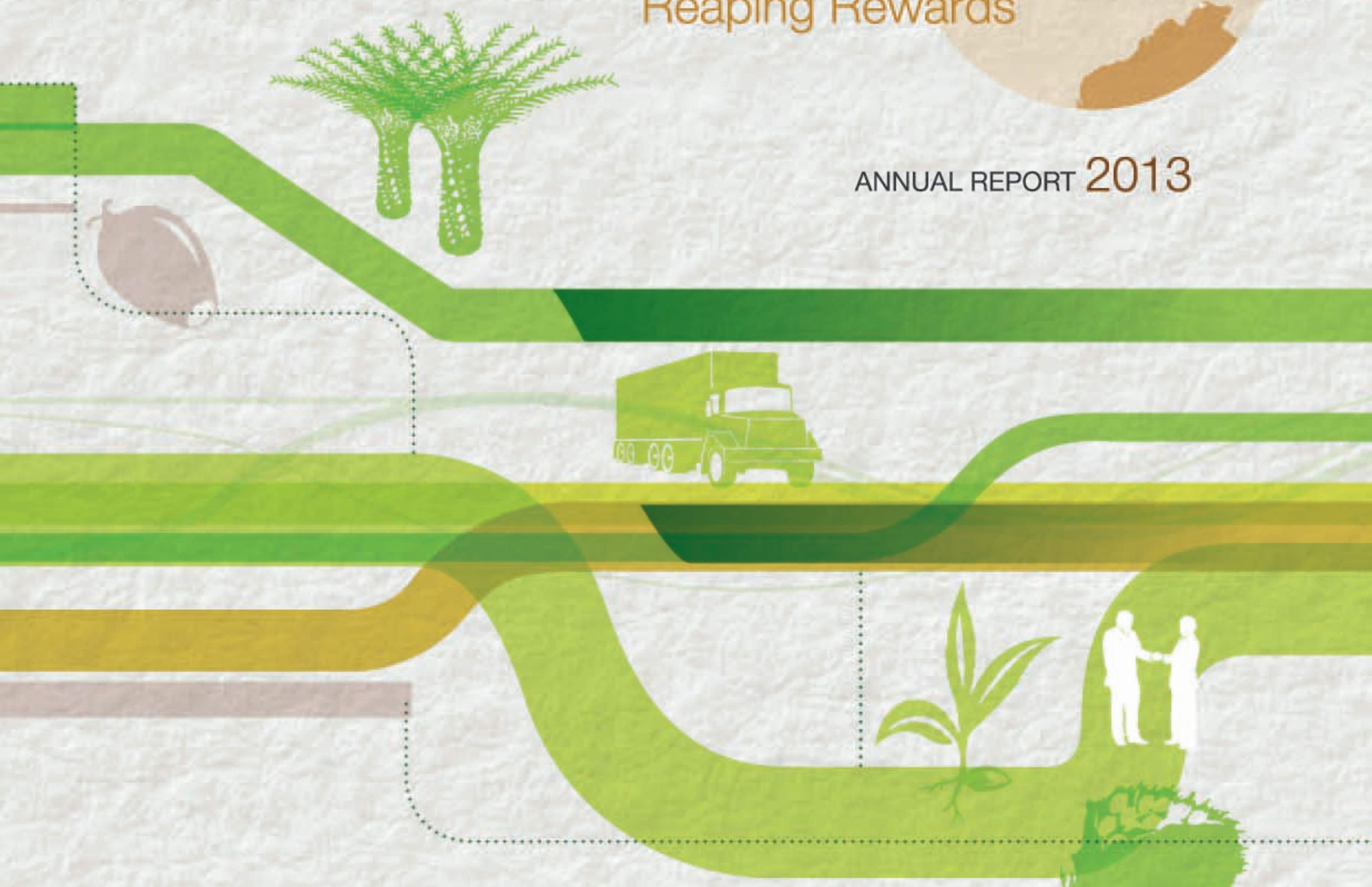
GOLDEN LAND BERHAD
Incorporated In Malaysia (298367-A)

Realising Growth, Reaping Rewards

ANNUAL REPORT 2013



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CORPORATE STRUCTURE & PRINCIPAL ACTIVITIES 2013

GOLDEN LAND BERHAD

- **100%** Sri Kehuma Sdn Bhd - Cultivation of oil palm
- **100%** Yapidmas Plantation Sdn Bhd - Cultivation of oil palm and provision of management services
- **100%** Ladang Tunas Hijau Sdn Bhd - Provision of general engineering work services
- **100%** Sparkle Selections Sdn Bhd - Property investment and holding
- **50%** Sinermaju Sdn Bhd - Property Investment
- **100%** Tanah Emas Construction Sdn Bhd - Provision of general contract and civil works
  - **100%** Tanah Emas Properties Sdn Bhd - Property Development
- **100%** Pacific Bloom Limited - Investment holding
  - **100%** Perfect Element Plantation Pte Ltd - Dormant (In Liquidation)
- **100%** Absolute Synergy Limited - Investment holding
- **100%** Ladang Kluang Sdn Bhd - Cultivation of oil palm
- **100%** Jasutera Sdn Bhd - Ceased operation
- **100%** Tanah Emas Oil Palm Processing Sdn Bhd - Processing of fresh fruit bunches of oil palm and marketing of crude palm oil and palm kernel
- **100%** Spectrum 88 Sdn Bhd - Property investment and holding
- **100%** Putatan Emas Sdn Bhd - Property Development
- **49.98%** Tanah Emas Bio-Tech Sdn Bhd - Investment holding
- **100%** Mid Town Property Management Sdn Bhd - Dormant
- **100%** GL Green Resources Sdn Bhd - Dormant
- **100%** Gainfield International Limited - Investment holding
  - **100%** NWP (Cambodia) Pte Ltd - Dormant (In Liquidation)
- **100%** Better Yield Limited - Investment holding
  - **100%** Malaysia Palm Plantation Pte Ltd - Dormant (In Liquidation)
- **100%** Shinny Yield Holdings Limited - Investment holding
  - **95%** PT Tasnida Agro Lestasi - Cultivation of Oil Palm

CORPORATE INFORMATION

BOARD OF DIRECTORS

Beh Sui Loon
- Independent Non-Executive Chairman
Yap Phing Cern
- Chief Executive Officer
Yap Fei Chien
- Executive Director
Wong Chee Kiong
- Independent Non-Executive Director
Oh Kim Sun
- Non-Independent Non-Executive Director

AUDIT COMMITTEE

Beh Sui Loon
- Chairman/Independent Non-Executive Director
Wong Chee Kiong
- Independent Non-Executive Director
Oh Kim Sun
- Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Beh Sui Loon
- Chairman/Independent Non-Executive Director
Wong Chee Kiong
- Independent Non-Executive Director

REMUNERATION COMMITTEE

Wong Chee Kiong
- Chairman/ Independent Non-Executive Director
Beh Sui Loon
- Independent Non-Executive Director
Yap Fei Chien
- Executive Director

SECRETARIES

Voo Yin Ling (MAICSA 7016194)
Chin Woon Sian @ Louis Chin (MIA 16041)

REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Damansara Heights
50490 Kuala Lumpur
Tel : 03-2084 9000
Fax : 03-2094 9940

HEAD OFFICE

Block B, Lot 4 & 5
Bandar Kim Fung
Mile 4, Jalan Labuk
90000 Sandakan, Sabah
Tel : 089-271163
Fax: 089-274510

REGISTERED OFFICE

A-09-03, Empire Tower
Empire Subang
Jalan SS16/1
47500 Subang Jaya, Selangor
Tel: 03-5611 8844
Fax : 06-5611 8600
Email : mail@glbhd.com

AUDITORS

Ernst & Young
16th Floor, Wisma Khoo Siak Chew
Jalan Buli Sim Sim
90000 Sandakan, Sabah
Tel : 089-211455
Fax : 089-272002

PRINCIPAL BANKERS

AmBank (M) Berhad
Hong Leong Bank Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Sector : Plantation
Stock Name : GLBHD
Stock Code : 7382

INTERNET HOMEPAGE

www.glbhd.com

CHAIRMAN'S STATEMENT

"Firstly, on behalf of the Company, I would like to pay our utmost respects and tribute to Dato' Shamsir Bin Omar, who resigned on 21 November 2012 and passed away on 7 May 2013 for his strong contribution towards the Group. We are saddened by the loss of a great leader. His hard work, dedication and contribution to the Group will always be remembered. I would also like to take this opportunity to thank Mr. Kok Pooi Wan, who retired as Executive Director on 30 August 2013 for his unwavering dedication and contribution to the Group over the past 11 years as a member of the Board."

With this, on behalf of the Board of Directors of Golden Land Berhad ("GLB" or "Company") and its subsidiaries ("the Group"), I am pleased to present to you the Annual Report and the Audited Financial Statements for the financial year ended 30 June 2013.

FINANCIAL PERFORMANCE

The Group registered RM184.53 million in revenue and RM7.27 million in profit before taxation for the financial year ended 30 June 2013. The decrease in revenue of 32% was mainly due to lower crude palm oil (CPO) prices and palm kernel (PK) prices worldwide.

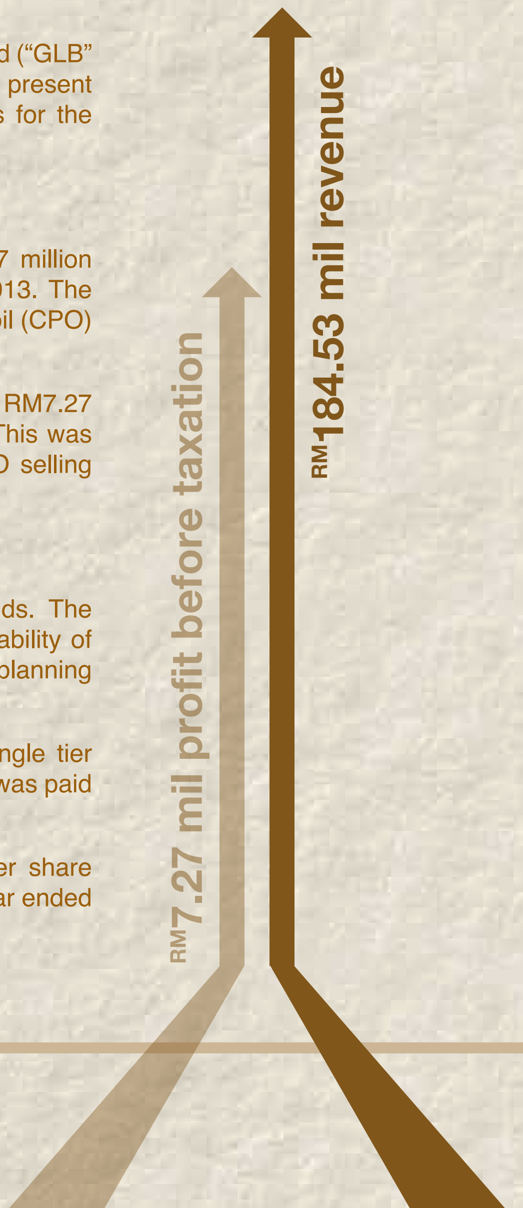
Similarly, the profit before tax also decreased by 81%, lowered to RM7.27 million in comparison to RM39.13 million in the preceding year. This was mainly due to higher cost of production and lower average CPO selling prices.

DIVIDEND

The Company is committed to the payment of annual dividends. The quantum of the payment of dividends is determined by the availability of the funds, capital expenditure commitments and other investment planning requirements.

In regards to the financial year ended 30 June 2012, a final single tier dividend of 2 sen per share, amounting to a total of RM4,326,285 was paid on 20 December 2012.

On 27 March 2013, an interim single tier dividend of 1 sen per share amounting to RM2,163,132 was paid in respect of the financial year ended 30 June 2013.



CORPORATE DEVELOPMENT

On 16 August 2011, Absolute Synergy Limited, a wholly owned subsidiary of GLB, entered into a Conditional Sale and Purchase Agreement for the proposed acquisition of 500 fully paid up shares of Rp250,000 each in PT Sumber Bumi Serasi for a maximum purchase consideration of Rp26,530,200,000.

On 10 December 2012, Shinny Yield Holdings Limited ("SYHL"), a wholly owned subsidiary of GLB, acquired 4,750 fully paid up shares of Rp100,000 each in PT Tasnida Agro Lestari ("PT TAL"), with a purchase consideration of USD5.40 million. PT TAL is now a 95% owned subsidiary of SYHL.

With the acquisitions of PT TAL, the Group has a total of 8,158 hectares of land bank, which have been issued with Certificates of HGU by the Indonesia authority.

PROSPECTS

The Group is expecting to encounter another challenging financial year as the oil palm industry remain bearish amidst uncertainty in the global economy. The industry is also expected to continue to face margin pressures as production costs will increase due to the introduction of minimum wage policy and increase in other cost of production.

The challenge for the Group is to further improve its efficiency and productivity and shall continue to work on achieving and realizing the full potential of its resources.

APPRECIATION

On behalf of the Board of Directors, I would like to express our utmost gratitude and appreciation to all our shareholders, customers, business associates, statutory authorities and bankers for their continuous support. I would also like to extend my sincere thanks and appreciation to the Board of Directors for their endless guidance and wisdom and to the Management Team and Employees for their hard work and unwavering commitment to the Group throughout the year.

BEH SUI LOON
Chairman
29 October 2013

CHIEF EXECUTIVE OFFICER'S

REVIEW OF OPERATIONS

"The 2012/2013 Financial Year was indeed a challenging one for the Group. The Group's performance was adversely affected by the drop in commodity prices and escalated production costs."

REVIEW OF OPERATIONS

CPO prices fell from the highest of about RM3,033 per ton in July 2012 to the lowest of RM2,060 per ton in December 2012. The Group's average CPO selling price was lower at RM2,323 per ton, a decrease of 24% from the preceding year (FY 2011/2012 was RM3,073 per ton). PK average price also recorded a decline of 34%, down to RM1,177 per ton (FY 2011/2012 was RM1,777 per ton).

CPO production decreased by 3% to 74,246 tons as compared to 76,628 tons in the previous financial year. Whereas, PK production improved by 1% to 17,580 tons from 17,322 tons in FY 2012. The oil extraction rate declined to 20.61% (FY 2012: 20.69%).

OPERATION

The Group's subsidiary PT Tasnida Agro Lestari has successfully obtained Sertipikat Hak Guna Usaha (Certificate of Land Use Right) for a plantation land area of 8,158 hectares in Kabupaten Barito Kuala, Provinsi Kalimantan Selatan of Republic of Indonesia. The Company shall commence plantation development within this financial year.

The Group has also commenced setting up nurseries and performing land clearing at remaining land bank of our Sandakan plantation. The Group has a total land bank of 8,613 hectares in Sandakan, Sabah comprises of 6,917 hectares mature area, while the remaining land is immature and vacant.

The Group has commenced its property development on a parcel of land in Sandakan on 15 March 2013 and is expected to be completed within 30 months. The proposed development project consisted of 40 units of 3-storey shop offices, 2 units of double-storey semi-detached shop offices and 1 unit of double-storey bungalow shop office. This will collectively be known as the **Midtown** *Signature Office*. The total Gross Development Value is approximately RM42 million.

HUMAN RESOURCES

The Group's operational success and growth are highly dependent on our people. People are the main asset of the Company. The Group appreciates every employee, and is committed to equipping every single one with competencies and expertise in their respective fields. This is to ensure that employees can carry out their respective responsibilities to achieve the Company's business objectives and to provide an adequate talent pool to cater for both current requirements and future succession plans. The Group will continue its strong focus on investment in human capital.

REVIEW OF CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Group recognizes the importance of good environmental practices and takes conscious effort in its daily operations to ensure that economic and social development are in harmony with the environment.

We shall continue to adopt the best environmental management practices for all our land, from existing plantations to our newly developing areas. We implement the best agronomic practices such as zero burning, establishment of green belts along rivers and steep hills, recycling of empty fruit bunches and where practical, use buffaloes for infield evacuation to reduce the consumption of non-renewable fuel.

The Group continues to develop its CSR projects to forge closer relationships with the surrounding communities. These social projects are part of the Group's sincere efforts to give back and contribute to the community in a meaningful and beneficial manner.

FUTURE PROSPECTS

The outlook of the oil palm price is extremely volatile and will be under tremendous pressure due to prospects of higher palm oil production in Malaysia & Indonesia as well as other oil seeds. All this, coupled with the uncertainties in world economic outlook, will be a major challenge in the coming year.

The average Malaysia Palm Oil Board ("MPOB") CPO prices for the period of July 2013 till the mid of October 2013 hovered around RM2,300 per ton. Nevertheless, the Group is still cautiously optimistic on the outlook for the oil palm industry in view of its well-supported fundamentals and in light of the various demand factors.

The Group will remain cautious and exercise prudence in managing the business. Despite challenges ahead, particularly with the availability of foreign labour and expansion programme in Indonesia, the Group is optimistic to deliver quality performance as in the past or even better in the future. We are dedicated to bring a greater value to our shareholders by constantly improving the operational efficiency as a means to enhance financial performance to attain sustainability.

The launch of the **Midtown** *Signature Office* in the later part of 2013 will contribute positively to the overall performance of the Group.

APPRECIATION

On behalf of the Board of Directors, I would like to thank the directors, management and all employees of the Group for their hard work, dedication, resourcefulness, commitment and contribution towards the Company. It was indeed a year with much turbulence arising from the fluctuations in the commodity prices and input costs. It can be expected that a year ahead will pose very similar challenges.

Nevertheless, with similar commitment, hard work and perseverance, I am certain that we can indeed deliver quality performance and added value to the business, and to all our stakeholders.

I would also like to thank our valued customers, shareholders, business associates, government authorities, and all other stakeholders for their continued support, trust and confidence in the Group.

On behalf of the Board, I would like to welcome Mr. Beh Sui Loon who was appointed as Independent Non-Executive Director on 11 May 2009 and re-designated to Independent Non-Executive Chairman on 2 September 2013.

YAP PHING CERN
Chief Executive Officer
29 October 2013

CORPORATE

SOCIAL RESPONSIBILITY

Golden Land Berhad recognizes the importance of good environmental practices and it makes every effort to ensure that economic and social developments are in harmony to the environment.

ENVIRONMENTAL CARE

The Group considers environmental protection and enhancement to be important factors in the conduct of its operations. Its plantations and processing plants adhere strictly to the local environmental and plantation development regulations as well as to internationally recognised best practices. These include:

- Establishing Riparian Reserves
- Zero burning in land clearing
- Water and soil conservation
- Soil enrichment and conservation
- Waste treatment

EMPLOYEE WELFARE

The Group continues to place high emphasis on developing its human capital, the organisation's most valuable asset as it is a significant resource in the labour intensive agriculture sector. The Group has experienced severe labour shortages in this sector over the recent years.

In view of this, the Group has invested substantial sum for employees housing, provision of free/subsidised electricity and free water supplies to the employees in the estates and mills with the objective of providing the residents with better living conditions. Free transportation is provided for school going children to the nearest schools. We also provide milk powder for children and recreational facilities for the residents e.g., football field, volleyball and sepak takraw courts. At the business units level, family day, sports day, annual kenduri and dinners were conducted to foster better relations between the staff and workers and promote healthy lifestyle. 'Gotong-royong' and cleaning up activities were conducted to step up the hygiene condition at housing areas of the Group's estates/mills.

OCCUPATIONAL SAFETY AND HEALTH AT THE WORK SITE

The Group is always mindful of its CSR towards employees, community and stakeholders. A strong governance policy is necessary to ensure that CSR are fulfilled at our own premises, only then we can contribute positively to the community. We continue to place high emphasis on health and safety issues at our work sites. All necessary tools and protective gears are provided to our employees to ensure that they are adequately protected. We also enforce stringent compliance requirements so that health and safety issues are not compromised.

The Group employs a qualified Safety Officer to carry out periodical audits, advisories and trainings on safety and health practices in all the operating units.

CONTRIBUTION TO CHARITABLE CAUSES

The Group has provided donations/sponsorships to school, education care programmes and local communities throughout the financial year. During the financial year, the Company has provided donation to various school and other charitable association. The Group is also giving a helping hand to Jabatan Perhutanan Sabah to conserve and rehabilitate all degraded forests in Sabah.

PROFILE OF THE BOARD OF DIRECTORS

BEH SUI LOON

INDEPENDENT NON- EXECUTIVE CHAIRMAN

Malaysian, aged 50, joined the Board of GLBHD on 11 May 2009. He also serves GLBHD as the Chairman of the Board, Audit Committee and Nomination Committee and a member of the Remuneration Committee.

He obtained his qualification as a Chartered Institute of Management Accountants since 1991 and is also a member of the Malaysian Institute of Accountants.

He has more than 20 years experience in the accounts and tax services industry. He was attached with KPMG Peat Marwick Tax Services Sdn Bhd as a Tax Senior Consultant managing a portfolio of over 100 clients. Currently, he is a Group Financial Controller of an investment holdings company and is responsible for the finance and administration, tax, legal and investment portfolios.

He has no family relationship with any other directors or substantial shareholders of the Company. There is no conflict of interests with the Company. Within the last 10 years, he has no convictions for offences.

He has attended all the five Board of Directors' meetings held during the financial year ended 30 June 2013 during his tenure of office.

YAP PHING CERN

CHIEF EXECUTIVE OFFICER

Malaysian, aged 50, joined the Board of GLBHD as an Executive Director on 26 December 2001 and was appointed as the Managing Director on 14 November 2002. On 7 May 2004, he has been redesignated as Chief Executive Officer.

He graduated with a Bachelor Degree in Business Administration from Washington State University, Washington, U.S.A. in 1987.

He started his career in 1987 as an Executive Assistant to the Managing Director of a quarry operator in Johor. He joined the Group in 1989 as a Director, taking charge of the sawmill operations. He has more than 10 years of experience in the timber manufacturing and logging industry. He was also actively involved in palm oil estate operation and management, and oil palm development and cultivation.

Currently he oversees the Group's operations and is also involved in the planning, formulation and implementation of the Group's business strategies.

He is a substantial shareholder of GLBHD. He is the son of the late Mr Yap Kiew, the former Managing Director of GLBHD; and the brother of Ms Yap Fei Chien, an Executive Director of GLBHD.

Save as disclosed above, he has no family relationship with any other directors or substantial shareholders of the Company.

There is no conflict of interests with the Company except for those transactions disclosed in pages 101 and 102 of this Annual Report. Within the last 10 years, he has no convictions for offences.

He has attended all the five Board of Directors' meetings held during the financial year ended 30 June 2013 during his tenure of office.

YAP FEI CHIEN
EXECUTIVE DIRECTOR

Malaysian, aged 43, joined the Board of GLBHD on 7 March 2002. She also serves GLBHD as the member of the Remuneration Committee.

She graduated with a Bachelor of Science in Management Information System from Oklahoma State University, U.S.A., and a Master of Business Administration from University of South Alabama, U.S.A.

She joined the group in 1999 as a Manager overseeing the Administration and Credit/Finance function of the timber manufacturing operation and eventually moved to Human Resources and Administration of the Group till todate.

She is the daughter of the late Mr Yap Kiew, the former Managing Director of GLBHD, and the sister of Mr Yap Phing Cern, the Chief Executive Officer and a substantial shareholder of GLBHD.

Save as disclosed above, she has no family relationship with any other directors or substantial shareholders of the Company.

There is no conflict of interests with the Company except for those transactions disclosed in pages 101 and 102 of this Annual Report. Within the last 10 years, she has no convictions for offences.

She has attended all the five Board of Directors' meetings held during the financial year ended 30 June 2013 during her tenure of office.

WONG CHEE KIONG
INDEPENDENT NON- EXECUTIVE DIRECTOR

Malaysian, aged 63, joined the Board of GLBHD on 13 May 2003. He also serves GLBHD as the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

He is a member of the Malaysian Association of Company Secretaries and a Trade Member of the Financial Planning Association of Malaysia. He is a holder of the Institute of Chartered Secretaries and Administrators Certificate.

He has vast experience in company secretarial practice, corporate advisory and administration and has been in practice for more than 15 years. Currently, he is the Executive Director of LW Corporate Services Sdn Bhd, a company principally engaged in the provision of secretarial and corporate advisory services. He is also the Tax Manager of HLaw Tax Services Sdn Bhd, a company engaged in the provision of taxation services.

He has no family relationship with any other directors or substantial shareholders of the Company. There is no conflict of interests with the Company. Within the last 10 years, he has no convictions for offences.

He has attended all the five Board of Directors' meetings held during the financial year ended 30 June 2013 during his tenure of office.

OH KIM SUN

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian, aged 65, joined the Board of GLBHD on 28 July 2011. He also serves GLBHD as the member of the Audit Committee.

Mr Oh is a member of the Malaysian Institute of Certified Public Accountants ("MICPA").

He has more than 35 years of experience in finance. He began his career in 1972 with Coopers and Lybrand in London and subsequently held positions as the Finance Director of Taiko Plantations Sdn Bhd, the Financial Controller of ICI Malaysia, and the Finance Manager (Secondment) at the Headquarters in London, responsible for Northern Europe. He led a successful management buy-out of ICI's Malaysian operations in 1994.

From 1994, he served Chemical Company of Malaysia as the Group Executive Director until 2003.

He currently serves on the Board of Directors of several Public Listed Companies namely, UEM Land Holdings Berhad, Nikko Electronics Berhad ("in liquidation") and Opus Group Berhad.

He is a major shareholder of GLBHD by virtue of his indirect interest in Agromate Holdings Sdn Bhd (through Ideal Force Sdn Bhd) pursuant to Section 6A of the Companies Act, 1965.

He has no family relationship with any other directors or substantial shareholders of the Company.

There is no conflict of interests with the Company except for those transactions disclosed in page 101 of this Annual Report. Within the last 10 years, he has no convictions for offences.

He has attended all the five Board of Directors' meetings held during the financial year ended 30 June 2013 during his tenure of office.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Golden Land Berhad recognises the importance of adopting high standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and financial performance of the Group. The Board is therefore committed to formulate policies and to direct the Company to achieve its objectives. To promote and nurture the highest standards of corporate governance within the Group, the Board has put in place the framework designed to build sustainable financial performance and at the same time, ensure there are sufficient and credible transparency, integrity and accountability in its operations. This is to ensure the Group is in the forefront of good governance and aims to be recognised as an exemplary organisation.

The Board is pleased to disclose the following statement on the Group's application of the Principles of Malaysian Code on Corporate Governance 2012 ("the Code") and the extent of compliance with the Best Practices of the Code throughout the financial year ended 30 June 2013.

A) THE BOARD OF DIRECTORS

DUTIES AND RESPONSIBILITIES

The Board's main responsibility is to lead and manage the Group in an effective manner including charting its overall strategic direction and retains full and effective control of the Group's activity. In fulfilling its fiduciary duty, the Board ensures that there are appropriate system and process in place to manage the Group's significant risk. In addition, the Board also has in place a capable and experienced management team to oversee the day-to-day operation of the Group. The Board, however assumes responsibility for the following in discharging its duty of stewardship of the Group:

- Reviewing and adopting the strategic plan for the Group
- Overseeing the conduct of the Group's business
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures
- Succession planning
- Overseeing the development and implementation of a shareholder communication policy for the Group
- Reviewing the adequacy and the integrity of the management information and internal controls system of the Group

COMPOSITION AND BALANCE

The Board currently has five (5) members, comprising two (2) Executive Directors, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Independent Directors make up 40% of the Board membership. Hence, the Board fulfills the prescribed requirements for one-third of the membership of the Board to be Independent Board Members. The Board considers that the balance achieved between Executive and Non-Executive Directors during the financial year under review was appropriate and effective for the control and direction of the Group's business. The Board is also of the opinion that the Board composition during the year under review has fairly represented the ownership structure of the Company with appropriate representations of minority interest through the Independent Directors.

The Directors of the Group do not hold more than five (5) directorships in public companies as prescribed by the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements").

The role of the Chairman and the Chief Executive Officer ("CEO") of the Company is distinct and separate with individual responsibilities. The Chairman is responsible for the effective conduct of Board discussions whilst the CEO is responsible for the running of the day-to-day operations of the Group. Each of them has clearly defined duties and balance of power and authority.

A) THE BOARD OF DIRECTORS (CONT'D)

COMPOSITION AND BALANCE (CONT'D)

The CEO and the Executive Directors have a wide range of business and management experience relevant to the direction of the Group. Balance in the Board is further enhanced by the strong presence of Independent Non-Executive Directors. The role of Independent Non-Executive Directors is particularly important in ensuring that the long term interests of shareholders, employees, customers, suppliers and the many communities in which the Group conducts business are being looked after. The Independent Non-Executive Directors, together with the Independent Non-Executive Chairman, are actively involved in Board Meetings and meetings of various Board Committees and provide unbiased, independent views and judgment to the Board's deliberation and decision making process. The composition of the Board also ensures that no individual or group of individuals can dominate the Board's decision-making.

BOARD CHARTER

A Board Charter had been established and approved by the Board as a tool to assist the Directors in fulfilling their responsibilities as Board members. The objectives of the Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all dealings in respect, and on behalf of, the Company.

The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is available at Company's website at www.glbhd.com.

CODE OF CONDUCT

A Directors' Code of Conduct had been established and approved. The objective of this Code is to ensure that high standards of corporate and individual behavior are observed by the Directors in the context of their roles as Directors of the Group.

CORPORATE DISCLOSURE POLICY

The Board places importance in ensuring timely and high quality disclosures made to shareholders and investors, as such the Company has adopted a Corporate Disclosure Policy to facilitate the handling and disclosure of material information in a timely and accurate manner.

BOARD MEETINGS

The Board meetings are scheduled in advance before the beginning of the new financial year to enable directors to plan ahead and fit the year's meetings into their respective schedules. The Board has at least five (5) scheduled meetings per annum with additional meetings convened as and when necessary. During the financial year ended 30 June 2013, the Board conducted five (5) board meetings and each Board member fulfilled the required attendance as required under Paragraph 15.05 of the Listing Requirements. Details of the attendance of each Director are found in page 129.

At Board meetings, the Directors deliberate and resolve significant, strategic, operational, financial, corporate and regulatory matters affecting the Group. The Board's relationship with management is defined through the CEO who communicates the Board's expectations to the Management of the Group and reports back to the Board on the Group's operation.

A) THE BOARD OF DIRECTORS (CONT'D)

SUPPLY OF INFORMATION

In order for the Board to discharge its stewardship responsibilities efficiently, the Board has unrestricted access to information required, regular and ad-hoc reports are provided to all Directors to ensure that they are updated on key strategic, financial, operational, legal, regulatory, corporate and social responsibility matters in a timely manner to enable them to make meaningful decisions.

Procedures have been established concerning the content, presentation and timely delivery of papers for each Board and Board Committee meeting as well as for matters arising from meetings to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification, should such a need arise. Where necessary, the services of other senior management or external consultants will be arranged to brief and help the Directors clear any doubt or concern.

The Directors have access to the Company Secretary. The Secretary advises the Board on its duties and the appropriate requirements and procedures to be complied with in relation thereto including the management of its meetings. The Secretary also advises both the Directors and Management on the new statutory enactments as well as applicable rules, regulatory and corporate developments and on the implementation of corporate governance measures and compliance within the Group. The Directors may take independent professional advice at the Group's expense, in furtherance of their duties.

Board papers are circulated on a timely manner prior to each Board meeting to enable the Directors to obtain further information and explanation before the meeting. In addition, there is a schedule of matters reserved specifically for the Board's decision.

APPOINTMENTS TO THE BOARD

Board appointments are effected through the Nomination Committee, which is responsible for making recommendations to the Board on all new Board and Board Committee appointments based on a formalised transparent procedure. In making these recommendations, the Nomination Committee will consider the required mix of skills, experience and diversity, including gender, where appropriate.

The Board recognizes the importance of boardroom diversity. The Company's approach to ensure Board diversity include:-

i. Recruiting from a diverse pool of candidates for the position of Director.

ii. Reviewing succession plans to ensure appropriate focus on diversity.

iii. Engage professional consultants to assist in the hiring process by presenting diverse candidates to the Company for consideration.

iv. Developing programs to develop a broader pool of skilled and experienced board candidates.

v. Promoting gender diversity by encouraging and supporting women's participating on the Board.

RE-ELECTION

In accordance with the Company's Articles of Association, all Directors appointed by the Board are subject to re-election by the shareholders at the first opportunity. The Articles also provide that at least one-third of the Directors are subject to re-election by rotation at every Annual General Meeting ("AGM"). Re-elections are not automatic and all Directors must retire and submit themselves for re-election by shareholders at least once in every three (3) years.

A) THE BOARD OF DIRECTORS (CONT'D)

NEW DIRECTORSHIP

A director must not hold more than five (5) directorships in listed corporation. All Board members shall notify the Chairman of the Board or the Company Secretary before accepting any new directorship. The notification shall include an indication of time that will be spent on the new appointment.

The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company.

BOARD EVALUATION

The Board, through its delegation to the Nomination Committee, had implemented a procedure and process towards an annual assessment of the effectiveness of the Board as a whole and the contribution and performance of each individual Director and Board Committee member during the financial year 2013. Assessments were undertaken in respect of the year ended 30 June 2013 and have been concluded and properly recorded. The Committee has also reviewed the required mix of skills and competencies of the Directors during the year.

The Nomination Committee concluded that the composition of the mix of skills, experience and competencies of the Directors during the year was adequate to support the current needs of the Group. Any Board expansion would be in tandem with the Group's expansion needs.

DIRECTORS' INDEPENDENCE

The Board, via the Nomination Committee undertakes an assessment of its Independent Directors annually to assess the independence of the Directors by taking into consideration of their background, economic, family relationship and disclosed interests and considers whether the Independent Directors can continue to bring independent and objective judgment to the Board's deliberation. The Directors will lose their independence status if they do not satisfy the independence criteria under the definition of independence in Paragraph 1.1 of the Listing Requirements.

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an Independent Director may continue to serve on the board subject to the Director's re-designation as Non-Independent Director. If the Independent Director has served for nine (9) years or more, the Board must justify and seek shareholders' approval in the event the said Director retains as an Independent Director.

In line with the Code, the Company through its Nomination Committee conducted an annual assessment of the independence of the Directors and is satisfied that the Independent Directors are independent as they fulfilled the required criteria stipulated in the Bursa Securities Listing Requirements.

TRAINING FOR DIRECTORS

All the Directors have completed the Mandatory Accreditation Programme ("MAP") and the Continuing Education Programme ("CEP") as prescribed by Bursa Malaysia Securities Berhad.

During the year, the Directors had individually participated in the seminar namely Advocacy Sessions on Corporate Disclosure for Directors, Corporate Tea Talk : Economic Transformation Programme – Progress and Opportunities, HR Planning, Talent Sourcing & Behavioral Interviewing Skills, Tax Strategies for Sdn Bhd, Corporate Directors Training Programme (CDTP) Fundamental, Workshop on Criminal Tax Investigations & Anti-Money Laundering, Members' Voluntary Winding Up and De-Registration, Shares, Membership Rights, Privileges and Activities, Company Secretarial Practice – Rational, Procedures & Technicalities, KPMG Malaysian Tax Summit 2012, Blue Ocean Strategy Workshop, Directors & Management Retreat and Brand Strategy Discussion.

The Board of Directors will continue to evaluate and determine its training needs to enable the Directors to effectively discharge duties and sustain active participation in the Board's deliberation.

A) THE BOARD OF DIRECTORS (CONT'D)

COMPANY SECRETARY

The Company Secretary plays an important advisory role and also in supporting the Board by ensuring adherence to Board policies and procedures. The Company Secretary advises the Board on its duties and the appropriate requirements and procedures to be complied including the management of its meetings. Therefore, the Board recognizes that the Board must be supported by a suitably qualified and competent Company Secretary.

THE BOARD COMMITTEES

The following Board Committees namely the Audit Committee, Nomination Committee and Remuneration Committee assisted the Board in discharging its fiduciary duties. Each Board committee operates within approved and clearly defined terms of reference and reports to the Board.

AUDIT COMMITTEE

The objective of the Audit Committee is to assist the Board to review the adequacy and integrity of the Group's internal control system and management information system. Composition of the Audit Committee, its terms of reference and summary of its activities are set out in pages 24 to 29 of this Annual Report.

NOMINATION COMMITTEE

The Nomination Committee currently consists of the following Directors:

Beh Sui Loon (Chairman)
Wong Chee Kiong

The Committee had three (3) meetings during the financial year.

Responsibilities & Activities

i. To assist the Board in assessing its overall effectiveness.

ii. To identify and recommend new nominees to the Board and committees of the Board. All decisions and appointments are made by the Board after considering the recommendation of the Nomination Committee.

iii. To recommend to the Board, the Director(s) who retiring (by rotation) for re-election

iv. Review its required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board as well as to assist the Board in implementing boardroom diversity, including gender diversity.

v. Undertake assessment of the independent directors annually by taking into consideration of their background, economic, family relationship and disclosed interests and considers whether the independent directors can continue to bring independent and objective judgment to the Board's deliberation.

vi. To evaluate and determine Directors' training needs to enable them to effectively discharge duties and sustain active participation in the Board's deliberations.

A) THE BOARD OF DIRECTORS (CONT'D)

REMUNERATION COMMITTEE

The Committee is primarily responsible for reviewing and recommending to the Board annually the appropriate level of remuneration for the Directors with the aim to attract, retain, and motivate individual of the highest quality.

The Remuneration Committee currently consists of the following Directors:

Wong Chee Kiong (Chairman)
Beh Sui Loon
Yap Fei Chien

During the financial year, the Committee met once.

The Board believes that remuneration should be sufficient to attract, retain and motivate Directors with the necessary caliber, expertise and experience to ensure success for the Company. In line with this philosophy, remuneration for the Executive Director is aligned to individual and corporate performance. For Non-Executive Directors, the fees are commensurate with the level of experience and responsibilities shouldered by the respective Directors.

The Remuneration Committee recommends the policy framework and is responsible for assessing the compensation package for the Executive Director. The Executive Directors concerned play no part in the decision of their own remuneration but may attend the committee meetings at the invitation of the Chairman of the Committee if their presence is required. The remuneration of the Executive Directors consists of salary, bonus and benefits-in-kind.

Remuneration for Non-Executive Directors is determined by the Board as a whole, with individual Director abstaining from discussion of their own remuneration. The Board, subject to a maximum sum as authorised by the Company's shareholders, determines fees payable to Non-Executive Directors. Non-Executive Directors are also entitled to meeting allowances and reimbursement of expenses incurred in the course of their duties as Directors.

Directors' remuneration is aggregated and categorised into appropriate component and the number of Directors whose remuneration falls into the successive bands of RM50,000.00, distinguishing between Executive and Non-Executive Directors, are shown in pages 67 and 68.

PROMOTE SUSTAINABILITY

The Company is committed to operate its business in accordance with environmental, social and economic responsibilities. These include working within the law in order to be innovative and demonstrate initiative to meet the requirements of various stakeholders.

The Board will regularly review the strategic direction of the Company and the progress of the Company's operation to include sustainable commitment in business practices and development focusing on the environment, social responsibility, and well-being of its employees, the benefits of which are believed to translate into better corporate performance and image.

B) SHAREHOLDERS

SHAREHOLDERS AND INVESTORS RELATIONS

The Company recognises the importance of being accountable to its investors and as such has maintained an active and constructive communication policy that enables the Board and management to communicate effectively with its investors, stakeholders and the public generally. The various channels of communications are through the quarterly announcements on financial results to Bursa Malaysia Securities Berhad, relevant announcements and circulars, Annual General Meeting and through its website at www.glbhd.com where shareholders have access to the corporate information, financial information, share prices and principal activities.

ANNUAL GENERAL MEETING ("AGM")

The Board views the AGM as the primary forum to communicate with shareholders. The Company will convene its Nineteenth AGM on 6 December 2013 during which shareholders will have the opportunity to direct their questions to the Board. The Board encourages other channels of communication with the shareholders. For this purpose, the Board has identified Mr Beh Sui Loon as the Senior Independent Director to whom queries or concerns regarding the Group may be conveyed. Mr Beh Sui Loon can be contacted via the following channels:

Post	:	GOLDEN LAND BERHAD A-09-03, Empire Tower, Empire Subang Jalan SS16/1, 47500 Subang Jaya Selangor Darul Ehsan
Fax	:	03-56118600
Website	:	"Contact Us" option at www.glbhd.com

C) ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

The Board is responsible for presenting a clear, balance and comprehensive assessment of the Group's financial position, performance and prospects each time it releases its quarterly and annual financial statements to its shareholders. The Board of Directors with the assistance of the Audit Committee takes reasonable steps to ensure that the financial statements of the Group are drawn up in compliance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards.

A statement by the Board of its responsibilities for preparing the financial statements is set out in page 20 of this Annual Report.

INTERNAL CONTROL

The Directors acknowledge the importance of maintaining a sound system of internal control covering not only financial control but also operational and compliance control as well as risk management. The Board emphasizes regular review on its system of internal controls to ensure its completeness, adequacy and integrity in order to safeguard shareholders' investment and the Group's assets and to meet the Group's particular need and to manage risk to which it is exposed. The system, by its nature, can only provide reasonable but not absolute assurance against misstatement or loss.

The Group has in place an internal audit unit and a risk management committee to assist the Board in ensuring that the ongoing process for identifying, evaluating and managing the significant risks faced by the Group. Audit findings and recommendations are reported to the Audit Committee once every quarter for immediate attention and action. Ongoing review and evaluation of the systems and processes installed within the Group are being carried out periodically to ensure their adequacy and integrity.

The Board has reviewed the adequacy and integrity of the Group's system of internal control and the Board's Statement on Risk Management and Internal Control is set out in pages 21 and 22.

RELATIONSHIP WITH THE AUDITORS

The Board of Directors, via the Audit Committee, establishes formal and transparent relationships with the auditors. The auditors are invited to attend Audit Committee meetings to discuss audit plans and findings leading to the finalisation of the financial statements and attending the general meeting. The role of the Audit Committee is set out in pages 24 to 29.

The Company has in place the policy and procedures for the assessment of external auditors and also policy covering the provision of non-audit services which are designed to ensure that such services do not impair the external auditors' independence or objectivity. The external auditors provide mainly audit-related services to the Company.

The Board upholds the integrity of financial reporting by the Company and as such, the external auditors have confirmed to the Board their independence in providing audit services up to the date of this statement.

The above statements are made in accordance with a resolution of the Board of Directors dated 29 October 2013.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year and their results and cash flows for the year then ended.

In preparing the financial statements for the year ended 30 June 2013, the Directors have:

- Adopted appropriate accounting policy and applied it consistently;
- Made reasonable and prudent judgment and estimate;
- Followed all applicable approved accounting standards in Malaysia and complied with the provisions of the Companies Act, 1965; and
- Prepared the financial statements on the going concern basis as the Directors have reasonable expectation, having made enquiries,that the Group and the Company have adequate resource to continue with their operations in the foreseeable future.

The Directors are responsible for taking such steps that are reasonably available to them to safeguard the assets of the Group, to prevent and detect fraud and other irregularity in the Group.

This Statement was prepared in accordance with a resolution of the Board of Directors dated 29 October 2013.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RESPONSIBILITY

The Board acknowledges its responsibility in maintaining a sound system of internal control and risk management practices including the review for adequacy and integrity of the system in order to safeguard shareholders' investment and Group's assets. However, it should be noted that these systems are designed to manage rather than eliminate the risks of failure to achieve business objectives and as such, could only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group that could affect the achievement of its business objectives. The process has been in place throughout the financial period under review and up to the date of approval of the annual report and financial statements.

The system serves to provide reasonable but not absolute assurance against the risk of material loss. The concept of reasonable assurance recognizes that the cost of control procedures shall not exceed the expected benefits.

RISK MANAGEMENT FRAMEWORK AND CONTROL SELF-ASSESSMENT

The Board's primary objective and direction in managing the Group's risks are focused on the achievement of the Group's business objectives. The risk management framework has been formalized in compliance with Bursa Securities' Listing Requirements with emphasis on compliance with the Corporate Governance and Internal Control.

The Audit Committee, shall review, deliberate and provide advice on matters pertaining to:-

a) developments and/or emerging concerns on key corporate risks and the actions taken, or being taken, by the Management to mitigate these risks;

b) risk assessment on new projects and business investment in the subsidiaries and/or associates;

c) progress and status of management action plans presented by the Risk Management Committee

d) findings on major issues relating to risks and risk management

The Executive Directors are tasked with the responsibility of continuous monitoring and reviewing of the strategic directions of the Group.

The Risk management Committee has been established and is chaired by the Chief Executive Officer and includes representatives from operations.

The Risk Management Committee shall review and subsequently report findings to Audit Committee on matters pertaining to:-

a) management action plans presented by the nominated key management of certain business units of the Group;

b) findings on major issues relating to risks and risk management;

c) financial performances and the progress of corrective actions/implementation for highlighted issues; and

d) Implementation and monitoring of standardised policies and procedures to address the financial and operational controls of the Group

The internal auditors, besides performing audit on the adequacy and integrity of internal controls also provide assurance on how effective the risks are being managed through the risk based audit approach.

INTERNAL AUDIT FUNCTION

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. The Group has its own internal audit function, which provides reports to the Audit Committee on a quarterly basis and provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal controls. In addition to the annual audit plan that was reviewed by the Audit Committee, internal audit also conduct surprise audit and ISO audit as part of the requirements of the ISO 9001:2000 certification.

The risk based internal audit approach examined, evaluated and ensured compliance with the Group's policies, procedures and system of controls. It has also evaluated the effectiveness of the internal control system and assessed the consequences of any potential risks and suggested improvements required.

There were no major internal control weaknesses identified during the year under review, which have resulted in any material losses, contingencies or uncertainties that would require a disclosure in the Group's Annual Report. The Board confirms that its system of internal control was operational throughout the financial year and up to the date of approval of the Annual Report.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The followings are the other key elements of the Group's internal control system:

- The Group has a management structure with clearly defined lines of responsibility with appropriate levels of delegation;
- The Board of Directors meets at least once every quarter and has an agenda in line with the schedule of matters as mentioned in the Statement on Corporate Governance to be brought to the Board's attention, ensuring that it maintains full and effective supervision over appropriate controls;
- The Management Committee which comprises the Chief Executive Officer, Executive Directors and Senior Management is entrusted with the responsibilities for the running of the Group's day-to-day operations. The Management Committee meets monthly to consider operational matters and makes appropriate recommendations to the Board on significant capital expenditure, investment or divestment affecting the Group;
- The Executive Directors participate actively in the day-to-day operations of the Group and hold regular dialogues with the Senior Management. The Management of the various business units are responsible for the conduct and performance of the business units and to ensure that an effective system of internal control is in place;
- Executive Directors and Senior Management make regular visits to the estates and palm oil mill to observe the state of affairs of the operations; and
- The Group's Budget is reviewed and approved by the Board. Each line of business submits an operating budget annually for approval of the Management Committee. The performance of each business division is reported and reviewed monthly. Variances are analysed against budgets and control parameters for improvement and corrective actions are taken in a timely manner. The budgets and control parameters are reviewed and revised on a semi-annual basis to factor in changes in the economic and business environment.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

There were no utilization of proceeds raised from any corporate proposal announced at the date of this report.

2. SHARE BUYBACKS

During the financial year ended 30 June 2013, a total of 3,100 ordinary shares were purchased and retained as Treasury Shares. The details of the Company's Share Buy Back exercise for the financial year ended 30 June 2013 are as follows:

Month	No. of Shares Purchased and Retained as Treasury Shares	Purchase Price Per Share (RM)		Average Cost Per Share (RM)*	Total Cost (RM)
		Lowest	Highest		
December 2012	1,100	1.01	1.01	1.05	1,153
May 2013	2,000	1.02	1.02	1.04	2,084
	3,100				3,237

* Inclusive of transaction charges

As at 30 June 2013, the cumulative total number of shares held as Treasury Shares were 6,601,400. None of the Treasury Shares were resold or cancelled during the financial year.

3. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the year under review.

4. IMPOSITION OF SANCTIONS AND PENALTIES

There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

5. NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors are disclosed in Note 11 to the Financial Statements.

6. VARIATION IN RESULTS

There were material variances arose between the audit results for the financial year and the unaudited results previously announced. The reconciliation of the differences is as follows:-

	RM'000
Unaudited profit after tax and minority interest as previously announced	3,768
a) Reversal of general administrative expenses capitalised to biological assets	(496)
b) Recognition of deferred tax liability	(147)
c) Others	(50)
Profit after tax and minority interest as per audited Income Statement	3,075

7. PROFIT GUARANTEE

No profit guarantee was given by the Company for the financial year under review.

8. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors and substantial shareholders either subsisting at the end of the financial year ended 30 June 2013 or entered into since the previous financial year.

AUDIT COMMITTEE'S REPORT

COMMITTEE MEMBER

The members of the Audit Committee and their respective designations as at the date of this report are as follows:

Members	Designation
Dato' Shamsir Bin Omar *Chairman* *(Resigned wef 21.11.2012)*	Independent Non-Executive Director *Member of the Malaysian Institute of Accountants*
Beh Sui Loon *Chairman* *(Appointed on 20.02.2013)*	Independent Non-Executive Director *Member of the Malaysian Institute of Accountants*
Wong Chee Kiong	Independent Non-Executive Director
Oh Kim Sun *(Appointed on 20.02.2013)*	Non-Independent Non-Executive Director

TERMS OF REFERENCE

1. OBJECTIVES OF THE AUDIT COMMITTEE

- Provide assistance to the Board of Directors in fulfilling its fiduciary responsibilities pertaining to the financial, accounting records, internal control systems and the reporting practices of the Group.
- Oversees and appraise the quality of the audits conducted both by the internal and external auditors and evaluate the adequacy and effectiveness of the Group's administrative, operating and accounting controls and the integrity of its financial information.
- Providing a formal contact between the Non-Executive Directors who are members of the Audit Committee and the Auditors.

2. COMPOSITION OF AUDIT COMMITTEE

The Board shall appoint an Audit Committee from amongst its Directors and shall consist of not less than three (3) members with a majority of whom are independent and all members should be Non-Executive Directors. All members of the Committee should be financially literate and at least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants and if not, he/she must fulfills the criteria set out in the Listing Requirements of the Bursa Malaysia Securities Berhad.

The Chairman of the Audit Committee shall be elected by the members of the Committee and he shall be an Independent Non-Executive Director. No alternate director of the Board shall be appointed as a member of the Committee.

In the event of any vacancy arises in the Audit Committee resulting in the number of members becomes less than three (3) the Board shall fill the vacancy within three (3) months of such event.

The Board shall review the terms of office and performance of the Committee and each of its members at least once in every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

TERMS OF REFERENCE (CONT'D)

3. DUTIES AND RESPONSIBILITIES

The following are the main duties and responsibilities of the Audit Committee:

a) To consider the appointment and annual reappointment of the external auditors and their audit fees, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit.

b) To review with the external auditors before the audit commences, the nature and scope of the audit, the audit plan and to ensure coordination where more than one audit firm is involved.

c) To review the quarterly interim results and annual financial statements of the Group before submission to the Board, focusing particularly on:

- Change in accounting policy and practice.
- Significant adjustment arising from the audit.
- The going concern assumption.
- Significant potential risk issues, if any.
- Compliance with the applicable approved accounting standards and other legal requirements.

d) To review the external auditors' management letter and management's response thereto.

e) To review with the external auditors problem and observation arising from their interim and final audits, and any matter the auditors may wish to discuss without the presence of management where necessary.

f) To review the extent of assistance and co-operation given by the employees to the external auditors and to the internal audit department.

g) To review the adequacy of the scope, function and resource of the internal audit department and that it has the necessary authority to carry out its work.

h) To review the internal audit program, process and result of the internal audit investigation undertaken and whether or not appropriate action is taken on the recommendation of the internal audit department.

i) To appraise or assess the performance of the internal audit department.

j) To review any related party transaction and conflict of interests situation that may arise within the Group, including any transaction, procedure or course of conduct that raises question of management integrity.

k) To consider risk management and other issue as defined by the Board.

l) To approve and issue the Audit Committee's Report on the financial statements in the form as may be required by the relevant authorities from time to time.

m) To report to the Board of Directors all pertinent issues which are necessary to be reported.

n) To approve the appointment of the key internal audit personnel.

o) To review with the external auditors, their evaluation of the system of internal accounting.

p) To approve the Internal Audit Plan.

q) To review the follow-up actions by the Management on the weaknesses of internal accounting procedures and controls as highlighted by the external and internal auditors.

TERMS OF REFERENCE (CONT'D)

3. DUTIES AND RESPONSIBILITIES (CONT'D)

r) To perform any other work that it is required or empowered to do by statutory legislation or guidelines as prepared by relevant Government authorities which will include, but are not limited to:

  i) The Securities Commission
  ii) The Bursa Malaysia Securities Berhad
  iii) The Ministry of Finance

s) To review and approve the Annual Report prior to presentation to the Board of Directors for approval and subsequent dispatch to the shareholders.

t) Review and assess the adequacy of the Risk Management Committee Charter and Policy and shall recommend any amendments whenever deemed necessary and appropriate.

u) Review the Risk Management Committee's report and the annual assessment of risks for the Group including deliberation on the corresponding action plans to mitigate key risks for the Group.

v) Undertake annual assessment of the suitability and independence of the External Auditors to ensure that the External Auditors are, have been, independence throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements and they have met the criteria of suitability.

w) To advise the Board of Directors with the reasons that provision of non-audit services by the External Auditors are not perceived to be materially in conflict with the role of auditor.

4. AUTHORITY

The Audit Committee shall have explicit authority to investigate any matter within its terms of reference, the resources to do so and full access to information.

The Committee is also granted the authority to obtain external legal or other independent professional advice and to ensure the assistance of external parties with relevant experience and expertise if desirable.

The Audit Committee is authorized to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

5. MEETINGS

The quorum for the Audit Committee meeting shall be two (2) members of which the majority present must be independent directors.

The Audit Committee shall meet at least four (4) times in a financial year. The Committee shall meet with the external auditors at least twice in a financial year or at external auditors request. Minutes of each meeting shall be distributed to each member of the Committee.

The Audit Committee should meet regularly, with due notice of issues to be discussed, and should record its conclusion in discharging its duties and responsibilities.

The Financial Controller, the Head of Internal Audit and a Representative of the External Auditors should normally attend meetings. Other Board members may attend meetings upon the invitation of the Audit Committee. However, the Committee should meet with External Auditors without Executive Board members present at least twice a year and whenever necessary.

TERMS OF REFERENCE (CONT'D)

5. MEETINGS (CONT'D)

The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as Chairman, Chief Executive Officer, Financial Controller, Internal Auditors and the External Auditors in order to be kept informed of matters affecting the Company.

Questions arising at any meeting shall be decided by a majority of votes, each member having one (1) vote and in case of equality of votes the Chairman shall have a second or casting vote. Save that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or that which only two (2) members are competent to vote on the question of issue, shall not have a casting vote.

The External Auditors may request a meeting if they consider necessary. Upon the request of the Auditors, the Chairman shall convene a meeting of the Committee to consider any matters the Auditors believes should be brought to the attention of the directors and shareholders.

A resolution signed by all members of the Audit Committee for the time being present in Malaysia shall be as effective as a resolution passed at a meeting of the committee duly convened and held. Any such resolution may consist of several documents in the same form and each signed by one or more members of the Audit Committee.

ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

NUMBER OF MEETINGS AND MINUTES

The Committee held a total of five (5) meetings. Details of attendance of the committee members are as follows:

Members	Number of meetings held during members' tenure in office	Number of meetings Attended by members*
Dato' Shamsir Bin Omar *(Resigned wef 21.11.2012)*	2	1
Wong Chee Kiong	5	5
Beh Sui Loon	5	5
Oh Kim Sun *(Appointed on 20.02.2013)*	2	5

* The total number of meetings is inclusive of the special meetings held between members of the Committee who are Non-Executive Directors of the Company and representatives of the external auditors, Ernst & Young without the presence of any Executive Director.

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

During the year under review, the main activities undertaken by the Committee were as follows:

- Reviewed the external auditors' scope of work and their audit plan for the year.
- Reviewed with the external auditors the results of their audit, the audit report and recommendations in respect of improvements to the internal control procedures noted during the course of their audit.
- Reviewed and recommended to the Board the re-appointment of external auditors and their audit fees.
- Reviewed the adequacy of the internal audit scope and plan, and the findings identified by the internal audit department.
- Met once with the external auditors before finalisation of the audited financial statements for the financial year ended 30 June 2013.
- Reviewed the quarterly unaudited financial results announcement before recommending it to the Board for approval.
- Reviewed the audited financial statements of the Group prior to their submission to the Board for its consideration and approval.
- Reviewed the related party transactions entered into by the Group.
- Reviewed the Group's compliance of the quarterly and year end financial statements with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, applicable approved accounting standards issued by the Malaysian Accounting Standard Board and other relevant legal and regulatory requirements.
- Reviewed the extend of the Group's compliance with the relevant provisions set out under the Malaysian Code on Corporate Governance 2012 for the purpose of issuing the Statement on Corporate Governance and Statement on Risk Management and Internal Control pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- Reviewed and approved the Annual Report prior to presentation to the Board of Directors for approval and subsequent dispatch to the shareholders.

INTERNAL CONTROL

The principal role of the internal audit department is to provide the Audit Committee with independent and objective report on the adequacy, efficiency and effectiveness of the internal control system to ensure compliance with the policy and standard operating procedure of the Group.

The Group has in place internal audit department to assist in reviewing the adequacy and integrity of the Group's system of internal control of certain process within its business operation. The audit focused on determining the risk level of the key control to ensure the accuracy and reliability of record, compliance with policy and procedure, law and regulation and to promote efficiency of operation. The Audit Report which incorporated the findings and recommendations to improve on weaknesses noted during the course of the audit were tabled to the Audit Committee and Board of Directors for review. Remedial action will be taken based on the agreed audit issue and recommendation highlighted in the audit report.

The internal audit department has performed an audit assessment on the effectiveness of the Group's enterprise risk management system.

ENTERPRISE RISK MANAGEMENT

RISK MANAGEMENT COMMITTEE

The composition of the Risk Management Committee is a follows:-

Yap Phing Cern (Chairman)
Norazrin bin Baharuddin (Secretariat)
Yap Fei Chien
Chin Woon Sian @ Louis Chin
Tung Chun Yung
Kong Chung Wah @ Peter Kong
Tsen Farn Chung

The Committee is responsible for the oversight of the Organisation's risk management framework and maintains appropriate policies, procedures, and mitigation activities to address the Organisation's overall risk profile so as to facilitate effective and efficient attainment of the Company's long term strategic objectives. The Committee also ensures that adequate resources are allocated appropriately to address identified risk areas. To accomplish these objectives, the Committee is responsible for establishing and maintaining a risk management framework with an enterprise-wide approach built to identify and prioritise risks and evaluate the alignment and effectiveness of risk management activities.

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, cultivation of oil palm and provision of management services to its subsidiary companies. The principal activities of the subsidiary companies are stated in Note 22 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit net of tax	3,037,078	7,064,854
Profit attributable to:		
Owners of the parent	3,074,571	7,064,854
Non-controlling interests	(37,493)	-
	3,037,078	7,064,854

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amounts of dividends paid by the Company since 30 June 2012 were as follows:

	RM
In respect of the financial year ended 30 June 2012 as reported in the directors' report of that year:	
A final single-tier dividend of 2.0 sen per share on 216,314,269 ordinary share declared on 7 November 2012 and paid on 20 December 2012	4,326,285
In respect of the financial year ended 30 June 2013:	
An interim single-tier dividend of 1.0 sen per share on 216,313,169 ordinary shares declared on 26 February 2013 and paid on 27 March 2013	2,163,132
	6,489,417

DIRECTORS

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

Yap Phing Cern
Yap Fei Chien
Wong Chee Kiong
Beh Sui Loon
Oh Kim Sun

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might 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 included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 13 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 37 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares of the Company were as follows:

	Number of ordinary shares of RM1.00 each			
	1.7.2012	**Acquired**	**Sold**	**30.6.2013**
The Company				
Yap Phing Cern				
Direct shareholding	53,111,711	1,429,000	-	54,540,711
Indirect shareholding+	3,781,272	191,300	-	3,972,572
Deemed interest*	604,300	-	-	604,300
Yap Fei Chien				
Direct shareholding	252,000	70,000	-	322,000
Deemed interest*	52,000	-	-	52,000
Oh Kim Sun				
Indirect shareholding+	54,460,700	-	-	54,460,700

+ Held through another body corporate
* Held by spouse

A director, Yap Phing Cern by virtue of his interests in shares of the Company is also deemed to have interest in shares of all of its subsidiary companies to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

TREASURY SHARES

During the financial year, the Company repurchased 3,100 of its issued ordinary shares from the open market at an average price of RM1.015 per share. The total consideration paid for the repurchase including transaction costs was RM3,237. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 June 2013, the Company held as treasury shares a total of 6,601,400 of its 222,912,569 issued ordinary shares. Such treasury shares are held at a carrying amount of RM5,329,135 and further relevant details are disclosed in Note 34(b) to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

 (i) 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

 (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

 (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

 (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

 (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

 (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

 (i) 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 will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and

 (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 4 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 43 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 October 2013.

Yap Phing Cern
Kuala Lumpur, Malaysia

Yap Fei Chien

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Yap Phing Cern and Yap Fei Chien, being two of the directors of Golden Land Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 10 to 103 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2013 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

The information set out in Note 45 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 October 2013.

Yap Phing Cern
Kuala Lumpur, Malaysia

Yap Fei Chien

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Chin Woon Sian, being the officer primarily responsible for the financial management of Golden Land Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 104 are in my opinion 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 Chin Woon Sian
at Kuala Lumpur in Wilayah Persekutuan
on 29 October 2013

Chin Woon Sian

Before me,

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Golden Land Berhad, which comprise the statements of financial position as at 30 June 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flow of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 103.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2013 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 22 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company 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.

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 45 on page 104 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Yong Voon Kar
1769/04/14(J/PH)
Chartered Accountant

Kota Kinabalu, Malaysia
29 October 2013

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

		Group		Company	
	Note	2013 RM	2012 RM	2013 RM	2012 RM
Revenue	5	184,530,244	273,138,968	19,693,840	24,863,708
Cost of sales	6	(158,285,910)	(224,540,733)	(4,589,344)	(5,173,692)
Gross profit		26,244,334	48,598,235	15,104,496	19,690,016
Other items of income					
Interest income	7	760,895	1,759,059	3,100,491	3,352,293
Other income	8	1,780,539	9,069,690	286,043	2,204,766
Other items of expense					
Distribution costs		(2,341,664)	(2,537,811)	-	-
Administrative expenses		(11,447,221)	(11,194,469)	(5,349,351)	(7,054,056)
Finance costs	9	(6,990,536)	(6,561,505)	(5,275,494)	(4,758,256)
Other expenses	10	(344,238)	-	(162,611)	(2,705,009)
Share of results of joint venture		(388,644)	-	-	-
Profit before tax	11	7,273,465	39,133,199	7,703,574	10,729,754
Income tax expense	14	(4,236,387)	(9,382,763)	(638,720)	(901,788)
Profit net of tax		3,037,078	29,750,436	7,064,854	9,827,966
Other comprehensive income:					
Foreign currency translation		43,488	3,774	-	-
Other comprehensive income for the year		43,488	3,774	-	-
Total comprehensive income for the year		3,080,566	29,754,210	7,064,854	9,827,966
Profit attributable to:					
Owners of the parent		3,074,571	28,972,143	7,064,854	9,827,966
Non-controlling interests		(37,493)	778,293	-	-
		3,037,078	29,750,436	7,064,854	9,827,966
Total comprehensive income attributable to:					
Owners of the parent		3,118,059	28,975,917	7,064,854	9,827,966
Non-controlling interests		(37,493)	778,293	-	-
		3,080,566	29,754,210	7,064,854	9,827,966
Earnings per share attributable to owners of the parent (sen per share):					
- Basic	15	1.42	13.36		
- Diluted	15	1.42	13.36		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
Assets					
Non-current assets					
Property, plant and equipment	17	183,515,690	183,576,726	19,203,844	19,815,604
Land use rights	18	45,539,479	27,770,451	3,801,888	3,941,326
Biological assets	19	243,685,159	230,990,712	31,840,000	31,840,000
Investment properties	20	26,152,802	26,246,428	-	-
Intangible assets	21	26,875,336	26,875,336	-	-
Investments in subsidiaries	22	-	-	123,128,220	128,841,817
Investment in an associate	23	1	1	1	1
Investment in joint venture	24	4,611,356	-	5,000,000	-
Other receivables	25	50,730,317	30,366,210	39,979,950	27,661,210
Other assets	26	1,030,395	1,030,395	-	-
Deferred tax assets	32	487,218	-	-	-
		582,627,753	526,856,259	222,953,903	212,099,958
Current assets					
Property development costs	27	8,354,671	157,076	-	-
Inventories	28	11,996,993	4,234,060	-	-
Trade and other receivables	25	9,705,622	13,456,338	87,885,516	30,661,616
Other assets	26	2,708,172	4,076,698	31,658	67,630
Tax recoverable		2,649,309	3,219,190	-	310,139
Cash and bank balances	29	19,338,077	77,878,726	7,766,955	58,287,707
		54,752,844	103,022,088	95,684,129	89,327,092
Total assets		637,380,597	629,878,347	318,638,032	301,427,050

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Equity and liabilities					
Current liabilities					
Income tax payable		1,032,535	-	176,137	-
Loans and borrowings	30	53,345,852	47,130,981	29,486,572	19,148,163
Trade and other payables	31	18,630,985	18,974,785	686,399	1,619,195
		73,009,372	66,105,766	30,349,108	20,767,358
Net current (liabilities)/assets		(18,256,528)	36,916,322	65,335,021	68,559,734
Non-current liabilities					
Loans and borrowings	30	82,528,196	79,043,309	75,065,012	67,985,705
Deferred tax liabilities	32	48,494,632	48,684,992	1,146,402	1,168,677
Estimated liabilities for post-employment benefit	33	11,124	-	-	-
		131,033,952	127,728,301	76,211,414	69,154,382
Total liabilities		204,043,324	193,834,067	106,560,522	89,921,740
Net assets		433,337,273	436,044,280	212,077,510	211,505,310
Equity attributable to owners of the parent					
Share capital	34	222,912,569	222,912,569	222,912,569	222,912,569
Share premium	34	17,949,950	17,949,950	17,949,950	17,949,950
Treasury shares	34	(5,329,135)	(5,325,898)	(5,329,135)	(5,325,898)
Revaluation reserves	35	144,292,850	146,707,401	20,812,848	20,879,675
Retained earnings/ (accumulated losses)		51,806,344	52,806,639	(44,268,722)	(44,910,986)
Foreign currency translation reserve	36	28,860	(14,628)	-	-
		431,661,438	435,036,033	212,077,510	211,505,310
Non-controlling interests		1,675,835	1,008,247	-	-
Total equity		433,337,273	436,044,280	212,077,510	211,505,310
Total equity and liabilities		637,380,597	629,878,347	318,638,032	301,427,050

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

			Attributable to owners of the parent							
				Non-distributable				Distributable		
	Note	Equity, total	Equity attributable to owners of the parent, total	Share capital (Note 34)	Share premium (Note 34)	Treasury shares (Note 34)	Foreign currency translation reserve (Note 36)	Revaluation reserves (Note 35)	Retained earnings	Non-controlling interests
2013		RM	RM	RM	RM	RM	RM	RM	RM	RM
Group										
Opening balance at 1 July 2012		436,044,280	435,036,033	222,912,569	17,949,950	(5,325,898)	(14,628)	146,707,401	52,806,639	1,008,247
Total comprehensive income		3,080,566	3,118,059	-	-	-	43,488	-	3,074,571	(37,493)
Realisation of revaluation reserves	35	-	-	-	-	-	-	(2,414,551)	2,414,551	-
Transactions with owners										
Purchase of treasury shares:										
- Consideration	34	(3,151)	(3,151)	-	-	(3,151)	-	-	-	-
- Transaction costs	34	(86)	(86)	-	-	(86)	-	-	-	-
Dividends on ordinary shares	16	(6,489,417)	(6,489,417)	-	-	-	-	-	(6,489,417)	-
Non-controlling interests on acquisition of subsidiary		1,366,822	-	-	-	-	-	-	-	1,366,822
Shares issuance of a subsidiary		317,845	-	-	-	-	-	-	-	317,845
Capital distribution to non-controlling interests		(979,586)	-	-	-	-	-	-	-	(979,586)
Total transactions with owners		(5,787,573)	(6,492,654)	-	-	(3,237)	-	-	(6,489,417)	705,081
Closing balance at 30 June 2013		433,337,273	431,661,438	222,912,569	17,949,950	(5,329,135)	28,860	144,292,850	51,806,344	1,675,835

			Attributable to owners of the parent	Non-distributable					Distributable	
	Note	Equity, total	Equity attributable to owners of the parent, total	Share capital (Note 34)	Share premium (Note 34)	Treasury shares (Note 34)	Foreign currency translation reserve (Note 36)	Revaluation reserves (Note 35)	Retained earnings	Non-controlling interests
2012		RM	RM	RM	RM	RM	RM	RM	RM	RM
Group										
Opening balance at 1 July 2011		421,682,904	417,054,726	222,912,569	17,949,950	(2,984,259)	(18,402)	149,562,405	29,632,463	4,628,178
Total comprehensive income		29,754,210	28,975,917	-	-	-	3,774	-	28,972,143	778,293
Realisation of revaluation reserves	35	-	-	-	-	-	-	(2,855,004)	2,855,004	-
Transactions with owners										
Purchase of treasury shares:										
- Consideration	34	(2,328,734)	(2,328,734)	-	-	(2,328,734)	-	-	-	-
- Transaction costs	34	(12,905)	(12,905)	-	-	(12,905)	-	-	-	-
Dividends on ordinary shares	16	(9,402,971)	(8,652,971)	-	-	-	-	-	(8,652,971)	(750,000)
Disposal of subsidiaries	22	(3,648,224)	-	-	-	-	-	-	-	(3,648,224)
Total transactions with owners		(15,392,834)	(10,994,610)	-	-	(2,341,639)	-	-	(8,652,971)	(4,398,224)
Closing balance at 30 June 2012		436,044,280	435,036,033	222,912,569	17,949,950	(5,325,898)	(14,628)	146,707,401	52,806,639	1,008,247

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

			Non-distributable				
	Note	Equity, total	Share capital (Note 34)	Share premium (Note 34)	Treasury shares (Note 34)	Revaluation reserves (Note 35)	Accumulated losses
2013		RM	RM	RM	RM	RM	RM
Company							
Opening balance at 1 July 2012		211,505,310	222,912,569	17,949,950	(5,325,898)	20,879,675	(44,910,986)
Total comprehensive income		7,064,854	-	-	-	-	7,064,854
Realisation of revaluation reserves	35	-	-	-	-	(66,827)	66,827
Transactions with owners							
Purchase of treasury shares:							
- Consideration	34	(3,151)	-	-	(3,151)	-	-
- Transaction costs	34	(86)	-	-	(86)	-	-
Dividends on ordinary shares	16	(6,489,417)	-	-	-	-	(6,489,417)
Total transactions with owners		(6,492,654)	-	-	(3,237)	-	(6,489,417)
Closing balance at 30 June 2013		212,077,510	222,912,569	17,949,950	(5,329,135)	20,812,848	(44,268,722)
2012							
Opening balance at 1 July 2011		212,671,954	222,912,569	17,949,950	(2,984,259)	20,963,209	(46,169,515)
Total comprehensive income		9,827,966	-	-	-	-	9,827,966
Realisation of revaluation reserves	35	-	-	-	-	(83,534)	83,534
Transactions with owners							
Purchase of treasury shares:							
- Consideration	34	(2,328,734)	-	-	(2,328,734)	-	-
- Transaction costs	34	(12,905)	-	-	(12,905)	-	-
Dividends on ordinary shares	16	(8,652,971)	-	-	-	-	(8,652,971)
Total transactions with owners		(10,994,610)	-	-	(2,341,639)	-	(8,652,971)
Closing balance at 30 June 2012		211,505,310	222,912,569	17,949,950	(5,325,898)	20,879,675	(44,910,986)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

		Group		Company	
	Note	2013 RM	2012 RM	2013 RM	2012 RM
Operating activities					
Profit before tax		7,273,465	39,133,199	7,703,574	10,729,754
Adjustments for:					
Allowance for impairment on nursery	10	15,529	-	-	-
Allowance for impairment on trade receivables	11	69,720	-	-	-
Bad debts written off	11	154,725	-	154,725	-
Amortisation of leasehold land	11	1,765,627	1,765,625	247,155	247,155
Amortisation of land use rights	11	1,039,798	903,906	139,438	139,438
Depreciation of property, plant and equipment	11	6,612,188	6,228,268	453,562	431,952
Depreciation of investment properties	11	204	204	-	-
Deferred expenditure written off	11	-	15,000	-	-
Finance costs	9	6,990,536	6,561,505	5,275,494	4,758,256
Inventories written off	11	-	26,911	-	-
Plant and equipment scrapped	11	2,125	21,529	674	-
Share of results of joint venture		388,644	-	-	-
Loss on winding up of a subsidiary	10	-	-	162,611	-
Interest income	7	(760,895)	(1,759,059)	(3,100,491)	(3,352,293)
Dividend income	5	-	-	(10,500,000)	(12,150,000)
Gain on disposal of investment property	8	(176,777)	(1,935,719)	-	(1,935,719)
Gain on disposal of property, plant and equipment	8	(544,046)	(92,015)	(29,999)	-
Net gain on disposal of subsidiaries	8	-	(5,370,521)	-	-
Total adjustments		15,557,378	6,365,634	(7,196,831)	(11,861,211)
Operating cash flows before changes in working capital		22,830,843	45,498,833	506,743	(1,131,457)
Changes in working capital					
Decrease/(increase) in other assets		3,354,491	(6,241,266)	35,972	(2,718,884)
Net changes in subsidiary companies		-	-	(58,580,604)	10,140,679
Increase in property development costs		(4,347,713)	(157,076)	-	-
Increase in amount due from joint venture partner		(19,083,341)	-	(19,083,341)	-
(Increase)/decrease in inventories		(7,666,356)	4,627,827	-	-
Decrease/(increase) in receivables		2,245,505	(23,829,605)	7,325,071	(21,685,699)
Decrease in payables		(2,372,376)	(3,529,783)	(291,287)	(384,380)
Increase in estimated liabilities for post-employment benefit		11,124	-	-	-
Total changes in working capital		(27,858,666)	(29,129,903)	(70,594,189)	(14,648,284)
Cash flows (used in)/from operations		(5,027,823)	16,368,930	(70,087,446)	(15,779,741)
Income tax paid		(6,110,263)	(12,708,919)	(663,451)	(1,723,154)
Income tax refunded		3,436,827	-	488,732	-
Interest paid		(7,205,710)	(6,821,613)	(5,275,494)	(4,758,256)
Net cash flows used in operating activities		(14,906,969)	(3,161,602)	(75,537,659)	(22,261,151)

		Group		Company	
	Note	2013 RM	2012 RM	2013 RM	2012 RM
Investing activities					
Net cash outflow on acquisition of a subsidiary	22	(25,926,771)	-	-	-
Capital distribution paid by a subsidiary under members' voluntary widing up	22	-	-	5,550,986	-
Proceed from disposal of subsidiaries	22	-	14,180,286	-	-
Proceed from disposal of investment property		270,199	3,205,156	-	3,205,156
Proceeds from disposal of property, plant and equipment		591,676	94,028	30,000	-
Addition to investment properties	20	-	(726,708)	-	-
Addition to investment in joint venture		(5,000,000)	-	(5,000,000)	-
Investment of subsidiary companies		-	-	-	4,649,493
Prepayment of land lease rental	18	(1,043,048)	(6,074,315)	-	-
Interest received		719,724	1,719,028	3,100,491	3,352,293
Dividend received		-	-	10,500,000	12,150,000
Purchase of property, plant and equipment	17	(6,626,782)	(7,609,815)	(89,632)	(198,354)
Plantation development expenditure	19	(7,647,293)	(4,750,201)	-	-
Net cash flows (used in)/from investing activities		(44,662,295)	37,459	14,091,845	23,158,588
Financing activities					
Capital distribution to non-controlling interests		(979,586)	-	-	-
Dividends paid		(6,489,417)	(9,402,971)	(6,489,417)	(8,652,971)
Proceed from issuance of share capital to non-controlling interests		317,845	-	-	-
Drawdown of term loans		20,000,000	5,000,000	20,000,000	5,000,000
Drawdown of revolving credits		44,500,000	19,000,000	20,500,000	-
Drawdown of bankers' acceptance		588,000	-	-	-
Repayment of term loans		(12,314,249)	(13,736,763)	(5,392,114)	(6,966,864)
Repayment of revolving credits		(27,000,000)	(12,500,000)	(2,000,000)	-
Acquisition of treasury shares		(3,237)	(2,341,639)	(3,237)	(2,341,639)
Repayment of obligations under finance leases		(1,847,342)	(1,933,587)	(207,813)	(197,027)
Net cash flows from/(used in) financing activities		16,772,014	(15,914,960)	26,407,419	(13,158,501)
Net decrease in cash and cash equivalents		(42,797,250)	(19,039,103)	(35,038,395)	(12,261,064)
Effect of exchange rate changes on cash and cash equivalents		(477,218)	3,774	-	-
Cash and cash equivalents at beginning of year		61,112,702	80,148,031	42,805,350	55,066,414
Cash and cash equivalents at end of year	29	17,838,234	61,112,702	7,766,955	42,805,350

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia and is listed on the Bursa Malaysia Securities Berhad. The registered office of the Company is located at A-09-03, Empire Tower, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor. The principal place at which the Company's business is carried out is located at Block B, Lot 4 & 5, Bandar Kim Fung, Mile 4, Jalan Labuk, 90000 Sandakan, Sabah.

The principal activities of the Company are investment holding, cultivation of oil palm and provision of management services to its subsidiary companies. The principal activities of the subsidiary companies are stated in Note 22 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2012 as described more fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 July 2012, the Group and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2012.

Description	Effective for financial periods beginning on or after
FRS 124: Related Party Disclosures	1 January 2012
Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7: Disclosures - Transfers of Financial Assets	1 January 2012
Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012

Adoption of the above standards and interpretations did not have any significant effect on the financial performance and position of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))	1 January 2013
FRS 10: Consolidated Financial Statements	1 January 2013
FRS 11: Joint Arrangements	1 January 2013
FRS 12: Disclosure of interests in Other Entities	1 January 2013
FRS 13: Fair Value Measurement	1 January 2013
FRS 119: Employee Benefits	1 January 2013
FRS 127: Separate Financial Statements	1 January 2013
FRS 128: Investment in Associate and Joint Ventures	1 January 2013
Amendment to IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))	1 January 2013
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2013
Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS134: Interim Financial Reporting (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	1 January 2014
FRS 9: Financial Instruments	1 January 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

The Directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

FRS 10: Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

Based on the preliminary analyses performed, FRS 10 is not expected to have any impact on the currently held investments in the Group.

FRS 12: Disclosures of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 127: Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

FRS 13: Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

FRS 9: Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 132 clarified that a legally enforceable right to set off is a right of set off that must not be contingent on a future event; and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendments further clarified that an entity will meet the net settlement criterion as provided in FRS 132 if the entity can settle amounts in a manner that the outcome is, in effect, equivalent to net settlement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including the parent, significant investor and venturer (herein called 'Transitioning Entities').

Based on the MASB announcement on 30 June 2012, Transitioning Entities will be allowed to defer the adoption of the new MFRS Framework from previous adoption date of 1 January 2013 to 1 January 2014. The MASB further extends the transitional period for another year as announced on 7 August 2013. Consequently, the adoption of the MFRS Framework by the Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

As certain subsidiaries of the Group fall within the scope of Transitioning Entities, the Group will adopt the MFRS Framework for the financial year beginning 1 July 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the project team. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 30 June 2013 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 June 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2.11. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.5 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 FOREIGN CURRENCY

A) FUNCTIONAL AND PRESENTATION CURRENCY

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

B) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

C) FOREIGN OPERATIONS

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Leasehold lands, plantation infrastructure, plant and machineries are stated at revalued amount, which are the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed at least once in every five years to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	2 - 4%
Labour quarters	2 - 20%
Heavy equipment and motor vehicles	14 - 20%
Plant and machinery	10 - 20%
Furniture, fittings and equipment	10 - 33%
Leasehold land and plantation infrastructure development expenditure	Over remaining lease term of land

Assets under constructions included in plant and equipment are not depreciated as these assets are not available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 LAND USE RIGHTS

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.9 OIL PALM PLANTING EXPENDITURE/BIOLOGICAL ASSETS

Oil palm planting expenditure comprised new planting expenditure incurred from land clearing to the point of harvesting. Such expenditure is capitalised. Replanting expenditure which represents cost incurred in replanting old planted areas is charged to income statement in the year in which it is incurred.

No amortisation is considered necessary on oil palm planting expenditure as its value is maintained through replanting programme. Replanting expenditure is recognised in the income statement in the year in which the expenditure is incurred.

Proceeds from the sale of timber salvaged in the course of clearing the Group's leasehold land for oil palm planting development in mitigation of future capital expenditure in developing the oil palm planting expenditure is deducted against the oil palm planting expenditure in arriving at the carrying amount of oil palm planting expenditure.

2.10 INVESTMENT PROPERTIES

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and any accumulated impairment loss.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

2.11 INTANGIBLE ASSETS

GOODWILL

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.13 SUBSIDIARIES

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.14 ASSOCIATES

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 ASSOCIATES (CONT'D)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.15 JOINT VENTURE

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in joint venture using equity method as stated in Note 2.14.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on transactions between the Group and its jointly controlled entity.

The financial statements of the joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

In the Company's separate financial statements, its investment in joint venture is stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in profit or loss.

2.16 FINANCIAL ASSETS

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 FINANCIAL ASSETS (CONT'D)

(A) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(B) LOANS AND RECEIVABLES

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(C) AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 FINANCIAL ASSETS (CONT'D)

(C) AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONT'D)

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.17 IMPAIRMENT OF FINANCIAL ASSETS

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(A) TRADE AND OTHER RECEIVABLES AND OTHER FINANCIAL ASSETS CARRIED AT AMORTISED COST

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(B) AVAILABLE-FOR-SALE FINANCIAL ASSETS

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.19 CONSTRUCTION CONTRACTS

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.20 PROPERTY DEVELOPMENT COSTS

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Crude palm oil and milled oil palm produce: costs of direct materials, direct labour, other direct charges and an appropriate proportion of factory overheads and are determined on the monthly weighted average basis.
- Consumable stores: purchase costs and expenses in bringing them into stores and are determined on the weighted average basis.
- Oil palm nurseries: actual cost of seedlings and upkeep expenses at weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.22 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.23 FINANCIAL LIABILITIES

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(A) FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 FINANCIAL LIABILITIES (CONT'D)

(B) OTHER FINANCIAL LIABILITIES

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.24 BORROWING COSTS

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.25 EMPLOYEE BENEFITS

DEFINED CONTRIBUTION PLANS

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 LEASES

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the usage of a specific asset or assets of the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(I) AS LESSEE

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(II) AS LESSOR

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.27(vii).

2.27 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Sale of plantation produce

Sale of plantation produce is recognised on an accrual basis upon delivery of products to customers, less returns.

(ii) Sale of goods

Sale of goods is recognised upon delivery of products and customers' acceptance.

(iii) Civil and general contracts works

Civil and general contracts works are recognised on accrual basis upon completion of the contract works.

(iv) Construction contracts

Revenue from construction contracts is accounted for by using the stage of completion method as described in Note 2.19.

(v) Dividend income

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.27 REVENUE RECOGNITION (CONT'D)

(vi) Management fees

Revenue from management service is recognised upon rendering of services to subsidiary companies.

(vii) Rental and interest income

Rental and interest income are recognised on accrual basis.

2.28 INCOME TAX

(A) CURRENT TAX

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(B) DEFERRED TAX

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.28 INCOME TAX (CONT'D)

(B) DEFERRED TAX (CONT'D)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.29 SEGMENT REPORTING

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 41, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.30 SHARE CAPITAL AND SHARE ISSUANCE EXPENSES

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.31 TREASURY SHARES

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.32 CONTINGENCIES

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. SIGNIFICANT ACCOUNTING ESTIMATES

KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A) USEFUL LIVES OF PLANT AND EQUIPMENT

The cost of plant and machinery is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these plant and machinery to be within 5 to 20 years. These are common life expectancies applied in the plantation and milling of palm oil industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at the reporting date is disclosed in Note 17. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately 4% (2012: 1%) variance in the Group's profit for the year.

B) IMPAIRMENT OF GOODWILL

Goodwill are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill are allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

C) IMPAIRMENT OF LOANS AND RECEIVABLES

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's receivable at the reporting date is disclosed in Note 25.

D) DEFERRED TAX ASSETS

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying value of deferred tax assets of the Group at 30 June 2013 was RM1,321,176 (2012: RM683,097). The recognised tax losses, capital allowances and reinvestment allowances at 30 June 2013 was RM4,128,506 (2012: RM1,655,771) and the unrecognised tax losses, capital allowances and reinvestment allowances at 30 June 2013 was RM58,460,737 (2012: RM55,663,719).

4. SIGNIFICANT EVENTS

(i) On 23 December 2011, the High Court had dismissed Mr. Euggne Kousai's ("Plaintiff") claims against the Company and three of its subsidiary companies, Sri Kehuma Sdn. Bhd., Yapidmas Plantation Sdn. Bhd. and Ladang Kluang Sdn. Bhd. ("Defendants") for trespassing, unlawful occupation of his land and breach of various sub-lease agreements with costs to be taxed unless agreed. However, on 20 January 2012, the Plaintiff had filed a Notice of Appeal appealing against the decision of the High Court in dismissing the Plaintiff's claim. The Court has fixed the date for hearing on 18 November 2013 in the Court of Appeal.

The directors are of the opinion that the likelihood of outcome is in favor of the Company and three of its subsidiary companies.

(ii) On 19 September 2012, final meeting was held for members' voluntary winding up of a 85% owned subsidiary, Ikatan Hasrat Sdn. Bhd.. Pursuant to Section 272(5) of the Companies Act, 1965, Ikatan Hasrat Sdn. Bhd. is dissolved on the expiration of 3 months after 21 September 2012.

On 18 February 2013, Ikatan Hasrat Sdn. Bhd., an 85% owned subsidiary had been dissolved according to the Company Commission of Malaysia's record.

In consequences of the above, the Company and the non-controlling interests received a capital distribution of RM5,550,986 and RM979,586 respectively.

5. REVENUE

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Sale of crude palm oil	163,837,186	240,545,083	-	-
Sale of palm kernel	20,666,534	31,141,820	-	-
Sale of fresh fruit bunches	-	-	8,126,640	11,629,358
Construction contract income	26,524	1,452,065	-	-
Dividend income	-	-	10,500,000	12,150,000
Management fee income	-	-	1,067,200	1,084,350
	184,530,244	273,138,968	19,693,840	24,863,708

6. COST OF SALES

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Cost of inventories sold and services rendered	157,737,211	220,892,308	4,589,344	5,173,692
General construction costs	548,699	3,648,425	-	-
	158,285,910	224,540,733	4,589,344	5,173,692

7. INTEREST INCOME

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Interest on advances	-	-	627,594	-
Interest received on advances given	-	-	2,088,625	1,877,446
Interest received on short term investments and fixed deposits	760,895	1,759,059	384,272	1,474,847
	760,895	1,759,059	3,100,491	3,352,293

8. OTHER INCOME

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Equipment hiring income	45,800	175,089	-	-
Gain on disposal of property, plant and equipment	544,046	92,015	29,999	-
Gain on disposal of investment property	176,777	1,935,719	-	1,935,719
Net gain on disposal of subsidiaries	-	5,370,521	-	-
Net rental income	24,892	22,092	-	-
Net sales of palm shell and fibre	527,620	733,978	-	-
Miscellaneous	461,404	740,276	256,044	269,047
	1,780,539	9,069,690	286,043	2,204,766

9. FINANCE COSTS

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Interest expense on:				
Advances	-	-	8,323	78,640
Bankers' acceptance	2,946	-	-	-
Bank overdrafts	122,610	143,917	117,822	130,459
Term loans	5,654,336	5,703,264	4,757,506	4,500,530
Obligations under finance leases	253,618	287,909	38,602	41,075
Revolving credits	1,172,200	686,523	353,241	7,552
Total finance costs	7,205,710	6,821,613	5,275,494	4,758,256
Less: Interest expense capitalised in				
- Oil palm planting expenditure (Note 19)	(166,618)	(219,369)	-	-
- Construction cost (Note 26)	(9,359)	(40,739)	-	-
- Property development costs (Note 27)	(39,197)	-	-	-
	6,990,536	6,561,505	5,275,494	4,758,256

10. OTHER EXPENSES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Realised loss on foreign exchange	328,709	-	-	-
Loss on fair value of financial assets	-	-	-	2,705,009
Loss on winding up of a subsidiary	-	-	162,611	-
Allowance for impairment on nursery	15,529	-	-	-
	344,238	-	162,611	2,705,009

11. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Auditors' remuneration				
- statutory audits	154,172	120,188	45,000	40,000
- overprovision in prior years	(3,149)	-	-	-
- other services	36,715	44,142	13,000	14,500
Amortisation of leasehold land (Note 17)	1,765,627	1,765,625	247,155	247,155
Amortisation of land use rights (Note 18)	1,039,798	903,906	139,438	139,438
Bad debts written off	154,725	-	154,725	-
Allowance for impairment on trade receivables	69,720	-	-	-
Deferred expenditure written off	-	15,000	-	-
Depreciation of investment properties (Note 20)	204	204	-	-
Depreciation of property, plant and equipment (Note 17)	6,612,188	6,228,268	453,562	431,952
Employee benefits expense (Note 12)	22,075,946	21,023,303	3,529,124	3,924,886
Equipment hire expenses	1,016,567	445,675	-	-
Inventories written off	-	26,911	-	-
Non-executive directors' remuneration (Note 13)	339,452	249,245	339,452	249,245
Plant and equipment scrapped	2,125	21,529	674	-
Management fees	-	-	414,963	414,963
Rental expenses	288,520	256,170	85,400	67,759

12. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Wages and salaries	22,544,717	21,778,682	3,199,023	3,557,464
Contributions to defined contributions plans	1,254,691	1,271,333	275,385	292,611
Social security contributions	60,922	66,960	8,762	9,898
Other staff related expenses	303,608	288,401	45,954	64,913
	24,163,938	23,405,376	3,529,124	3,924,886
Capitalised in oil palm expenditure plantation	1,770,009	1,820,667	-	-
Capitalised in construction costs	106,506	561,406	-	-
Capitalised in property development costs	211,477	-	-	-
Recognised in income statements	22,075,946	21,023,303	3,529,124	3,924,886

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM3,066,597 (2012: RM3,754,281) and RM780,869 (2012: RM974,272) respectively.

13. DIRECTORS' REMUNERATION

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	1,739,608	1,790,189	571,609	650,689
Bonus	192,700	432,500	108,200	212,000
Defined contribution plan	295,026	307,709	101,060	111,583
Total executive directors' remuneration	2,227,334	2,530,398	780,869	974,272
Non-executive:				
Other emoluments	153,600	4,000	153,600	4,000
Fees	185,852	245,245	185,852	245,245
Total non-executive directors' remuneration (Note 11)	339,452	249,245	339,452	249,245

13. DIRECTORS' REMUNERATION (CONT'D)

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Directors of subsidiary companies				
Executives:				
Salaries and other emoluments	679,800	822,253	-	-
Bonus	43,000	247,240	-	-
Defined contribution plan	116,463	154,390	-	-
Total executive directors' remuneration (excluding benefits-in-kind)	839,263	1,223,883	-	-
Estimated money value of benefits-in-kind	45,000	48,000	-	-
Total executive directors' remuneration (including benefits-in-kind)	884,263	1,271,883	-	-
Total	3,451,049	4,051,526	1,120,321	1,223,517

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of directors	
	2013	2012
Executive directors:		
RM300,001 - RM350,000	2	1
RM400,001 - RM450,000	-	1
RM1,600,001 - RM1,650,000	1	-
RM1,750,001 - RM1,800,000	-	1
Non-executive directors:		
Below RM50,000	2	2
RM50,001 - RM100,000	1	1
RM100,001 - RM150,000	-	1
RM150,001 - RM200,000	1	-

14. INCOME TAX EXPENSE

MAJOR COMPONENTS OF INCOME TAX EXPENSE

The major components of income tax expense for the years ended 30 June 2013 and 2012 are:

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Statements of comprehensive income:				
Current income tax:				
- Malaysian income tax	4,058,146	8,249,700	654,267	854,539
- Under/(over)provision in respect of previous years	214,217	(179,899)	6,728	68,954
	4,272,363	8,069,801	660,995	923,493
Deferred income tax (Note 32):				
- Origination and reversal of temporary differences	103,533	1,305,685	(22,275)	(22,276)
- (Over)/underprovision in respect of previous years	(139,509)	7,277	-	571
	(35,976)	1,312,962	(22,275)	(21,705)
Income tax expense recognised in profit or loss	4,236,387	9,382,763	638,720	901,788

RECONCILIATION BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT

The reconciliations between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 June 2013 and 2012 are as follows:

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Accounting profit before tax	7,273,465	39,133,199	7,703,574	10,729,754
Tax at Malaysian statutory tax rate of 25% (2012: 25%)	1,818,366	9,783,299	1,925,894	2,682,439
Adjustments:				
Income not subject to taxation	(289,444)	(1,912,506)	(2,625,000)	(3,533,753)
Non-deductible expenses	2,292,306	1,096,933	1,315,870	1,627,822
Utilisation of current year's reinvestment allowances	(4,027)	(136,051)	-	-
Benefits from previously unrecognised tax losses and unabsorbed capital allowances	(31,886)	-	-	-
Deferred tax assets not recognised	376,364	723,710	15,228	55,755

14. INCOME TAX EXPENSE (CONT'D)

RECONCILIATION BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT (CONT'D)

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Under/(over)provision of current income tax in respect of previous years	214,217	(179,899)	6,728	68,954
(Over)/underprovision of deferred tax in respect of previous years	(139,509)	7,277	-	571
Income tax expense recognised in profit or loss	4,236,387	9,382,763	638,720	901,788

Domestic income tax is calculated at the Malaysian statutory rate of 25% (2012: 25%) of the estimated assessable profit for the year. The corporate tax rate applicable to the Hong Kong subsidiaries and Cambodia subsidiaries of the Group are 16.5% and 20% respectively for the year of assessment 2013.

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Unutilised tax losses, unabsorbed reinvestment allowance and unabsorbed agriculture and capital allowances are analysed as follows:				
Unutilised tax losses carried forward	2,898,483	2,387,128	-	-
Unabsorbed reinvestment allowances carried forward	19,579,027	19,579,027	-	-
Unabsorbed capital and agriculture allowances carried forward	34,693,814	33,481,391	12,463,129	12,674,726

The availability of the unutilised tax losses and unabsorbed capital and agriculture allowances for offsetting against future taxable profits of the Company and of the subsidiary companies are subject to no substantial changes in shareholdings of the Company and of the subsidiary companies under Income Tax Act, 1967 and guidelines issued by the tax authority.

15. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share is same as basic earnings per share.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 30 June 2013 and 2012:

	Group	
	2013 **RM**	**2012** **RM**
Profit net of tax attributable to owners of the parent used in the computation of earnings per share	3,074,571	28,972,143
	Number of shares	**Number of shares**
Weighted average number of ordinary shares for basic earnings per share computation *	216,313,296	216,810,304

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

16. DIVIDENDS

	Group and Company	
	2013 **RM**	**2012** **RM**
Recognised during the financial year:		
Dividends on ordinary shares:		
- Final single-tier dividend for 2012: 2 sen (2011: 2 sen) per share	4,326,285	4,326,485
- Interim single-tier dividend for 2013: 1 sen (2012: 2 sen) per share	2,163,132	4,326,486
	6,489,417	8,652,971
Proposed but not recognised as a liabilities as at 30 June:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final single-tier dividend for 2012: 2 sen per share	-	4,326,285

17. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land RM	Plantations infrastructure and buildings RM	Plant and machinery RM	Heavy equipment and motor vehicles RM	Furniture, fittings and equipment RM	Capital work-in-progress RM	Total RM
Cost or valuation							
At 1 July 2011	125,626,772	52,616,979	19,971,178	22,848,652	2,585,516	1,952,470	225,601,567
Additions	-	723,693	270,252	1,861,254	189,442	6,430,114	9,474,755
Disposals	-	-	-	(580,181)	(1,350)	-	(581,531)
Scrapped	-	(569,195)	(1,380)	(88,001)	(84,263)	-	(742,839)
Reclassifications	-	4,795,611	374,740	-	11,059	(5,181,410)	-
At 30 June 2012	125,626,772	57,567,088	20,614,790	24,041,724	2,700,404	3,201,174	233,751,952
Representing:							
At cost	3,769,912	32,985,925	5,875,220	24,041,724	2,700,404	3,201,174	72,574,359
At valuation	121,856,860	24,581,163	14,739,570	-	-	-	161,177,593
At 30 June 2012	125,626,772	57,567,088	20,614,790	24,041,724	2,700,404	3,201,174	233,751,952
At 1 July 2012	125,626,772	57,567,088	20,614,790	24,041,724	2,700,404	3,201,174	233,751,952
Additions	-	3,038,134	363,772	1,329,183	394,954	2,581,439	7,707,482
Acquisition of subsidiary	-	939,622	96,371	111,052	179,453	-	1,326,498
Disposals	-	-	(3,220)	(2,442,774)	-	-	(2,445,994)
Scrapped	-	-	-	(67,985)	(26,693)	-	(94,678)
Reclassifications	-	3,131,450	415,140	-	-	(3,546,590)	-
Exchange differences	-	143,116	8,433	6,464	3,130	-	161,143
At 30 June 2013	125,626,772	64,819,410	21,495,286	22,977,664	3,251,248	2,236,023	240,406,403
Representing:							
At cost	3,769,912	39,616,354	6,755,716	22,977,664	3,251,248	2,236,023	78,606,917
At valuation	121,856,860	25,203,056	14,739,570	-	-	-	161,799,486
At 30 June 2013	125,626,772	64,819,410	21,495,286	22,977,664	3,251,248	2,236,023	240,406,403
Accumulated depreciation							
At 1 July 2011	5,760,904	12,111,602	6,556,142	16,342,513	1,837,319	-	42,608,480
Depreciation charge for the year	1,765,625	1,509,372	2,649,590	2,735,631	207,356	-	8,867,574
Recognised in income statement	1,765,625	1,423,538	2,547,251	2,077,595	179,884	-	7,993,893
Capitalised under oil palm planting expenditure	-	85,834	51,177	175,182	14,829	-	327,022
Capitalised under construction contract	-	-	51,162	482,854	12,643	-	546,659

17. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Leasehold land RM	Plantations infrastructure and buildings RM	Plant and machinery RM	Heavy equipment and motor vehicles RM	Furniture, fittings and equipment RM	Capital work-in-progress RM	Total RM
Accumulated depreciation (cont'd)							
Disposals	-	-	-	(578,573)	(945)	-	(579,518)
Scrapped	-	(569,181)	(1,380)	(73,350)	(77,399)	-	(721,310)
At 30 June 2012 and 1 July 2012	7,526,529	13,051,793	9,204,352	18,426,221	1,966,331	-	50,175,226
Acquisition of subsidiary	-	203,702	38,008	39,680	79,009	-	360,399
Depreciation charge for the year	1,765,627	1,709,667	2,764,475	2,353,337	252,899	-	8,846,005
Recognised in income statement	1,765,627	1,617,383	2,689,568	2,086,139	219,098	-	8,377,815
Capitalised under oil palm planting expenditure	-	92,284	53,516	114,454	22,933	-	283,187
Capitalised under construction contract	-	-	21,391	152,744	2,071	-	176,206
Capitalised under property development cost	-	-	-	-	8,797	-	8,797
Disposals	-	-	(1,395)	(2,396,969)	-	-	(2,398,364)
Scrapped	-	-	-	(67,984)	(24,569)	-	(92,553)
At 30 June 2013	9,292,156	14,965,162	12,005,440	18,354,285	2,273,670	-	56,890,713
Net carrying amount							
At cost	2,111,237	21,041,037	2,890,486	5,615,503	734,073	3,201,174	35,593,510
At valuation	115,989,006	23,474,258	8,519,952	-	-	-	147,983,216
At 30 June 2012	118,100,243	44,515,295	11,410,438	5,615,503	734,073	3,201,174	183,576,726
At cost	1,988,899	26,739,620	3,201,801	4,623,379	977,578	2,236,023	39,767,300
At valuation	114,345,717	23,114,628	6,288,045	-	-	-	143,748,390
At 30 June 2013	116,334,616	49,854,248	9,489,846	4,623,379	977,578	2,236,023	183,515,690

17. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Plantations infrastructure and buildings comprise:

Group	Plantation infrastructure development expenditure RM	Buildings and labour quarters RM	Total RM
Cost or valuation			
At 1 July 2011	27,690,229	24,926,750	52,616,979
Additions	621,893	101,800	723,693
Scrapped	-	(569,195)	(569,195)
Reclassifications	-	4,795,611	4,795,611
At 30 June 2012	28,312,122	29,254,966	57,567,088
Representing:			
At cost	3,730,959	29,254,966	32,985,925
At valuation	24,581,163	-	24,581,163
At 30 June 2012	28,312,122	29,254,966	57,567,088
At 1 July 2012	28,312,122	29,254,966	57,567,088
Additions	567,828	2,470,306	3,038,134
Acquisition of subsidiary	-	939,622	939,622
Reclassifications	-	3,131,450	3,131,450
Exchange differences	-	143,116	143,116
At 30 June 2013	28,879,950	35,939,460	64,819,410
Representing:			
At cost	3,676,894	35,939,460	39,616,354
At valuation	25,203,056	-	25,203,056
At 30 June 2013	28,879,950	35,939,460	64,819,410
Accumulated depreciation			
At 1 July 2011	1,430,524	10,681,078	12,111,602
Depreciation charge for the year	589,297	920,075	1,509,372
Recognised in income statement	589,297	834,241	1,423,538
Capitalised under oil palm planting expenditure	-	85,834	85,834
Scrapped	-	(569,181)	(569,181)

17. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Plantations infrastructure and buildings comprise (Cont'd):

Group	Plantation infrastructure development expenditure RM	Buildings and labour quarters RM	Total RM
Accumulated depreciation			
At 30 June 2012 and 1 July 2012	2,019,821	11,031,972	13,051,793
Acquisition of subsidiary	-	203,702	203,702
Depreciation charge for the year	598,657	1,111,010	1,709,667
Recognised in income statement	598,657	1,018,726	1,617,383
Capitalised under oil palm planting expenditure	-	92,284	92,284
At 30 June 2013	2,618,478	12,346,684	14,965,162
Net carrying amount			
At cost	2,818,043	18,222,994	21,041,037
At valuation	23,474,258	-	23,474,258
At 30 June 2012	26,292,301	18,222,994	44,515,295
At cost	3,146,844	23,592,776	26,739,620
At valuation	23,114,628	-	23,114,628
At 30 June 2013	26,261,472	23,592,776	49,854,248

17. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Leasehold lands RM	Plantation infrastructure development expenditure RM	Buildings and labour quarters RM	Heavy equipment and motor vehicles RM	Furniture fitting and equipment RM	Total RM
Cost or valuation						
At 1 July 2011	14,335,000	2,925,000	2,098,619	2,137,864	494,168	21,990,651
Additions	-	-	-	465,500	82,454	547,954
Scrapped	-	-	-	-	(47,870)	(47,870)
At 30 June 2012	14,335,000	2,925,000	2,098,619	2,603,364	528,752	22,490,735
Representing:						
At cost	-	-	2,098,619	2,603,364	528,752	5,230,735
At valuation	14,335,000	2,925,000	-	-	-	17,260,000
At 30 June 2012	14,335,000	2,925,000	2,098,619	2,603,364	528,752	22,490,735
At 1 July 2012	14,335,000	2,925,000	2,098,619	2,603,364	528,752	22,490,735
Additions	-	-	-	-	89,632	89,632
Disposal	-	-	-	(521,126)	-	(521,126)
Scrapped	-	-	-	-	(8,082)	(8,082)
At 30 June 2013	14,335,000	2,925,000	2,098,619	2,082,238	610,302	22,051,159
Representing:						
At cost	-	-	2,098,619	2,082,238	610,302	4,791,159
At valuation	14,335,000	2,925,000	-	-	-	17,260,000
At 30 June 2013	14,335,000	2,925,000	2,098,619	2,082,238	610,302	22,051,159
Accumulated depreciation						
At 1 July 2011	432,522	106,641	84,523	1,247,972	172,236	2,043,894
Depreciation charge for the year	247,155	60,938	41,676	265,670	63,668	679,107
Scrapped	-	-	-	-	(47,870)	(47,870)
At 30 June 2012 and 1 July 2012	679,677	167,579	126,199	1,513,642	188,034	2,675,131
Depreciation charge for the year	247,155	60,937	41,676	267,263	83,686	700,717
Disposal	-	-	-	(521,125)	-	(521,125)
Scrapped	-	-	-	-	(7,408)	(7,408)
At 30 June 2013	926,832	228,516	167,875	1,259,780	264,312	2,847,315
Net carrying amount						
At cost	-	-	1,972,420	1,089,722	340,718	3,402,860
At valuation	13,655,323	2,757,421	-	-	-	16,412,744
At 30 June 2012	13,655,323	2,757,421	1,972,420	1,089,722	340,718	19,815,604
At cost	-	-	1,930,744	822,458	345,990	3,099,192
At valuation	13,408,168	2,696,484	-	-	-	16,104,652
At 30 June 2013	13,408,168	2,696,484	1,930,744	822,458	345,990	19,203,844

17. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Leasehold land, plantation infrastructure development expenditure and plant and machinery of the Company and of certain subsidiaries were revalued by the directors in 2009 based on an independent professional valuation using the open market value basis. The directors have adopted a policy of regular revaluation of five years of such assets.

Had the revalued property, plant and equipment been carried under the cost model, the carrying amounts of each class of property, plant and equipment that would have been included in the financial statements as at 30 June 2013 would be as follows:

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Leasehold land	46,937,312	47,624,166	9,915,862	10,098,622
Plantations infrastructure development expenditure	12,123,627	12,317,632	1,603,184	1,639,415
Plant and machinery	5,766,406	7,863,767	-	-
	64,827,345	67,805,565	11,519,046	11,738,037

ASSETS HELD UNDER FINANCE LEASES

During the financial year, the Group and the Company acquired plant and equipment with an aggregate cost of RM1,080,700 (2012: RM1,864,940) and Nil (2012: RM349,600) respectively by means of finance leases. The cash outflow by the Group and the Company on acquisition of property, plant and equipment amounted to RM6,626,782 (2012: RM7,609,815) and RM89,632 (2012: RM198,354) respectively.

The carrying amount of property, plant and equipment held under finance lease at the reporting date are as follows:

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Oil mill and other buildings	1,585,500	1,651,563	-	-
Plant and machinery	981,685	874,287	-	-
Heavy equipment and motor vehicles	3,027,039	3,826,153	787,839	988,883
	5,594,224	6,352,003	787,839	988,883

Leased assets are pledged as security for the related finance lease liabilities (Note 30).

ASSETS PLEDGED AS SECURITY

In addition to assets held under finance leases, the Group's and the Company's property, plant and equipment with a carrying amount of RM117,325,012 (2012: RM123,729,279) and RM16,104,652 (2012: RM16,412,745) respectively are mortgaged to secure the Group's and the Company's bank loans (Note 30).

18. LAND USE RIGHTS

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
At beginning of year	27,770,451	22,600,042	3,941,326	4,080,764
Additions	1,043,048	6,074,315	-	-
Acquisition of subsidiary	21,493,703	-	-	-
Exchange differences	73,963	-	-	-
Reclassified to property development cost (Note 27)	(3,801,888)	-	-	-
Amortisation for the year (Note 11)	(1,039,798)	(903,906)	(139,438)	(139,438)
At end of year	45,539,479	27,770,451	3,801,888	3,941,326

Land use rights of the Group amounted to RM2,607,825 (2012: RM2,715,345) are pledged as securities for borrowings, as disclosed in Note 30.

19. BIOLOGICAL ASSETS

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Plantation development expenditure				
Cost or valuation				
At beginning of year	230,990,712	225,694,120	31,840,000	31,840,000
Additions	8,081,569	5,296,592	-	-
Acquisition of subsidiary	4,324,715	-	-	-
Exchange differences	288,163	-	-	-
At end of year	243,685,159	230,990,712	31,840,000	31,840,000
At cost	39,557,108	26,862,661	-	-
At valuation	204,128,051	204,128,051	31,840,000	31,840,000
At end of year	243,685,159	230,990,712	31,840,000	31,840,000

19. BIOLOGICAL ASSETS (CONT'D)

Oil palm planting expenditure incurred during the year included the following:

	Group	
	2013	**2012**
	RM	**RM**
Depreciation of property, plant and equipment (Note 17)	283,187	327,022
Interest on advances (Note 9)	133,560	169,547
Interest on term loans (Note 9)	33,058	49,822
Plantation management fee	31,646	51,989
Employees benefits expense (Note 12)	1,770,009	1,820,667

(a) The net carrying amounts of plantation development expenditure of the Group and of the Company amounting to RM206,998,649 (2012: RM205,279,444) and RM31,840,000 (2012: RM31,840,000) respectively were pledged as securities for borrowings, as disclosed in Note 30.

(b) During the financial year, the Group incurred plantation development expenditure with an aggregate cost of RM8,081,569 (2012: RM5,296,592) as follows:

	2013	**2012**
	RM	**RM**
Allowance for impairment on nursery	(15,529)	-
Interest capitalised under oil palm planting expenditure	166,618	219,369
Depreciation of property, plant and equipment capitalised under oil palm planting expenditure	283,187	327,022
Cash payments made for oil palm planting expenditure	7,647,293	4,750,201
	8,081,569	5,296,592

(c) Biological assets of the Company and of certain subsidiaries were revalued by the directors in 2009 based on an independent professional valuation using the open market value basis. The directors have adopted a policy of regular revaluation of five years of such assets.

20. INVESTMENT PROPERTIES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Cost				
At beginning of year	26,248,610	25,521,902	-	-
Additions	-	726,708	-	-
Disposal	(93,422)	-	-	-
At end of year	26,155,188	26,248,610	-	-
Accumulated depreciation				
At beginning of year	2,182	1,978	-	-
Charge for the year	204	204	-	-
At end of year	2,386	2,182	-	-
Net carrying amount	26,152,802	26,246,428	-	-

FAIR VALUES OF INVESTMENT PROPERTIES

The directors estimate the fair values of the investment properties which are located in prime areas to be approximately RM27,800,000 (2012: RM25,550,000).

PROPERTIES PLEDGED AS SECURITY

Certain investment properties of the Group amounting to RM16,583,038 (2012: RM16,583,038) are mortgaged as securities for bank borrowings as disclosed in Note 30.

21. INTANGIBLE ASSETS

	Group 2013 RM	Group 2012 RM
Goodwill		
Cost		
At beginning of year	27,402,256	27,570,865
Disposal of subsidiaries	-	(168,609)
At end of year	27,402,256	27,402,256
Accumulated impairment loss		
At beginning and end of year	526,920	526,920
Net carrying amount		
At end of year	26,875,336	26,875,336

Based on indicative market value information of oil palm land, the fair value less cost to sell which represents the recoverable amounts exceeds the carrying amounts of the plantation and mill segments respectively. The directors are of the opinion that there is no indication of further impairment in relation to the goodwill on consolidation.

22. INVESTMENTS IN SUBSIDIARIES

	Company 2013 RM	Company 2012 RM
Unquoted shares at cost	162,349,819	168,063,416
Less: Accumulated impairment losses	(39,221,599)	(39,221,599)
At end of year	123,128,220	128,841,817

22. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held by the Company are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2013 %	2012 %
Held by the Company:				
Yapidmas Plantation Sdn. Bhd.	Malaysia	Cultivation of oil palm and provision of management service	100	100
Tanah Emas Oil Palm Processing Sdn. Bhd.	Malaysia	Processing of crude palm oil and palm kernel	100	100
Tanah Emas Construction Sdn. Bhd.	Malaysia	Provision of general construction and civil works	100	100
Ladang Kluang Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Sri Kehuma Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Ladang Tunas Hijau Sdn. Bhd.	Malaysia	Provision of general engineering work services	100	100
Sparkle Selections Sdn. Bhd.	Malaysia	Property holding	100	100
Spectrum 88 Sdn. Bhd.	Malaysia	Property holding	100	100
Jasutera Sdn. Bhd.	Malaysia	Dormant	100	100
GL Green Resources Sdn. Bhd.	Malaysia	Dormant	100	100
Pacific Bloom Limited.	British Virgin Island	Investment holding	100	100
Gainfield International Limited. [i]	Hong Kong	Investment holding	100	100
Better Yield Limited. [i]	Hong Kong	Investment holding	100	100

22. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held by the Company are as follows (cont'd):

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2013 %	2012 %
Held by the Company:				
Mid Town Property Management Sdn. Bhd.	Malaysia	Dormant	100	100
Putatan Emas Sdn. Bhd.	Malaysia	Property development	100	100
Absolute Synergy Limited.	British Virgin Island	Investment holding	100	100
Shinny Yield Holdings Limited.	British Virgin Island	Investment holding	100	100
Ikatan Hasrat Sdn. Bhd. [ii]	Malaysia	Investment holding	-	85
Held through subsidiaries:				
Tanah Emas Properties Sdn. Bhd.	Malaysia	Property development	100	100
Perfect Element Plantation Pte Ltd. [i, iii]	Cambodia	Dormant	100	100
NWP (Cambodia) Pte Ltd. [i, iii]	Cambodia	Dormant	100	100
Malaysian Palm Plantation Pte Ltd. [i, iii]	Cambodia	Dormant	100	100
PT Tasnida Agro Lestari [i]	Indonesia	Oil palm plantation	95	-

i. Audited by a firm other than Ernst & Young

ii. Liquidated through Members' Voluntary Winding Up on 18 February 2013

iii. Under Members' Voluntary Winding Up on 26 August 2013

22. INVESTMENTS IN SUBSIDIARIES (CONT'D)

ACQUISITION OF SUBSIDIARY

On 10 December 2012, Shinny Yield Holdings Limited, a wholly-owned subsidiary of the Company acquired 95% equity interest in PT Tasnida Agro Lestari ("PT TAL"). Upon the acquisition, PT TAL became a subsidiary of the Group. PT TAL, an unlisted company incorporated in Indonesia, is involved in oil palm plantation.

The assets and liabilities arising from the acquisition of subsidiary as at the date of acquisition were:

	2013 RM
Property, plant and equipment	966,099
Biological assets	4,324,715
Land use rights	21,493,703
Deferred tax assets	644,165
Inventories	96,577
Other current assets	1,800,400
Cash and bank balances	42,846
	29,368,505
Trade and other payables	(422,441)
Income tax payable	(3,489)
Amount due to immediate holding company	(1,606,135)
	(2,032,065)
Net assets acquired	27,336,440
The effect of the acquisition on cash flows is as follows:	
Purchase consideration	25,969,617
Less: Cash and cash equivalents of subsidiary acquired	(42,846)
Net cash outflow on acquisition	25,926,771

IMPACT OF ACQUISITION IN CURRENT FINANCIAL YEAR'S STATEMENTS OF COMPREHENSIVE INCOME

The acquisition of PT TAL had no significant impact on the Group's current financial year's statements of comprehensive income as PT TAL is at the initial stage of developing its oil palm plantation.

22. INVESTMENTS IN SUBSIDIARIES (CONT'D)

WINDING UP OF A SUBSIDIARY

On 18 February 2013, Ikatan Hasrat Sdn. Bhd., an 85% owned subsidiary had been dissolved according to the Company Commission of Malaysia's record.

The effect of the winding up on cash flows is as follows:

	Company RM
Cash and bank balances, net of winding up expenses	6,530,572
Capital distribution to non-controlling interests	(979,586)
Capital distribution to the Company	5,550,986
Cost of investment	(5,713,597)
Loss on winding up to the Company	(162,611)

DISPOSAL OF SUBSIDIARIES

2012

During the last financial year, the Group disposed the following:

- 70% equity interest in Tanjong Wahyu Sdn. Bhd. via its 85% owned subsidiary, Ikatan Hasrat Sdn. Bhd. for a total cash consideration of RM15,300,000.

- 100% equity interest in Suri Warisan Sdn. Bhd. for cash consideration of RM2.00.

The disposal had the following effects on the financial position of the Group as at the end of last financial year:

	RM
Other current assets	13,202,981
Trade and other receivables	120,057
Cash and bank balances	527,502
Trade and other payables	(3,980)
Bank overdraft	(402,385)
Borrowings	(1,029,678)
Non-controlling interests	(3,648,224)
Net assets disposed	8,766,273
Attributable goodwill	168,609
	8,934,882
Total disposal proceeds, net of incidental costs	14,305,403
Gain on disposal to the Group	5,370,521
Cash inflow arising on disposals:	
Cash consideration	14,305,403
Cash and cash equivalents of subsidiaries disposed	(125,117)
Net cash inflow on disposal	14,180,286

23. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Unquoted shares at cost	6,369,950	6,369,950	6,369,950	6,369,950
Share of post acquisition reserves	(1,971,884)	(1,971,884)	-	-
	4,398,066	4,398,066	6,369,950	6,369,950
Less: Accumulated impairment losses	(4,398,065)	(4,398,065)	(6,369,949)	(6,369,949)
At end of year	1	1	1	1

The summarised financial information of the associate is as follows:

	2013 RM	2012 RM
Assets and liabilities:		
Total assets	51	85
Total liabilities	(221,362)	(146,428)
Results:		
Revenue	-	-
Loss for the year	(77,797)	(73,199)

Details of the associate company which was incorporated in Malaysia, are as follows:

		Equity interest held (%)	
Name of associate company	**Principal activity**	**2013**	**2012**
Tanah Emas Bio-Tech Sdn. Bhd.	Investment holding	49.98	49.98

24. INVESTMENT IN JOINT VENTURE

The Group has 50% equity interest in a jointly-controlled entity, Sinermaju Sdn. Bhd.. The joint venture company is incorporated in Malaysia and is an investment holding company.

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Unquoted shares at cost	5,000,000	-	5,000,000	-
Share of post acquisition reserves	(388,644)	-	-	-
At end of year	4,611,356	-	5,000,000	-

The summarised financial information of the joint venture company is as follows:

	2013 RM
Assets and liabilities:	
Total assets	29,319,323
Total liabilities	25,103,879
Results:	
Revenue	-
Loss for the year	(513,117)

25. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current				
Trade receivables				
Third parties	6,451,838	9,646,154	-	-
Amount due from a subsidiary	-	-	203,533	256,134
	6,451,838	9,646,154	203,533	256,134
Less: Allowance for impairment				
At beginning of year	(387,258)	(387,258)	-	-
Allowance for the year	(69,720)	-	-	-
At end of year	(456,978)	(387,258)	-	-
Trade receivables, net	5,994,860	9,258,896	203,533	256,134

25. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current				
Other receivables				
Amounts due from subsidiaries	-	-	96,037,639	38,045,943
Other deposits	326,961	248,370	51,221	44,827
Sundry receivables	3,483,617	4,048,888	617,644	1,339,233
	3,810,578	4,297,258	96,706,504	39,430,003
Less: Allowance for impairment				
At beginning of year	(99,816)	(3,496,304)	(9,024,521)	(12,421,009)
Written off against impairment	-	3,396,488	-	3,396,488
At end of year	(99,816)	(99,816)	(9,024,521)	(9,024,521)
Other receivables, net	3,710,762	4,197,442	87,681,983	30,405,482
	9,705,622	13,456,338	87,885,516	30,661,616
Non-current				
Other receivables				
Deposits for acquisition of equity interests in corporation	14,058,465	15,109,329	7,717,134	15,109,329
Advances to a joint venture partner	15,256,881	15,256,881	13,179,475	12,551,881
Advances to a joint venture company	19,083,341	-	19,083,341	-
Plasma plantation receivables	2,331,630	-	-	-
	50,730,317	30,366,210	39,979,950	27,661,210
Total trade and other receivables (current and non-current)	60,435,939	43,822,548	127,865,466	58,322,826
Add: Cash and bank balances (Note 29)	19,338,077	77,878,726	7,766,955	58,287,707
Total loans and receivables	79,774,016	121,701,274	135,632,421	116,610,533

25. TRADE AND OTHER RECEIVABLES (CONT'D)

A) TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally on 7 to 60 days (2012: 7 to 60 days) term. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

AGING ANALYSIS TRADE RECEIVABLES

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2013 RM	2012 RM
Neither past due nor impaired	3,003,274	7,187,795
1 to 30 days past due not impaired	39,648	7,149
31 to 60 days past due not impaired	-	3,938
91 to 120 days past due not impaired	2,951,938	2,060,014
	2,991,586	2,071,101
	5,994,860	9,258,896

RECEIVABLES THAT ARE NEITHER PAST DUE NOR IMPAIRED

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. Approximately 52% (2012: 78%) of the Group's trade receivables arise from customers which are subsidiaries of well-established listed companies.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

RECEIVABLES THAT ARE PAST DUE BUT NOT IMPAIRED

The Group has trade receivables amounting to RM2,991,586 (2012: RM2,071,101) that are past due at the reporting date but not impaired. These balances are unsecured in nature.

B) AMOUNT DUE FROM SUBSIDIARIES

The advances given to subsidiaries are unsecured and have no fixed terms of repayment.

The interest-bearing advances are subject to interest charge at rates ranging from 5.00% to 6.25% (2012: 5.00% to 6.25%) per annum.

C) ADVANCES TO A JOINT VENTURE PARTNER

Advances given to a joint venture partner is unsecured, non-interest bearing and to be settled upon completion of the proposed development project.

D) ADVANCES TO A JOINT VENTURE COMPANY

Advances given to joint venture company is unsecured, bear interest at 3.05% per annum and to be settled upon demand.

OTHER RECEIVABLES THAT ARE IMPAIRED

At the reporting date, the Group and the Company has provided an allowance of RM99,816 (2012: RM99,816) and RM9,024,521 (2012: RM9,024,521) respectively for impairment of other receivables.

26. OTHER ASSETS

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current				
Prepayments	291,186	499,461	31,658	67,630
Amount due from customers on contract work	2,416,986	3,577,237	-	-
	2,708,172	4,076,698	31,658	67,630
Non-current				
Prepayments	1,030,395	1,030,395	-	-
Total other assets	3,738,567	5,107,093	31,658	67,630

AMOUNT DUE FROM CUSTOMERS ON CONTRACT WORK

	Group	
	2013 RM	2012 RM
Construction contract costs incurred to date	46,937,719	47,247,677
Attributable profits	(1,705,501)	(1,374,877)
	45,232,218	45,872,800
Less: Progress billings	(42,815,232)	(42,295,563)
Due from customers	2,416,986	3,577,237

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group	
	2013 RM	2012 RM
Hire of plant and machinery	872	33,934
Depreciation of property, plant and equipment (Note 17)	176,206	546,659
Interest expenses (Note 9)	9,359	40,739
Rental expenses	24,405	50,758
Staff cost (Note 12)	106,506	561,406

27. PROPERTY DEVELOPMENT COSTS

	Group	
	2013 RM	2012 RM
At beginning of year	157,076	-
Additions	4,395,707	157,076
Reclassified from land use rights (Note 18)	3,801,888	-
At end of year	8,354,671	157,076

Included in property development costs incurred during the financial year are:

	Group	
	2013 RM	2012 RM
Depreciation of equipment (Note 17)	8,797	-
Interest expense (Note 9)	39,197	-
Staff cost (Note 12)	211,477	-

28. INVENTORIES

	Group	
	2013 RM	2012 RM
Cost:		
Crude palm oil	9,290,893	2,046,541
Palm kernel	259,898	298,585
Fertilisers and chemicals	888,871	359,460
Store, spares and consumable supplies	1,148,691	1,249,585
Oil palm seedlings	538,398	409,647
	12,126,751	4,363,818
Less: Provision for obsolete stock	(129,758)	(129,758)
	11,996,993	4,234,060

There were no inventories stated at net realisable value as at 30 June 2013 and 2012.

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM14,641,661 (2012: RM15,293,110).

29. CASH AND BANK BALANCES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash at banks and on hand	17,013,240	41,285,866	7,766,955	24,478,514
Deposits with licensed banks	2,324,837	36,592,860	-	33,809,193
Cash and bank balances	19,338,077	77,878,726	7,766,955	58,287,707

Deposits are made for varying periods of between 1 day and 1 month on a renewable basis at maturity dates. The interest rates as at 30 June 2013 for the Group were ranging from 2.5% to 3.15% (2012: 2.5% to 3.4%).

Deposits with licensed banks of the Group amounting to RM1,324,837 (2012: RM1,283,667) are pledged as securities for borrowings (Note 30).

For the purposes of the cash flow statements, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash and bank balances	19,338,077	77,878,726	7,766,955	58,287,707
Bank overdrafts (Note 30)	(175,006)	(15,482,357)	-	(15,482,357)
Deposit with licensed bank pledged to bank	(1,324,837)	(1,283,667)	-	-
Cash and cash equivalents	17,838,234	61,112,702	7,766,955	42,805,350

30. LOANS AND BORROWINGS

		Group		Company	
	Maturity	2013 RM	2012 RM	2013 RM	2012 RM
Current					
Secured:					
Obligations under finance leases (Note 38(c))	within one year	1,349,336	1,723,992	197,869	207,814
Bankers' acceptance	on demand	588,000	-	-	-
Bank overdrafts (Note 29)	on demand	175,006	15,482,357	-	15,482,357
Revolving credits	within one year	37,000,000	19,500,000	18,500,000	-
Term loans					
- 5.35% p.a. fixed rate bank loan	within one year	889,472	1,000,353	-	-
- Loan at COF + 1.68% (2012: BLR – 0.3%)	2020 - 2021	6,761,163	3,457,992	6,695,676	3,457,992
- Loan at BLR + 0.75%	2016	557,585	509,476	-	-
- Loan at COF + 1.75%	2018	4,079,487	-	4,093,027	-
- Loan at BLR + 1.0% (2012: 6.25% p.a.)	2014	1,945,803	5,456,811	-	-
		53,345,852	47,130,981	29,486,572	19,148,163
Non-current					
Secured:					
Obligations under finance lease (Note 38(c))	2014 - 2017	2,383,880	2,775,866	368,988	566,856
Term loans					
- 5.35% p.a. fixed rate bank loan	within one year	-	873,675	-	-
- Loan at COF + 1.68% (2012: BLR – 0.3%)	2020 - 2021	44,196,024	32,832,505	44,196,024	32,832,505
- Loan at BLR + 0.75%	2016	2,317,053	2,897,874	-	-
- Loan at COF + 1.75%	2018	30,500,000	34,586,344	30,500,000	34,586,344
- Loan at BLR + 1.0% (2012: 6.25% p.a.)	2014	3,131,239	5,077,045	-	-
		82,528,196	79,043,309	75,065,012	67,985,705
Total loans and borrowings		135,874,048	126,174,290	104,551,584	87,133,868

30. LOANS AND BORROWINGS (CONT'D)

The remaining maturities of the loans and borrowings as at reporting date are as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
On demand or within one year	53,345,852	47,130,981	29,486,572	19,148,163
More than 1 year and less than 2 years	18,504,151	16,194,733	14,905,234	11,878,702
More than 2 year and less than 5 years	46,610,725	45,881,366	42,746,458	39,483,203
5 years or more	17,413,320	16,967,210	17,413,320	16,623,800
	135,874,048	126,174,290	104,551,584	87,133,868

OBLIGATION UNDER FINANCE LEASES

These obligations were secured by a charge over the lease assets (Note 17). The average discount rate implicit in the leases was 5.83% p.a. (2012: 5.83% p.a.). These obligations were denominated in RM.

BANKERS' ACCEPTANCE

Bankers' acceptance bears interest at Bank's COF + 1.25% p.a. and is secured by:

(i) legal charges over certain leasehold land, land use rights and biological assets of the Company and subsidiary company;

(ii) debentures incorporating fixed and floating charges over all the assets of subsidiary companies presently owned and subsequently acquired; and

(iii) corporate guarantees given by the Company.

BANK OVERDRAFTS

Bank overdrafts bear interest at 7.6% p.a. (2012: 6.3% to 7.6% p.a.) and are secured by:

(i) legal charges over certain leasehold land, land use rights and biological assets of the Company and a subsidiary company; and

(ii) debentures incorporating fixed and floating charges over all the assets of a subsidiary company presently owned and subsequently acquired.

(iii) corporate guarantees given by the Company.

REVOLVING CREDITS

Revolving credits are rollovered on a monthly basis subject to bank's review and bear interests at 4.7% (2012: 4.72% p.a.) and are secured by:

(i) legal charges over certain leasehold land, land use rights and biological assets of the Company and subsidiary company;

(ii) debentures incorporating fixed and floating charges over all the assets of subsidiary companies presently owned and subsequently acquired; and

30. LOANS AND BORROWINGS (CONT'D)

5.35% P.A. FIXED RATE BANK LOAN

This loan is secured by:

(i) deed of assignment over investment property of a subsidiary company; and
(ii) corporate guarantees given by the Company.

BANK LOANS AT COF + 1.68% (2012: BLR - 0.3% P.A.)

These loans are secured by:

(i) legal charges over certain leasehold land, land use rights and biological assets of the Company and a subsidiary company; and
(ii) debenture incorporating fixed and floating charges over all the assets of a subsidiary company presently owned and subsequently acquired, and the palm oil mill of a subsidiary.

BANK LOAN AT BLR + 0.75% P.A.

This loan is secured by:

(i) legal charges over certain leasehold land and land use rights of subsidiary companies;
(ii) debentures over all the certain assets of a subsidiary company; and
(iii) corporate guarantees given by the Company.

BANK LOAN AT COF + 1.75% P.A.

This loan is secured by:

(i) legal charges over certain leasehold land, land use rights and biological assets of subsidiary companies; and
(ii) a pledge of fixed deposit amounting to RM1.2 million from a subsidiary

BANK LOAN AT BLR + 1.0% P.A. (2012: 6.25% P.A.)

This loan is secured by:

(i) legal charges over certain leasehold land, land use rights and biological assets of subsidiary companies;
(ii) debentures incorporating fixed and floating charges over all the assets of a subsidiary company presently owned and subsequently acquired; and
(iii) corporate guarantees given by the Company.

31. TRADE AND OTHER PAYABLES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Trade payables				
Third parties	11,253,659	9,686,516	-	-
Other payables				
Amounts due to subsidiaries				
- Interest-bearing advances	-	-	-	641,509
Accruals	3,087,947	4,119,680	517,083	757,096
Sundry payables	4,289,379	5,168,589	169,316	220,590
	7,377,326	9,288,269	686,399	1,619,195
Total trade and other payables	18,630,985	18,974,785	686,399	1,619,195
Add: Loans and borrowings (Note 30)	135,874,048	126,174,290	104,551,584	87,133,868
Total financial liabilities carried at amortised cost	154,505,033	145,149,075	105,237,983	88,753,063

(A) TRADE PAYABLES

Trade payables are non-interest bearing. Trade payables are normally settled on 30 day to 90 day (2012: 30 day to 90 day) terms.

(B) AMOUNTS DUE TO SUBSIDIARIES

The amounts are unsecured and have no fixed terms of repayment.

The interest-bearing advances are subject to interest charge at rate of 5% (2012: 5%) per annum.

(C) FINANCIAL GUARANTEES

The fair value of financial guarantees provided by the Company to the banks to secure banking/credit facilities granted to its subsidiaries as disclosed in Note 30 with nominal amount of RM97,232,000 (2012: RM91,900,000) are negligible as the probability of the financial guarantees being called upon is remote due to the outstanding loans and borrowings are adequately secured by properties, plant and equipment of the subsidiary companies which their market values upon realisation are higher than the outstanding loan and borrowing amounts.

32. DEFERRED TAX

Deferred income tax as at 30 June relates to the following:

Group	As at 1 July 2011 RM	Recognised in profit or loss (Note 14) RM	As at 30 June 2012 RM	Acquisition of a subsidiary RM	Exchange differences RM	Recognised in profit or loss (Note 14) RM	As at 30 June 2013 RM
Deferred tax liabilities:							
Property, plant and equipment and biological assets	36,536,180	1,936,357	38,472,537	-	-	(15,022,726)	23,449,811
Revaluation of property, plant and equipment and biological assets	11,758,957	(863,405)	10,895,552	-	-	14,983,227	25,878,779
	48,295,137	1,072,952	49,368,089	-	-	(39,499)	49,328,590
Deferred tax assets:							
Property, plant and equipment and biological assets	-	-	-	(644,165)	2,563	154,384	(487,218)
Inventories	(341,988)	239,596	(102,392)	-	-	(186,658)	(289,050)
Unabsorbed capital and agriculture allowances	(575,569)	414	(575,155)	-	-	30,247	(544,908)
Unutilised tax losses	(5,550)	-	(5,550)	-	-	5,550	-
	(923,107)	240,010	(683,097)	(644,165)	2,563	3,523	(1,321,176)
	47,372,030	1,312,962	48,684,992	(644,165)	2,563	(35,976)	48,007,414
Company							
Deferred tax liabilities:							
Property, plant and equipment and biological assets	334,705	(10,474)	324,231	-	-	(15,944)	308,287
Revaluation of property, plant and equipment and biological assets	1,190,953	(22,276)	1,168,677	-	-	(22,276)	1,146,401
	1,525,658	(32,750)	1,492,908	-	-	(38,220)	1,454,688
Deferred tax assets:							
Unabsorbed capital allowances	(335,276)	11,045	(324,231)	-	-	15,945	(308,286)
	1,190,382	(21,705)	1,168,677	-	-	(22,275)	1,146,402

32. DEFERRED TAX (CONT'D)

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Presented after appropriate offsetting as follows:				
Deferred tax assets	(487,218)	-	-	-
Deferred tax liabilities	48,494,632	48,684,992	1,146,402	1,168,677
	48,007,414	48,684,992	1,146,402	1,168,677

UNRECOGNISED DEFERRED TAX ASSETS

Due to uncertainty of recoverability, deferred tax assets have not been recognised in respect of the following items which are available for offset against future taxable profits of the respective subsidiaries in which those items arose:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Unabsorbed reinvestment allowances	19,579,027	19,579,027	-	-
Unutilised tax losses	3,303,101	2,387,128	-	-
Unabsorbed capital and agriculture allowances	32,514,180	31,825,620	11,229,980	11,377,800
Other deductible temporary differences	1,850,574	1,871,944	420	(781)
	57,246,882	55,663,719	11,230,400	11,377,019

The availability of unutilised tax losses and unabsorbed capital and agriculture allowances of the Group for offsetting against future taxable profits of the Company and the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

33. ESTIMATED LIABILITIES FOR POST-EMPLOYMENT BENEFITS

The amount of estimated liabilities for post-employment benefit is in respect of an Indonesian subsidiary company calculated based on Labor Law No.13 of 2003 dated March 25, 2003 issued by Indonesian Labor Law. The Group did not provide special funding for such estimated post-employment benefits.

The Group did not use any actuarial services to calculate the amount of estimated liabilities for post-employment benefits. Based on the Group's calculation, there were 24 employees eligible for such post-employment benefits in 2013.

The details of estimated post-employment benefit expenses for the year ended June 30, 2013 are as follows:

	RM
Current service cost	10,494
Interest cost	630
Total	11,124

33. ESTIMATED LIABILITIES FOR POST-EMPLOYMENT BENEFITS (CONT'D)

The estimated post-employment benefit expenses are presented as part of Administrative Expenses in the Statements of Comprehensive Income.

Changes in the estimated liabilities for post-employment benefits as of 30 June 2013 are as follows:

	RM
Balance beginning	-
Benefit expenses - current period	11,124
Ending balance	11,124

The main assumptions used in calculating the estimated post-employment benefits are as follows:

Normal Pension Age	:	55 Years
Annual Discount Rate	:	6%
Annual Salary Increment Rate	:	3%

34. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of ordinary shares of RM1 each		Amount			
	Share capital (Issued and fully paid)	Treasury share	Share capital (Issued and fully paid) RM	Share premium RM	Total share capital and share premium RM	Treasury share RM
At 1 July 2011	222,912,569	(4,413,900)	222,912,569	17,949,950	240,862,519	(2,984,259)
Purchase of treasury shares	-	(2,184,400)	-	-	-	(2,328,734)
Transaction costs	-	-	-	-	-	(12,905)
At 30 June 2012	222,912,569	(6,598,300)	222,912,569	17,949,950	240,862,519	(5,325,898)
Purchase of treasury shares	-	(3,100)	-	-	-	(3,151)
Transaction costs	-	-	-	-	-	(86)
At 30 June 2013	222,912,569	(6,601,400)	222,912,569	17,949,950	240,862,519	(5,329,135)

34. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (CONT'D)

	Number of ordinary shares of RM1 each		Amount	
	2013	2012	2013 RM	2012 RM
Authorised share capital				
At beginning and end of year	500,000,000	500,000,000	500,000,000	500,000,000

A) SHARE CAPITAL

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

B) TREASURY SHARES

This amount relates to the acquisition cost of treasury shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

During the financial year, the Company repurchased 3,100 (2012: 2,184,400) of its issued ordinary shares from the open market at an average price of RM1.015 (2012: RM1.066) per share. The total consideration paid for the repurchase including transaction costs was RM3,237 (2012: RM2,341,639).

Of the total 222,912,569 (2012: 222,912,569) issued and fully paid ordinary shares as at 30 June 2013, 6,601,400 (2012: 6,598,300) are held as treasury shares by the Company. As at 30 June 2013, the number of outstanding ordinary shares in issue and fully paid is therefore 216,311,169 (2012: 216,314,269) ordinary shares of RM1 each.

35. REVALUATION RESERVES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
At beginning of year	146,707,401	149,562,405	20,879,675	20,963,209
Realised during the year	(2,414,551)	(2,855,004)	(66,827)	(83,534)
At end of year	144,292,850	146,707,401	20,812,848	20,879,675

The revaluation reserves represent surplus on valuation of leasehold land, plantation infrastructure development expenditure, plant and machinery and biological assets above their costs, net of deferred tax effects.

36. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

37. RELATED PARTY TRANSACTIONS

(A) SALE AND PURCHASE OF GOODS AND SERVICES

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties at terms agreed between the parties during the financial year:

	2013 RM	2012 RM
Group		
Transactions with a company in which a family member of Yap Phing Cern and Yap Fei Chien has financial interest:		
Lambang Positif Sdn. Bhd.		
- Rental paid	18,000	18,000
Transactions with a company in which Yap Phing Cern and Yap Fei Chien have financial interests:		
Riwagu Property Sdn. Bhd.		
- Rental paid	209,700	201,600
- Purchase of fresh fruit bunches	146,464	205,304
- Sublease rental income	492	492
Transactions with a company in which Oh Kim Sun has financial interest:		
Agromate (M) Sdn. Bhd.		
- Purchase of fertilisers	6,575,448	2,075,206

37. RELATED PARTY TRANSACTIONS (CONT'D)

(A) SALE AND PURCHASE OF GOODS AND SERVICES (CONT'D)

	2013 RM	2012 RM
Company		
Transactions with a company in which the Yap Phing Cern and Yap Fei Chien have financial interests:		
Riwagu Property Sdn. Bhd.		
- Rental paid	64,500	60,000
Transactions with joint venture:		
Sinermaju Sdn. Bhd.		
- Interest income on advances	284,971	-
Transactions with subsidiaries:		
Sparkle Selections Sdn. Bhd.		
- Interest income on advances	41,170	40,030
Ikatan Hasrat Sdn. Bhd.		
- Interest income on advances	-	39,105
- Dividend income	-	4,250,000
Tanah Emas Oil Palm Processing Sdn. Bhd.		
- Sale of fresh fruit bunches	8,126,640	11,629,358
- Management fee income	625,850	639,750
- Dividend income	5,000,000	2,000,000
- Interest income on advances	645,991	605,503
Yapidmas Plantation Sdn. Bhd.		
- Management fee income	195,000	196,500
- Plantation management fee	414,963	414,963
- Dividend income	1,500,000	1,500,000
- Interest income on advances	737,424	827,960
Ladang Kluang Sdn. Bhd.		
- Management fee income	92,625	93,700
- Dividend income	2,000,000	1,600,000
Sri Kehuma Sdn. Bhd.		
- Management fee income	133,550	132,700
- Dividend income	2,000,000	2,800,000
- Interest income on advances	177,156	193,090

37. RELATED PARTY TRANSACTIONS (CONT'D)

(A) SALE AND PURCHASE OF GOODS AND SERVICES (CONT'D)

	2013 RM	2012 RM
Ladang Tunas Hijau Sdn. Bhd.		
- Management fee income	4,825	4,800
- Interest income on advances	23,212	10,239
Tanah Emas Construction Sdn. Bhd.		
- Management fee income	15,350	16,900
- Interest income on advances	139,503	161,519
Spectrum 88 Sdn. Bhd.		
- Interest on advances	8,323	78,640
Tanah Emas Properties Sdn. Bhd.		
- Interest income on advances	39,198	-

(B) COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Short-term employee benefits	6,781,610	7,497,295	1,970,571	2,068,817
Included in the total keymanagement personnel are:				
Directors' remuneration	3,451,049	4,051,526	1,120,321	1,223,517

38. COMMITMENTS

A) CAPITAL COMMITMENTS

Capital expenditure commitments as at the reporting date are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Capital expenditure				
Approved and contracted for:				
Buildings	758,075	1,980,552	-	-
Investment in subsidiary companies	1,998,360	11,092,591	1,998,360	-
	2,756,435	13,073,143	1,998,360	-
Approved but not contracted for:				
Buildings	2,351,836	1,916,782	-	-
Furniture, fittings and equipment	129,980	654,932	-	123,755
Plant and machinery	778,150	967,740	-	-
Heavy equipment and motor vehicles	1,103,000	1,237,200	-	-
Plantation infrastructure development expenditure	1,138,000	-	-	-
	5,500,966	4,776,654	-	123,755
	8,257,401	17,849,797	1,998,360	123,755

B) OPERATING LEASE COMMITMENTS – AS LESSEE

Details of land use rights and the amortisation of land use rights recognised in profit or loss for the financial year ended 30 June 2013 are disclosed in Note 18 to the financial statements.

C) FINANCE LEASE COMMITMENTS

The Group and the Company have finance leases for certain items of heavy equipment and motor vehicles (Note 17). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

38. COMMITMENTS (CONT'D)

C) FINANCE LEASE COMMITMENTS (CONT'D)

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Minimum lease payments:				
Not later than 1 year	1,531,658	1,940,655	224,448	246,416
Later than 1 year and not later than 2 years	1,215,528	1,490,814	224,448	224,448
Later than 2 years and not later than 5 years	1,345,024	1,500,661	165,028	389,476
Later than 5 years	-	12,764	-	-
Total minimum lease payments	4,092,210	4,944,894	613,924	860,340
Less: Amounts representing finance changes	(358,994)	(445,036)	(47,067)	(85,670)
Present value of minimum lease payments	3,733,216	4,499,858	566,857	774,670
Present value of payments:				
Not later than 1 year	1,349,336	1,723,992	197,869	207,814
Later than 1 year and not later than 2 years	1,106,391	1,337,689	209,559	197,869
Later than 2 years and not later than 5 years	1,277,489	1,425,803	159,429	368,987
Later than 5 years	-	12,374	-	-
Present value of minimum lease payments	3,733,216	4,499,858	566,857	774,670
Less: Amount due within 12 months (Note 30)	(1,349,336)	(1,723,992)	(197,869)	(207,814)
Amount due after 12 months (Note 30)	2,383,880	2,775,866	368,988	566,856

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

DETERMINATION OF FAIR VALUE

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	25
Trade and other payables (current)	31
Loans and borrowings (current)	30
Loans and borrowings (non-current)	30

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near th e reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

Finance lease obligations and fixed rate bank loans

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed were to default.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Finance Department overseen by an Executive Director. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

A) CREDIT RISK

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

EXPOSURE TO CREDIT RISK

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position; and
- A nominal amount of RM97,232,000 (2012: RM91,900,000) relating to corporate guarantees provided by the Company to the banks to secure banking/credit facilities granted to its subsidiaries.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 25.

CREDIT RISK CONCENTRATION PROFILE

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2013		2012	
	RM	% of total	RM	% of total
By industry sectors:				
Plantation and mill	3,103,197	52%	7,189,468	78%
Others	2,891,663	48%	2,069,428	22%
	5,994,860	100%	9,258,896	100%

At the reporting date, approximately 52% (2012: 78%) of the Group's trade receivables are due from 2 major customers which are subsidiaries of well-established listed companies.

FINANCIAL ASSETS THAT ARE NEITHER PAST DUE NOR IMPAIRED

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 25. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

FINANCIAL ASSETS THAT ARE EITHER PAST DUE OR IMPAIRED

Information regarding financial assets that are either past due or impaired is disclosed in Note 25.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

B) LIQUIDITY RISK

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness. At the reporting date, approximately 39% (2012: 37%) of the Group's loans and borrowings and approximately 28% (2012: 22%) of the Company's loans and borrowings (Note 30) will mature in less than one year based on the carrying amount reflected in the financial statements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted amounts:

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
2013				
Financial assets:				
Trade and other receivables	9,705,622	50,730,317	-	60,435,939
Total cash and bank balances	19,338,077	-	-	19,338,077
Total undiscounted financial assets	29,043,699	50,730,317	-	79,774,016
Financial liabilities:				
Trade and other payables	18,630,985	-	-	18,630,985
Loans and borrowings	58,979,048	77,206,460	18,983,703	155,169,211
Total undiscounted financial liabilities	77,610,033	77,206,460	18,983,703	173,800,196
Total net undiscounted financial liabilities	(48,566,334)	(26,476,143)	(18,983,703)	(94,026,180)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

B) LIQUIDITY RISK (CONT'D)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
2013				
Financial assets:				
Trade and other receivables	13,456,338	30,366,210	-	43,822,548
Total cash and bank balances	77,878,726	-	-	77,878,726
Total undiscounted financial assets	91,335,064	30,366,210	-	121,701,274
Financial liabilities:				
Trade and other payables	18,974,785	-	-	18,974,785
Loans and borrowings	53,747,504	76,185,107	18,731,216	148,663,827
Total undiscounted financial liabilities	72,722,289	76,185,107	18,731,216	167,638,612
Total net undiscounted financial assets/(liabilities)	18,612,775	(45,818,897)	(18,731,216)	(45,937,338)
Company				
2013				
Financial assets:				
Trade and other receivables	87,885,516	39,979,950	-	127,865,466
Total cash and bank balances	7,766,955	-	-	7,766,955
Total undiscounted financial assets	95,652,471	39,979,950	-	135,632,421
Financial liabilities:				
Trade and other payables	686,399	-	-	686,399
Loans and borrowings	34,304,494	69,094,416	18,983,703	122,382,613
Total undiscounted financial liabilities	34,990,893	69,094,416	18,983,703	123,069,012
Total net undiscounted financial assets/(liabilities)	60,661,578	(29,114,466)	(18,983,703)	12,563,409

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

B) LIQUIDITY RISK (CONT'D)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Company				
2012				
Financial assets:				
Trade and other receivables	30,661,616	27,661,210	-	58,322,826
Total cash and bank balances	58,287,707	-	-	58,287,707
Total undiscounted financial assets	88,949,323	27,661,210	-	116,610,533
Financial liabilities:				
Trade and other payables	1,619,195	-	-	1,619,195
Loans and borrowings	24,551,535	64,215,859	18,456,429	107,223,823
Total undiscounted financial liabilities	26,170,730	64,215,859	18,456,429	108,843,018
Total net undiscounted financial assets/(liabilities)	62,778,593	(36,554,649)	(18,456,429)	7,767,515

C) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM72,520 (2012: RM43,252) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

D) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to currency translation risk arising from its net investment in Hong Kong, British Virgin Island, Cambodia and Indonesia subsidiaries. The Group's net investment in Hong Kong, British Virgin Island, Cambodia and Indonesia is not hedged as currency position in Hong Kong Dollar, US Dollar and Indonesia Rupiah are considered to be long-term in nature.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in USD) amounted to RM1,114,182 (2012: RM23,776).

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD and IDR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

			2013 RM	2012 RM
Profit net of tax				
USD/RM	-	strengthened 5%	55,709	7,810
	-	weakened 5%	(55,709)	(7,810)
IDR/RM	-	strengthened 5%	18,552	-
	-	weakened 5%	(18,552)	-

41. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2013 and 30 June 2012.

41. CAPITAL MANAGEMENT (CONT'D)

The Group monitors capital using a gearing ratio, which is total loans and borrowings, trade and other payables, less cash and cash equivalents divided by capital plus net debt. The Group's policy is to maintain the gearing ratio within 50% which is one of the loan covenants imposed by a lending bank. The calculations of the Group's and Company's gearing ratios are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Trade and other payables (Note 31)	18,630,985	18,974,785	686,399	1,619,195
Loans and borrowings (Note 30)	135,874,048	126,174,290	104,551,584	87,133,868
Less: Cash and bank balances (Note 29)	(19,338,077)	(77,878,726)	(7,766,955)	(58,287,707)
Net debt	135,166,956	67,270,349	97,471,028	30,465,356
Equity attributable to the owners of the parent	431,661,438	435,036,033	212,077,510	211,505,310
Capital and net debt	566,828,394	502,306,382	309,548,538	241,970,666
Gearing ratio	24%	14%	31%	13%

42. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and reportable operating segments as follows:

(i) The plantations and mill segment is in the business of cultivation of oil palm, processing of crude palm oil and palm kernel.

(ii) The other segments is in the business of property holding, provision of general construction and civil works and property developer.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

42. SEGMENT INFORMATION (CONT'D)

	Plantation and mill		Others		Adjustments and eliminations			Per consolidated financial statements	
	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM	Notes	2013 RM	2012 RM
Revenue:									
External customers	184,503,720	271,686,904	26,524	1,452,064	-	-		184,530,244	273,138,968
Inter-segment	-	-	11,572,700	9,292,771	(11,572,700)	(9,292,771)	(a)	-	-
Total revenue	184,503,720	271,686,904	11,599,224	10,744,835	(11,572,700)	(9,292,771)		184,530,244	273,138,968
Results:									
Interest income	48,564	82,260	712,331	1,676,799	-	-		760,895	1,759,059
Depreciation and amortisation	8,068,260	7,762,081	1,349,557	1,135,922	-	-		9,417,817	8,898,003
Other non-cash expenses	16,979	63,440	225,120	-	-	-	(b)	242,099	63,440
Segment profit/(loss)	21,123,327	45,638,244	(6,470,682)	56,460	(7,379,180)	(6,561,505)	(c)	7,273,465	39,133,199
Assets:									
Additions to non-current assets	15,912,933	20,211,763	919,166	633,899	-	-	(d)	16,832,099	20,845,662
Segment assets	511,574,696	481,194,489	119,480,464	142,275,758	6,325,437	6,408,100	(e)	637,380,597	629,878,347
Liabilities:									
Segment liabilities	15,366,544	16,356,613	3,275,565	2,618,172	185,401,215	174,859,282	(f)	204,043,324	193,834,067

42. SEGMENT INFORMATION (CONT'D)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

(a) Inter-segment revenues are eliminated on consolidation.

(b) Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	2013 RM	2012 RM
Allowance for impairment on nursery	15,529	-
Allowance for impairment on trade receivables	69,720	-
Bad debts written off	154,725	-
Plant and equipment scrapped	2,125	21,529
Inventories written off	-	26,911
Deferred expenditure written off	-	15,000
	242,099	63,440

(c) The following items are deducted from segment profit to arrive at "Profit before tax" presented in the consolidated income statement:

	2013 RM	2012 RM
Finance costs	6,990,536	6,561,505
Share of results of joint venture	388,644	-
	7,379,180	6,561,505

(d) Additions to non-current assets consist of:

	2013 RM	2012 RM
Property, plant and equipment	7,707,482	9,474,755
Biological assets	8,081,569	5,296,592
Land use rights	1,043,048	6,074,315
	16,832,099	20,845,662

42. SEGMENT INFORMATION (CONT'D)

(e) The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2013 RM	2012 RM
Deferred tax assets	487,218	-
Tax recoverable	2,649,309	3,219,190
Inter-segment assets	3,188,910	3,188,910
	6,325,437	6,408,100

(f) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2013 RM	2012 RM
Deferred tax liabilities	48,494,632	48,684,992
Income tax payable	1,032,535	-
Loans and borrowings	135,874,048	126,174,290
	185,401,215	174,859,282

43. EVENTS OCCURRING AFTER THE REPORTING DATE

On 26 August 2013, the following indirect subsidiaries incorporated in Cambodia have been placed under member's voluntary winding up:

(i) NWP (Cambodia) Pte. Ltd. which was wholly-owned by Gainfield International Limited, a wholly-owned subsidiary of the Company;

(ii) Perfect Element Plantation Pte. Ltd. which was wholly-owned by Pacific Bloom Limited, a wholly-owned subsidiary of the Company; and

(iii) Malaysia Palm Plantation Pte. Ltd. which was wholly-owned by Better Yield Limited, a wholly-owned subsidiary of the Company.

44. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 30 June 2013 were authorised for issue in accordance with a resolution of the directors on 29 October 2013.

45. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings/(accumulated losses) of the Group and of the Company as at 30 June 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits of Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	2013		2012	
	Group RM	Company RM	Group RM	Company RM
Total retained earnings/(accumulated losses) of the Company and its subsidiaries				
- Realised	126,145,216	(43,122,320)	134,561,699	(43,742,309)
- Unrealised	(42,720,797)	(1,146,402)	(42,889,740)	(1,168,677)
	83,424,419	(44,268,722)	91,671,959	(44,910,986)
Less: Consolidation adjustments	(31,618,075)	-	(38,865,320)	-
Retained earnings/(accumulated losses) as per financial statements	51,806,344	(44,268,722)	52,806,639	(44,910,986)

Registered Owner	Location	Description	Hectares	Tenure	Age of Building	Net Book Value As At 30 June 2013 RM'000	Date of revaluation/ acquisition
ESTATES/PLANTATION LAND							
Golden Land Berhad	TECB Division, Mile74, Labuk Road, Beluran, Sabah	Cultivated with oil palm	836.100	99 years expiring 2068	N/A	47,945	01.10.2009
Ladang Kluang Sdn Bhd	LK Division, Bidu Bidu, District of Labuk/ Sugut, Sabah	Cultivated with oil palm	662.911	99 years expiring from 2074 to 2092	N/A	28,595	01.10.2009
	LK Division 1, Mile 75, Labuk Road, District of Labuk Sugut, Sabah	Cultivated with oil palm	202.465	99 years expiring from 2091 to 2099	N/A	11,980	01.10.2009
Sri Kehuma Sdn Bhd	YP Division, Mile 75, Labuk Road, District of Labuk/ Sugut, Sabah	Cultivated with oil palm	840.712	99 years expiring from 2068 to 2083	N/A	42,880	01.10.2009
	SK Division, Mile 76, Labuk Road, District of Labuk/ Sugut, Sabah	Cultivated with oil palm	611.937	99 years expiring from 2070 to 2081	N/A	29,785	01.10.2009
	SK Division 1, Mile 79, Telupid, District of Labuk Sugut, Sabah	Cultivated with oil palm	96.141	99 years expiring from 2091 to 2098	N/A	4,356	01.10.2009
Yapidmas Plantation Sdn Bhd	SM Division, Mile 76, Labuk Rd, District of Labuk/Sugut, Sabah	Cultivated with oil palm	1,698.221	99 years expiring from 2078 to 2098	N/A	78,930	01.10.2009
	CR Division, Sg. Ruku-Ruku District of Kinabatangan, Sabah	Cultivated with oil palm	1,145.048	99 years expiring from 2080 to 2091	N/A	50,766	01.10.2009
	YP D Division, Telupid, District of Labuk/ Sugut, Sabah	Cultivated with oil palm	186.326	99 years expiring 2075	N/A	7,875	01.10.2009
	Kuamut, District of Kinabatangan, Sabah	Cultivated with oil palm	197.244	99 years expiring 2079	N/A	2,985	01.10.2009

Registered Owner	Location	Description	Hectares	Tenure	Age of Building	Net Book Value As At 30 June 2013 RM'000	Date of revaluation/ acquisition
ESTATES/PLANTATION LAND (CONT'D)							
	Karamuak Division, Sg Karamuak, District of Kinabatangan, Sabah	Cultivated with oil palm	417.523	99 years expiring 2095 and 2098	N/A	17,774	01.10.2009
	Sg Melian Division, Sg. Melian, District of Kinabatangan, Sabah	Cultivated with oil palm	326.416	99 years expiring 2037 to 2098	N/A	13,616	01.10.2009
	SM D Division, Sg Ruku Ruku, District of Labuk/ Sugut, Sabah	Cultivated with oil palm	237.814	99 years expiring 2094	N/A	6,788	01.10.2009
	Sg. Imbak Division, Sg. Imbak, District of Kinabatangan, Sabah	Cultivated with oil palm	114.385	99 years expiring 2096	N/A	8,425	01.10.2009
	CR Division, Mile 76, Labuk Road, District of Beluran, Sabah	Cultivated with oil palm	133.814	99 years expiring 2081	N/A	7,056	01.10.2009
	SM Division, Sg Ruku-Ruku, District of Beluran, Sabah	Cultivated with oil palm	34.741	99 years expiring 2080	N/A	2,004	01.10.2009
	SM3 Division, Telupid, District of Labuk/ Sugut, Sabah	Cultivated with oil palm	199.377	30 years expiring 2038	N/A	8,351	21.01.2008
	Kuamut, District of Kinabatangan, Sabah	Cultivated with oil palm	927.306	30 years expiring 2035 to 2041	N/A	25,106	01.03.2011
	Sg. Imbak, District of Kinabatangan, Sabah	Cultivated with oil palm	220.719	30 years expiring 2035	N/A	1,606	19.05.2005

Registered Owner	Location	Description	Hectares	Tenure	Age of Building	Net Book Value As At 30 June 2013 RM'000	Date of revaluation/ acquisition
ESTATES/PLANTATION LAND (CONT'D)							
	Sg Melian 2, District of Kinabatangan, Sabah	Cultivated with oil palm	86.283	30 years expiring 2037 to 2040	N/A	2,030	20.05.2010
	Jasutera, District of Labuk & Sugut, Sabah	Cultivated with oil palm	184.375	99 years expiring 2076	N/A	7,653	01.03.2010
	Kuamut, District of Tongod, Sabah	Vacant land	516.824	30 years expiring 2037 to 2041	N/A	7,905	01.06.2011
	Sg Karamuak, District of Kinabatangan, Sabah	Vacant land	70.286	30 years expiring 2042	N/A	1,728	02.05.2012
PT Tasnida Agro Lestari	Kabaputen Bario Kuala, South Kalimantan Province	Cultivated with oil palm	8,157.960	35 years expiring 2048	N/A	27,948	23.07.2013
INDUSTRIAL LAND / BUILDING							
Yapidmas Plantation Sdn Bhd/ Sri Kehuma Sdn Bhd	Mile 76, Telupid, Sabah	Palm oil mill including office, labourers' quarters with built-up area of 29,500 sq.m	22.850	99 years expiring 2081	14 years	5,025	01.10.2009
Tanah Emas Construction Sdn Bhd	Mile 12, Seguntor, Sandakan, Sabah	Vacant land	9.364	99 years expiring 2078	N/A	1,164	19.09.2001
Sri Kehuma Sdn Bhd	Mile 79, Telupid, District of Labuk/ Sugut, Sabah	Sawmill including office, labourers' quarter with built-up area of 17,522 sq.m.	19.344	99 years expiring 2080	21 years	398	01.10.2009

Registered Owner	Location	Description	Hectares	Tenure	Age of Building	Net Book Value As At 30 June 2013 RM'000	Date of revaluation/ acquisition
COMMERCIAL & RESIDENTIAL LAND / BUILDING							
Yapidmas Plantation Sdn Bhd	Mile 2.5, Jalan Utara, Sandakan, Sabah	Vacant land	0.130	999 years expiring 2882	N/A	174	20.08.1999
Golden Land Berhad	A-09-3A, A-09-05 & A-09-06, Empire Subang, Jln SS16/1, Subang Jaya, Dearah Petaling, Selangor	Office	4,003 sq.ft.	Freehold	4 years	1,931	01.10.2009
	TL077541916, Mile 3 1/2, Jalan Utara, Sandakan, Sabah	Industrial Land	2.427	60 years expiring 2041	N/A	3,802	29.08.2008
Sparkle Selections Sdn. Bhd.	Lot 1727 & 1728, Seberang Perai Selatan Mukim 12, Penang	Vacant land	8.306 ha	Freehold	N/A	7,801	18.02.2008
Spectrum 88 Sdn. Bhd.	Commercial Lot A & Lot B held under master titles HS(D)204087 PT7714 and HS(D)204091 PT7718	Commerical Land	1.453 ha	Freehold	N/A	11,062	10.12.2008

Authorised share capital	:	RM500,000,000
Issued and fully paid shares	:	RM222,912,569
Class of shares	:	Ordinary shares of RM1.00 each
Voting rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	% of Total Shareholders	No. of Shareholdings	% of Shareholdings
1 to 99	178	3.37	8,220	0.00
100 to 1,000	1,492	28.22	1,361,315	0.63
1,001 to 10,000	2,760	52.20	12,164,279	5.62
10,001 to 100,000	756	14.30	22,790,216	10.54
100,001 to 10,815,712*	97	1.83	86,857,328	40.15
10,815,713 and above **	4	0.08	93,129,811	43.05
Total	5,287	100.00	216,311,169	100.00

Notes:

* *Less than 5% of issued holdings*
** *5% and above of issued holdings*

LIST OF THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares Held	%
1.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Agromate Holdings Sdn Bhd	48,589,100	22.46
2.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Phing Cern	18,236,700	8.43
3.	Yap Phing Cern	13,725,320	6.35
4.	Rockwills Trustee Berhad, Yap Phing Cern	12,578,691	5.82
5.	EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Phing Cern	10,000,000	4.62
6.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Kiew	6,250,000	2.89
7.	Agromate Holdings Sdn Bhd	5,871,600	2.71
8.	Syarikat Kuari Sinaran Cemerlang Sendirian Berhad	4,335,800	2.00
9.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kok Pin @ Kok Khong	4,118,600	1.90
10.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Ho Peng	3,982,300	1.84
11.	RHB Nominees (Asing) Sdn Bhd Exempt An (BP) for RHB OSK Securities Hong Kong Limited A/C Clients	3,070,200	1.42

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

	Name	No. of Shares Held	%
12.	Sri Mosta Sdn Bhd	3,040,900	1.41
13.	Noble Fairview Sdn Bhd	2,999,400	1.39
14.	Yap Phing Cern	2,751,000	1.27
15.	Michael Law Kiung Nguong	2,512,800	1.16
16.	Goh Poh Teen	2,500,000	1.16
17.	Kumpulan Wang Simpanan Guru-Guru	2,051,900	0.95
18.	Lee Foot Yin	2,003,038	0.93
19.	Wawasan Elemen Sdn Bhd	1,999,600	0.92
20.	Kumpulan Wang Simpanan Guru-Guru	1,900,000	0.88
21.	Kumpulan Wang Simpanan Guru-Guru	1,900,000	0.88
22.	Lau Kueng Suong	1,896,200	0.88
23.	Amsec Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Tan Swee Tin	1,440,000	0.67
24.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chia Hong @ Gan Chia Hong	1,047,900	0.48
25.	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Kim Tee @ Tee Ching Tee	1,016,300	0.47
26.	Sri Mosta Sdn Bhd	954,172	0.44
27.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Chee Tong	747,200	0.35
28.	Tang Liong Choy	701,000	0.32
29.	Lee Huey San	618,723	0.29
30.	Yapp Yen Seam	604,300	0.28

Note :

(1) The percentages of the Thirty Largest Shareholders is calculated on the total issued and paid-up capital of the Company excluding a total of 6,601,400 GLBHD shares bought back by the Company and retained as treasury shares.

SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares Held Direct Interest	%	Deemed Interest	%
Agromate Holdings Sdn Bhd	54,460,700	25.18	-	-
Yap Phing Cern*	57,291,711	26.49	3,995,072	1.85
Oh Kim Sun**	-	-	54,460,700	25.18
Total	111,752,411	51.67	58,455,772	27.03

Note:

* *Deemed interested by virtue of his shareholdings in Sri Mosta Sdn Bhd (3,995,072 shares).*

** *Deemed interested by virtue of his shareholdings in Agromate Holdings Sdn Bhd (through Ideal Force Sdn Bhd) pursuant to Section 6A of the Companies Act, 1965.*

DIRECTORS' INTERESTS

Name	No. of Shares Held Direct Interest	%	Deemed Interest	%
Yap Phing Cern*	57,291,711	26.49	3,995,072	1.85
Yap Fei Chien	322,000	0.15	-	-
Wong Chee Kiong	-	-	-	-
Beh Sui Loon	-	-	-	-
Oh Kim Sun**	-	-	54,460,700	25.18

Note:

* *Deemed interested by virtue of his shareholdings in Sri Mosta Sdn. Bhd. (3,995,072 shares).*

** *Deemed interested by virtue of his shareholdings in Agromate Holdings Sdn Bhd (through Ideal Force Sdn Bhd) pursuant to Section 6A of the Companies Act, 1965.*

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Company will be held at Ballroom 1, Sabah Hotel, KM 1, Jalan Utara, 90000 Sandakan, Sabah on Friday, 6 December 2013 at 8.30 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To lay before the Company the Audited Financial Statements of the Company for the year ended 30 June 2013 together with the Reports of the Directors and Auditors thereon. *(Please refer to Note B)*

2. To approve the payment of Directors' Fees for the year ended 30 June 2013. *(Ordinary Resolution 1)*

3. To re-elect the following Directors who retire in accordance with Article 124 of the Company's Articles of Association.

   i) Yap Phing Cern *(Ordinary Resolution 2)*

   ii) Beh Sui Loon *(Ordinary Resolution 3)*

4. To appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 4)*

AS SPECIAL BUSINESS

To consider and if thought fit to pass the following Ordinary Resolutions:

ORDINARY RESOLUTIONS

5. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

   "THAT authority be and is hereby given to Mr Wong Chee Kiong to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance 2012." *(Ordinary Resolution 5)*

6. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting ("AGM") of the Company unless revoked or varied by the Company at a general meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10 percent of the issued and paid-up share capital of the Company for the time being, subject always to the approval of the relevant regulatory bodies being obtained for such allotments and issues." *(Ordinary Resolution 6)*

7. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), approval be and is hereby given to the Company and its subsidiaries ("GLBHD Group") to continue to enter into all arrangement and/or transactions involving the interests of the Directors, major shareholders or persons connected with Directors and/or major shareholders of GLBHD Group ("Related Parties") as disclosed in Section 2.3 of the circular to the shareholders dated 14 November 2013 provided that such arrangements and/ or transactions are:-

i) recurrent transactions of a revenue or trading nature;
ii) necessary for the day to day operations;
iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
iv) are not to the detriment of the minority shareholders

(hereinafter known as "Proposed Shareholders' Mandate")

AND THAT such approval shall continue to be in force until:

i) the conclusion of the next AGM of the Company (being the 19th AGM of the Company), at which time the said authority will lapse, unless by a resolution passed at a general meeting whereby the authority of Proposed Shareholders' Mandate is renewed;
ii) the expiration of the period within which the next AGM of the Company (being the 19th AGM of the Company) is required to be held pursuant to the Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
iii) revoked or varied by resolution passed by the shareholders in a general meeting

whichever is earlier;

AND THAT the aggregate value of the transactions of Proposed Shareholders' Mandate conducted during a financial year will be disclosed in accordance with the Listing Requirements in the annual report for the said financial year and the disclosure will include amongst others, the following information:

i) the types of recurrent related party transactions ("RRPT"); and
ii) the names of the Related Parties who have interests in each type of the RRPT entered into and their relationship with GLBHD Group;

AND THAT the Directors of the Company and/or any one of them be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to Proposed Shareholders' Mandate." *(Ordinary Resolution 7)*

8. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR PROPOSED SHARE BUY-BACK AUTHORITY

"THAT, subject to compliance with applicable laws, regulations and the approval of all relevant authorities, approval be and is hereby given to the Company to purchase and/or hold up to 10 percent of the issued and paid-up share capital of GLBHD ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad ("Bursa Securities") upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company;

AND THAT the amount of funds to be allocated for the buy-back of the Company's own shares shall not exceed the retained profits (if any) and share premium accounts of the Company and upon completion of the buy-back by the Company of its own shares, the Directors of the Company are authorised to deal with the ordinary shares of RM1.00 each in GLBHD ("GLBHD Shares") so purchased in any of the following manners:-

i) cancel the GLBHD Shares so purchased; or
ii) retain the GLBHD Shares so purchased as treasury shares which may be distributed as dividend to shareholders or resold on the market of Bursa Securities or subsequently cancelled; or
iii) retain part of the GLBHD Shares so purchased as treasury shares and cancel the remainder; and/or
iv) deal with the GLBHD Shares in any other manner as may be allowed or prescribed by the Companies Act, 1965, Companies Regulations, 1966 and Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and other requirements issued by the relevant authorities.

Based on GLBHD's latest audited financial statements for the financial year ended 30 June 2013, the accumulated losses and share premium accounts (at Company level) were RM44,268,722 and RM17,949,950 respectively.

AND THAT such authority shall commence immediately upon passing this resolution until the conclusion of the next AGM of GLBHD at which time the authority shall lapse unless by ordinary resolution passed at that meeting the authority is renewed either unconditionally or subject to conditions, the expiration of the period within which the next AGM is required by law to be held or unless earlier revoked or varied by ordinary resolution of the shareholders in a general meeting, whichever occurs first;

AND FURTHER THAT the Directors of GLBHD be and are hereby authorised with full powers to assent to any modifications and/or amendments as may be required by any relevant authorities as they may deem fit and to enter into all such transactions, arrangements or agreements as may be necessary or expedient in order to give full effect to the Proposed Share Buy-Back." *(Ordinary Resolution 8)*

9. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

VOO YIN LING (MAICSA 7016194)
CHIN WOON SIAN @ LOUIS CHIN (MIA 16041)
Company Secretaries

Date : 14 November 2013
Sabah

NOTES:-

A) APPOINTMENT OF PROXY

1. A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company and need not be any of the persons prescribed by Section 149(1)(b) of the Companies Act, 1965. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
2. A member may appoint up to two (2) proxies. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at A-09-03, Empire Tower, Empire Subang, Jalan SS 16/1, 47500 Subang Jaya, Selangor Darul Ehsan, at least forty-eight (48) hours before the appointed time for holding the Meeting or any adjournment thereof.
5. Where the Proxy Form is executed by a corporation, it must be under its Seal or under the hand of an officer or attorney duly authorised.
6. The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the Meeting is 2 December 2013.

B) AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting by shareholders of the Company.

EXPLANATORY NOTES TO SPECIAL BUSINESS

1. ORDINARY RESOLUTION RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Ordinary Resolution No. 5, pursuant to the Malaysian Code on Corporate Governance 2012, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years unless an approval is sought from the Company's shareholders at the Annual General Meeting to retain the said director as an Independent Director. Mr Wong Chee Kiong was appointed as a Non-Executive Director of the Company on 13 May 2003 and has therefore served for more than nine (9) years.

The Board via the Nomination Committee has conducted an annual assessment of the independence of the Independent Directors of the Company and the Board has recommended that Mr Wong Chee Kiong continues to act as Independent Non-Executive Director of the Company based on the following reasons:-

a) He fulfills the criteria under the definition on Independent Director in the Main Market Lisitng Requirements of Bursa Malaysia Securities Berhad ;

b) He is able to bring independent and objective judgment to the Board;

c) His wide range of business experience relevant to the Group enables him to provide the Board with a diverse set of corporate expertise, skills and competence;

d) He has been with the Company for more than nine (9) years and therefore understands the Company's business operation which enables him to participate actively and contribute positively during deliberations or discussions at the Board meetings.

1. ORDINARY RESOLUTION (CONT'D) RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR (CONT'D)

e) He has contributed sufficient time and effort and attended all the Committee and Board meetings for an informed and balanced decision making; and

f) He has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

2. ORDINARY RESOLUTION AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

The Ordinary Resolution No. 6, is to seek a renewal of the general mandate to give the Directors of the Company the authority to issue shares up to an amount not exceeding in total 10 percent of the issued shares capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to specifically approve such an issue of shares. This authority will expire at the next Annual General Meeting ("AGM") of the Company.

The renewal of the general mandate is to provide flexibility to the Company for any possible fund raising exercises including but not limited to issuance of new shares for funding investment project(s), working capital and/or acquisitions.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 18th AGM held on 30 November 2012 and which will lapse at the conclusion of the 19th AGM.

3. ORDINARY RESOLUTION PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Ordinary Resolution No. 7, if passed, will allow the GLBHD Group to enter into RRPT provided that such transactions are in the ordinary course of business and undertaken at arms' length, on normal commercial terms of GLBHD Group which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Proposed Shareholders' Mandate would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential RRPT arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to GLBHD Group.

Further information on the Proposed Shareholders' Mandate is set out in the circular to shareholders of the Company which is despatched together with the Annual Report of the Company for the financial year ended 30 June 2013.

4. ORDINARY RESOLUTION PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR PROPOSED SHARE BUY-BACK AUTHORITY

The Ordinary Resolution No. 8, if passed, will renew the mandate for the Company to buy back its own shares. The mandate shall continue to be in force until the date of the next AGM of the Company unless earlier revoked or varied by ordinary resolution of the Company in a general meeting and is subject to annual renewal. Further information on this resolution is set out in the Circular to Shareholders dated 14 November 2013, which is sent out together with the Company's Annual Report 2013.

STATEMENT ACCOMPANYING NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

1. NAME OF DIRECTORS STANDING FOR RE-ELECTION

i) Yap Phing Cern
ii) Bei Sui Loon

2. PLACE, DATE AND TIME OF THE NINETEENTH ANNUAL GENERAL MEETING

The place, date and time of the Nineteenth Annual General Meeting are as follows:-

Date	Time	Place
6 December 2013	8.30 am	Ballroom 1, Sabah Hotel, KM 1, Jalan Utara, 90000 Sandakan, Sabah

3. ATTENDANCE OF BOARD OF DIRECTORS' MEETINGS

The number of Board of Directors' Meetings held during the Directors' tenure in office in the financial year ended 30 June 2013 and the number of meetings attended by each Director are as follows:

Directors	Number of Board meetings held during Director's tenure in office	Number of meetings attended by Directors
Dato' Shamsir Bin Omar *(Resigned w.e.f. 21.11.2012)*	2	1
Yap Phing Cern	5	5
Kok Pooi Wan *(Resigned w.e.f. 30.08.2013)*	5	3
Yap Fei Chien	5	5
Wong Chee Kiong	5	5
Beh Sui Loon	5	5
Oh Kim Sun	5	5

4. Further details of Directors who are standing for re-election, the family relationship with any director and/or substantial shareholder of the Company are set out in pages 9 to 11 and their shareholdings information are listed in pages 121 to 123 of this Annual Report.

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GOLDEN LAND BERHAD
Incorporated In Malaysia (298367-A)

No. of ordinary shares held	CDS Account No.

PROXY FORM

(Before completing the form please refer to the notes below)

I/We ……
(full name as per NRIC/Certificate of Incorporation in capital letters)

NRIC No./Co. No. ……………………………… of ………………………………………………………………………
(full address)

being a member/members of Golden Land Berhad hereby appoint ……………………………………………………

……………………………………………………………………… NRIC No. ……………………………………………
(name of proxy as per NRIC, in capital letters)

or failing him/her ………………………………………………………NRIC No. ……………………………………………
(name of proxy as per NRIC, in capital letters)

or failing him/her * the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held at Ballroom 1, Sabah Hotel, KM 1, Jalan Utara, 90000 Sandakan, Sabah on Friday, 6 December 2013 at 8.30 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:-

NO.	RESOLUTIONS		FOR	AGAINST
1.	To approve the Payment of Directors' Fees for the year ended 30 June 2013.	Ordinary Resolution 1		
2.	To re-elect Director – Yap Phing Cern, who retires pursuant to Article 124 of the Company's Articles of Association.	Ordinary Resolution 2		
3.	To re-elect Director – Beh Sui Loon, who retires pursuant to Article 124 of the Company's Articles of Association.	Ordinary Resolution 3		
4.	To re-appoint Messrs Ernst & Young as Auditors.	Ordinary Resolution 4		
5.	Retention of Independent Non-Executive Director	Ordinary Resolution 5		
6.	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.	Ordinary Resolution 6		
7.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 7		
8.	To approve the Proposed Renewal of Shareholders' Mandate for Proposed Share Buy-Back Authority.	Ordinary Resolution 8		

(Please indicate with an "X" in the space provided how you wish your vote to be cast on the resolutions specified above. If you do not do so your proxy will vote or abstain from voting at his/her discretion).

Dated this ………… day of ………………………… 2013.

……………………………………
Signature/Seal of Shareholder

Notes:-

1. A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company and need not be any of the persons prescribed by Section 149(1)(b) of the Companies Act, 1965. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
2. A member may appoint up to two (2) proxies. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at A-09-03, Empire Tower, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan, at least 48 hours before the appointed time for holding the Meeting or any adjournment thereof.
5. Where the Proxy Form is executed by a corporation, it must be under its Seal or under the hand of an officer or attorney duly authorised.
6. The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the Meeting is 2 December 2013.

Fold this flap for sealing

Affix postage stamp

Company Secretary

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