



FINANCIAL STATEMENT

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DIRECTOR'S REPORT

For the year ended 31 December 2009

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2009.

Principal activities

The principal activities of the Company consist of those relating to the cultivation of oil palm and teak trees, palm oil mill, property investment and investment holding.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit/(Loss) attributable to:		
Shareholders of the Company	6,905,035	29,235,443
Minority interest	(1,920,735)	--
	<u>4,984,300</u>	<u>29,235,443</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividends

Since the end of the previous financial year, the Company:

- i) paid a first interim single tier dividend of 2 sen per ordinary share totalling RM3,709,543 in respect of the year ended 31 December 2008 on 19 January 2009; and
- ii) declared a first interim single tier dividend of 1 sen per ordinary share totalling RM1,854,772 in respect of the year ended 31 December 2009 on 4 December 2009. The dividend was paid on 11 January 2010.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

Directors of the Company

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

Tan Sri Dato' Low Nam Hui
Mr. Low Quek Kiong
Mr. Low Kueck Shin
Mr. Low Kwek Lee
Mr. Low Kuek Kong
Mr. Lee Chon Sing
Mr. Loh Wann Yuan
Mr. Law Piang Woon
Brig. Jen. (B) Dato' Ali bin Haji Musa



DIRECTOR'S REPORT

For the year ended 31 December 2009 (Cont'd)

Directors interests

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

Name of Directors	Interest	Number of ordinary shares of RM1.00 each			At 31 December 2009
		At 1 January 2009	Bought	Sold	
Company					
Tan Sri Dato' Low Nam Hui	Deemed	70,528,759 ^{*1}	58,039,149	(28,200)	128,539,708 ^{*1}
Mr. Low Quek Kiong	Direct	20,000	--	--	20,000
	Deemed	122,832,308 ^{*2}	62,766,927	(57,079,527)	128,519,708 ^{*2}
Mr. Low Kueck Shin	Deemed	122,852,308 ^{*1}	62,766,927	(57,079,527)	128,539,708 ^{*1}
Mr. Low Kwek Lee	Deemed	122,852,308 ^{*1}	62,766,927	(57,079,527)	128,539,708 ^{*1}
Mr. Low Kuek Kong	Deemed	122,852,308 ^{*1}	62,766,927	(57,079,527)	128,539,708 ^{*1}
Mr. Lee Chon Sing	Direct	50,001	--	--	50,001
Mr. Loh Wann Yuan	Direct	1	--	--	1

^{*1} By virtue of his interests in Low Nam Hui United Holdings Sdn. Bhd., Low Nam Hui & Sons Sdn. Bhd., LNH Enterprise Sdn. Bhd., Yong Yaow Properties Sdn. Bhd. and Seri Cemerlang Plantation (Pahang) Sdn. Bhd. and the shares held by his immediate family members, Puan Sri Datin Chan Pui Leorn, Mr Low Quek Kiong, Mr Low Kok Yong, Mr Low Kok Yaow and Ms Low Siew Eng pursuant to Section 6A of the Companies Act, 1965.

^{*2} By virtue of his interests in Low Nam Hui United Holdings Sdn. Bhd., Low Nam Hui & Sons Sdn. Bhd., LNH Enterprise Sdn. Bhd., Yong Yaow Properties Sdn. Bhd. and Seri Cemerlang Plantation (Pahang) Sdn. Bhd. and the shares held by his immediate family members, Puan Sri Datin Chan Pui Leorn immediate family members, Mr Low Kok Yong, Mr Low Kok Yaow and Ms Low Siew Eng pursuant to Section 6A of the Companies Act, 1965.

By virtue of their substantial interests in the shares of the Company, Tan Sri Dato' Low Nam Hui, Mr. Low Quek Kiong, Mr. Low Kueck Shin, Mr. Low Kwek Lee and Mr. Low Kuek Kong are also deemed interested in the shares of all the wholly-owned subsidiaries of the Company.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with the Company and certain subsidiaries in the ordinary course of business as disclosed in Note 30 to the financial statements.



DIRECTOR'S REPORT

For the year ended 31 December 2009 (Cont'd)

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

Issue of shares and debentures

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

There were no debentures issued during the financial year.

Options granted over unissued shares

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

Other statutory information

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

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

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

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

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

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

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



DIRECTOR'S REPORT

For the year ended 31 December 2009 (Cont'd)

In the opinion of the Directors, except for the waiver of debts amounting to RM5,640,302 as disclosed in Note 20 the financial statements, the results of the operations of the Group and of the Company for the year ended 31 December 2009 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Low Quek Kiong

Low Kueck Shin

Johor Bahru,

Date: 26 April 2010



STATEMENT BY DIRECTORS PURSUANT TO Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 38 to 80 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 at 31 December 2009 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Low Quek Kiong

Low Kueck Shin

Johor Bahru,

Date: 26 April 2010



STATUTORY DECLARATION PURSUANT TO

Section 169(16) of the Companies Act, 1965

I, **Low Quek Kiong**, the Director primarily responsible for the financial management of HARN LEN CORPORATION BHD, do solemnly and sincerely declare that the financial statements set out on pages 38 to 80 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Johor Bahru in the State of Johor on 26 April 2010.

Low Quek Kiong

Before me:
K.AMUDALINGAM
PLP, PIS, PPN
Commissioner For Oaths
J-133



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARN LEN CORPORATION BHD

Report on the Financial Statements

We have audited the financial statements of Harn Len Corporation Bhd, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements 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 38 to 80.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 judgment, 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 Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARN LEN CORPORATION BHD (Cont'd)

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 of 31 December 2009 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 have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

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.

KPMG

Firm Number: AF 0758
Chartered Accountants

Wee Beng Chuan

Approval Number: 2677/12/10 (J)
Chartered Accountant

Johor Bahru

Date: 26 April 2010



BALANCE SHEETS

At 31 December 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Assets					
Property, plant and equipment	3	97,642,682	95,540,574	77,440,593	79,528,002
Prepaid lease payments	4	133,786,493	135,899,061	81,632,029	82,877,905
Biological assets	5	92,234,403	86,992,703	4,294,319	755,507
Investment property	6	10,300,000	11,850,277	--	--
Investments in subsidiaries	7	--	--	87,089,097	87,089,097
Deferred tax assets	8	1,041,083	764,920	180,678	--
Goodwill on consolidation	9	7,616,523	7,616,523	--	--
Other receivables	10	--	--	66,704,352	61,477,262
Total non-current assets		342,621,184	338,664,058	317,341,068	311,727,773
Inventories	11	3,327,826	3,864,839	2,106,219	1,353,082
Trade and other receivables	10	14,501,444	8,909,845	10,138,803	6,678,819
Tax recoverable		2,565	555,834	--	--
Cash and cash equivalents	12	4,009,401	4,333,964	3,575,431	3,539,689
Total current assets		21,841,236	17,664,482	15,820,453	11,571,590
Total assets		364,462,420	356,328,540	333,161,521	323,299,363
Equity					
Share capital		185,477,159	185,477,159	185,477,159	185,477,159
Reserves		46,464,842	41,414,579	46,906,733	19,526,062
Total equity attributable to equity holders of the Company	13	231,942,001	226,891,738	232,383,892	205,003,221
Minority interest	14	(2,551,360)	(630,625)	--	--
Total equity		229,390,641	226,261,113	232,383,892	205,003,221
Liabilities					
Deferred tax liabilities	8	4,251,019	5,114,986	--	731,301
Retirement benefits	15	590,020	507,447	590,020	507,447
Loans and borrowings (secured)	16	58,783,620	59,195,454	29,729,994	39,617,215
Other payables	17	--	--	21,855,567	31,797,935
Total non-current liabilities		63,624,659	64,817,887	52,175,581	72,653,898
Trade and other payables	17	29,165,053	34,083,992	11,786,325	18,408,329
Dividend payable		1,872,430	3,709,543	1,872,430	3,709,543
Loans and borrowings (secured)	16	39,526,400	25,958,460	34,364,804	22,026,827
Taxation		883,237	1,497,545	578,489	1,497,545
Total current liabilities		71,447,120	65,249,540	48,602,048	45,642,244
Total liabilities		135,071,779	130,067,427	100,777,629	118,296,142
Total equity and liabilities		364,462,420	356,328,540	333,161,521	323,299,363

The accompanying notes form an integral part of the financial statements.



INCOME STATEMENTS

For the year ended 31 December 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Revenue	18	103,077,561	137,528,025	86,462,439	98,015,029
Cost of goods sold		(70,969,316)	(79,471,067)	(43,043,163)	(56,276,421)
Gross profit	18	32,108,245	58,056,958	43,419,276	41,738,608
Other income		5,915,964	329,981	5,714,689	315,797
Administrative expenses		(16,801,558)	(15,589,322)	(12,046,724)	(12,361,804)
Distribution expenses		(2,301,689)	(6,186,428)	(1,628,800)	(3,980,330)
Other expenses		(1,820,607)	(6,807,893)	--	(6,570,197)
Results from operating activities		17,100,355	29,803,296	35,458,441	19,142,074
Interest income		9,322	8,421	2,395,178	8,421
Finance costs	19	(6,151,938)	(5,890,032)	(5,421,266)	(4,450,710)
Profit before tax	20	10,957,739	23,921,685	32,432,353	14,699,785
Tax expense	21	(5,973,439)	(3,557,090)	(3,196,910)	(6,012,049)
Profit for the year		4,984,300	20,364,595	29,235,443	8,687,736
Attributable to:					
Equity holders of the Company		6,905,035	20,977,154	29,235,443	8,687,736
Minority interest		(1,920,735)	(612,559)	--	--
Profit for the year		4,984,300	20,364,595	29,235,443	8,687,736
Earning per ordinary share (sen)	22	3.7	11.3		

The accompanying notes form an integral part of the financial statements.



STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

Group	Note	Attributable to equity holders of the Company					Total equity RM
		Share capital RM	Share premium RM	Capital reserve RM	Retained earnings RM	Minority interest RM	
		Non-distributable		Distributable		Total RM	
At 1 January 2008		185,477,159	6,634,854	6,268,000	11,244,114	209,624,127	209,606,061
Profit for the year		--	--	--	20,977,154	20,977,154	20,364,595
Dividends to shareholders	23	--	--	--	(3,709,543)	(3,709,543)	(3,709,543)
At 31 December 2008		185,477,159	6,634,854	6,268,000	28,511,725	226,891,738	226,261,113
Profit for the year		--	--	--	6,905,035	6,905,035	4,984,300
Dividends to shareholders	23	--	--	--	(1,854,772)	(1,854,772)	(1,854,772)
At 31 December 2009		185,477,159	6,634,854	6,268,000	33,561,988	231,942,001	229,390,641

The accompanying notes form an integral part of the financial statements.



STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009 (Cont'd)

Company	Note	Share capital RM	Non-distributable Share premium RM	Capital reserve RM	Distributable Retained earnings RM	Total equity RM
At 1 January 2008		185,477,159	6,634,854	6,268,000	1,645,015	200,025,028
Profit for the year		--	--	--	8,687,736	8,687,736
Dividends to shareholders	23	--	--	--	(3,709,543)	(3,709,543)
At 31 December 2008		185,477,159	6,634,854	6,268,000	6,623,208	205,003,221
Profit for the year		--	--	--	29,235,443	29,235,443
Dividends to shareholders	23	--	--	--	(1,854,772)	(1,854,772)
At 31 December 2009		185,477,159	6,634,854	6,268,000	34,003,879	232,383,892

The accompanying notes form an integral part of the financial statements.

**CASH FLOW STATEMENTS**

For the year ended 31 December 2009

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash flows from operating activities				
Profit before tax	10,957,739	23,921,685	32,432,353	14,699,785
Adjustments for:				
Depreciation and amortisation	11,612,656	9,715,807	4,946,531	4,907,400
Finance costs	6,151,938	5,890,032	5,421,266	4,450,710
Retirement benefits	126,934	69,062	126,934	69,062
Gain on disposal of property, plant and equipment	--	(127,651)	--	(126,851)
Interest income	(9,322)	(8,421)	(2,395,178)	(8,421)
Dividend income	--	--	(19,689,380)	--
Impairment loss on investment property	1,571,987	--	--	--
Property, plant and equipment written off	38,424	--	--	--
Operating profit before changes in working capital	30,450,356	39,460,514	20,842,526	23,991,685
Changes in working capital:				
Inventories	537,013	415,660	(753,137)	417,168
Trade and other receivables	(5,591,599)	(1,048,438)	(8,687,074)	(12,596,907)
Trade and other payables	(4,963,300)	5,491,192	(16,608,733)	12,472,615
Cash generated from/(used in) operations	20,432,470	44,318,928	(5,206,418)	24,284,561
Tax paid	(7,174,608)	(9,169,335)	(5,027,945)	(3,421,396)
Net cash from/(used in) operating activities	13,257,862	35,149,593	(10,234,363)	20,863,165

The accompanying notes form an integral part of the financial statements.

**CASH FLOW STATEMENTS**

For the year ended 31 December 2009 (Cont'd)

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Cash flows from investing activities					
Acquisition of:					
- property, plant and equipment	24	(6,596,730)	(4,939,619)	(1,077,246)	(2,236,351)
- biological assets	25	(7,960,289)	(8,268,478)	(3,538,812)	(755,507)
- investment properties		(21,710)	(34,310)	--	--
Proceeds from disposal of property, plant and equipment		--	176,000	--	170,000
Interest received		9,322	8,421	2,395,178	8,421
Increase in pledged deposits placed with licensed banks		(9,322)	(8,421)	(9,322)	(8,421)
Net cash used in investing activities		<u>(14,578,729)</u>	<u>(13,066,407)</u>	<u>(2,230,202)</u>	<u>(2,821,858)</u>
Cash flows from financing activities					
Interest paid		(6,202,039)	(6,196,201)	(5,421,266)	(4,450,710)
Dividend received		--	--	19,689,380	--
Dividend paid		(3,691,885)	--	(3,691,885)	--
Payment of finance lease liabilities		(1,799,323)	(1,514,476)	(765,473)	(798,379)
Proceeds from term loans		13,000,000	--	--	--
Repayment of term loans		(11,628,000)	(9,628,000)	(8,628,000)	(7,628,000)
Net cash (used in)/from financing activities		<u>(10,321,247)</u>	<u>(17,338,677)</u>	<u>1,182,756</u>	<u>(12,877,089)</u>
Net (decrease)/increase in cash and cash equivalents		(11,642,114)	4,744,509	(11,281,809)	5,164,218
Cash and cash equivalents at 1 January		<u>1,354,322</u>	<u>(3,390,187)</u>	<u>560,047</u>	<u>(4,604,171)</u>
Cash and cash equivalents at 31 December		<u>(10,287,792)</u>	<u>1,354,322</u>	<u>(10,721,762)</u>	<u>560,047</u>

The accompanying notes form an integral part of the financial statements.



CASH FLOW STATEMENTS

For the year ended 31 December 2009 (Cont'd)

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances	3,751,267	4,085,152	3,317,297	3,290,877
Bank overdraft	<u>(14,039,059)</u>	<u>(2,730,830)</u>	<u>(14,039,059)</u>	<u>(2,730,830)</u>
	<u>(10,287,792)</u>	<u>1,354,322</u>	<u>(10,721,762)</u>	<u>560,047</u>

The accompanying notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

Harn Len Corporation Bhd is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the registered office of the Company is as follows:

Registered office

6th Floor, Johor Tower
No. 15, Jalan Gereja
80100 Johor Bahru
Johor
Malaysia

The consolidated financial statements of the Company as at and for the year ended 31 December 2009 comprise the Company and its subsidiaries.

The principal activities of the Company consist of those relating to the cultivation of oil palm and teak trees, palm oil mill, property investment and investment holding. The principal activities of the subsidiaries are disclosed in Note 7.

The financial statements were approved by the Board of Directors on 26 April 2010.

1. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standards (FRS), the Companies Act, 1965 and accounting principles generally accepted in Malaysia.

The Group and the Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group and the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2009

- FRS 8, *Operating Segments*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010

- FRS 4, *Insurance Contracts*
- FRS 7, *Financial Instruments: Disclosures*
- FRS 101, *Presentation of Financial Statements* (revised)
- FRS 123, *Borrowing Costs* (revised)
- FRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
- Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*
- Amendments to FRS 7, *Financial Instruments: Disclosures*



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010 (continued)

- Amendments to FRS 101, *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 132, *Financial Instruments: Presentation*
 - *Puttable Financial Instruments and Obligations Arising on Liquidation*
 - *Separation of Compound Instruments*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement*
 - *Reclassification of Financial Assets*
 - *Collective Assessment of Impairment for Banking Institutions*
- Improvements to FRSs (2009)
- IC Interpretation 9, *Reassessment of Embedded Derivatives*
- IC Interpretation 10, *Interim Financial Reporting and Impairment*
- IC Interpretation 11, *FRS 2 – Group and Treasury Share Transactions*
- IC Interpretation 13, *Customer Loyalty Programmes*
- IC Interpretation 14, *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010

- Amendments to FRS 132, *Financial Instruments: Presentation – Classification of Rights Issues*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distribution of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

(a) Statement of compliance (continued)

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations in the respective financial year when the above standards, amendments and interpretations become effective.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

The impacts and disclosures as required by FRS 108.30(b), Accounting Policies, Changes in Accounting Estimates and Errors, in respect of applying FRS 7 and FRS 139 are not disclosed by virtue of the exemptions given in these respective FRSs.

The other standards, amendments, interpretations and improvements are either not applicable or are not expected to have any material impact on the financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis.

The Group and the Company have net current liabilities of RM49,605,884 and RM32,781,595 respectively as at 31 December 2009. The financial statements of the Group and of the Company continued to be prepared on the going concern basis as it is the intention of the Group and of the Company to continue their operations as going concerns. The going concern of the Group and of the Company is dependent on the continuous financial support from the Group's bankers, suppliers and plantation contractors and the achievement of future profitable operations.

The Directors are of the view that with the current commodity prices and existing banking facilities, the Group and the Company will be able to generate sufficient fund to meet their current obligations as and when required.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information are presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following Notes:

- Note 8 - recognition of unutilised tax losses and unabsorbed capital allowances
- Note 9 - valuation of goodwill on consolidation



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses.

(ii) *Minority interest*

Minority interest at the balance sheet date, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity holders of the Company. Minority interest in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and the equity holders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

(iii) *Changes in Group composition*

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statements.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

(a) Basis of consolidation (continued)

(iv) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Derivative financial instruments

The Group holds derivative financial instruments to hedge its commodity price exposures.

Forward swaps contracts are accounted for on an equivalent basis as the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as that arising from the related assets, liabilities or net positions.

(c) Property, plant and equipment

(i) *Recognition and measurement*

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in the income statements.

(ii) *Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

(c) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Buildings are depreciated on a straight line basis over fifty (50) years. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Estate buildings	25 years
Roads and bridges	10 years
Plant and machinery	10 years
Motor vehicles, furniture, fittings and equipment	5 - 10 years

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(d) Biological assets

Biological assets are stated at cost less any accumulated amortisation and any accumulated impairment losses. Biological assets comprise plantation development expenditure.

New planting expenditure incurred on land clearing, upkeep of immature palms/trees and interest incurred during the immature period are capitalised under Plantation Development Expenditure. Upon maturity, all subsequent maintenance expenditure is charged to Income Statement. Oil palm is considered matured 3 years after the month of planting. Teak tree is considered matured 17 years after the month of planting.

Plantation Development Expenditure of oil palm estates will be amortised on a straight line basis over 25 years being the current expected useful lives of oil palm trees. The useful lives of oil palms would be subjected to review in the future and may be adjusted as considered appropriate.

Plantation Development Expenditure of teak trees is not amortised and will be charged to the Income Statement at the time of harvest and sale of trees based on area harvested.

(e) Investment properties

(i) Investment property carried at cost

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. These include land (other than leasehold land) held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(c).

Freehold land is not depreciated.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

(e) Investment properties (continued)

(ii) *Determination of fair value*

An external, independent valuation firm, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio annually.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller at an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

Significant assumptions in arriving at the fair value of investment properties are disclosed in Note 6.

(f) Leased assets

(i) *Finance lease*

Leases in terms of which the Group or the Company assume substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) *Operating lease*

Leases, where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, *except for property interest held under operating lease*, the leased assets are not recognised on the Group's balance sheet.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

(f) Leased assets (continued)

(ii) Operating lease (continued)

Leasehold land is amortised in equal instalments over the period of the respective leases which range from sixty-six (66) to ninety-seven (97) years.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(g) Intangible assets

(i) Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For business acquisitions beginning from 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statement.

(ii) Amortisation

Goodwill with indefinite useful lives are tested for impairment annually and whenever there is an indication that they may be impaired.

(h) Impairment of assets

The carrying amounts of assets except for financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill that has indefinite useful lives, the recoverable amount is estimated usually at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

(h) Impairment of assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statements in the year in which the reversals are recognised.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(k) Cash and cash equivalents

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

(l) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(m) Affiliated company

An affiliated company is a company in which the Directors of the Company have significant influence or substantial interest.

(n) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

(o) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Revenue recognition

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management.

(ii) Services rendered

Revenue from transportation service is recognised upon performance of services. Revenue from the provision of rooms, food and beverage, laundry service fees and other income are recognised when services are rendered.

(iii) Rental income

Income from rental of offices is recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Rental from car park are recognised based on value invoiced to customers.

(iv) Dividend income

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



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

(q) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the loans and borrowings using the effective interest method.

(r) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the plantation development activities incurred on land clearing and upkeep of immature palms/tree.

The capitalisation of borrowing costs as part of the cost of plantation development expenditure commences when expenditure for the plantation development activity during the immature period is being incurred and borrowing costs are being incurred. Capitalisation of borrowing costs is suspended or ceases when the plantation activities necessary to prepare the qualifying asset for its intended use are suspended or upon maturity of palms/trees.

(s) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to statutory pension funds are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Retirement benefits

The hotel division of the Group made a provision for retirement benefits for eligible employees of the division. The division sets aside provision for retirement benefits based on the basic salary of each eligible employee at the end of each financial year of service over the employees' period of employment.

(t) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(u) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Property, plant and equipment

	Land and buildings RM	Road and bridges RM	Plant and machinery RM	Motor vehicles, furniture, fittings and equipment RM	Construction -in-progress RM	Total RM
Group						
At cost						
At 1 January 2008	69,278,123	13,577,168	11,009,128	14,197,992	--	108,062,411
Additions	1,489,866	863,761	829,322	3,189,270	--	6,372,219
Disposal	--	--	--	(376,000)	--	(376,000)
At 31 December 2008/ 1 January 2009	70,767,989	14,440,929	11,838,450	17,011,262	--	114,058,630
Additions	1,350,471	2,654,198	749,681	3,489,425	628,155	8,871,930
Written off	(48,856)	--	--	(30,000)	--	(78,856)
At 31 December 2009	72,069,604	17,095,127	12,588,131	20,470,687	628,155	122,851,704
Accumulated depreciation						
At 1 January 2008	2,276,191	3,947,085	2,675,297	3,827,669	--	12,726,242
Depreciation charge	1,151,008	1,425,570	1,130,589	2,412,298	--	6,119,465
Disposal	--	--	--	(327,651)	--	(327,651)
At 31 December 2008/ 1 January 2009	3,427,199	5,372,655	3,805,886	5,912,316	--	18,518,056
Depreciation charge	1,215,514	1,613,877	1,249,700	2,652,307	--	6,731,398
Written off	(14,682)	--	--	(25,750)	--	(40,432)
At 31 December 2009	4,628,031	6,986,532	5,055,586	8,538,873	--	25,209,022
Carrying amounts						
At 31 December 2009	67,441,573	10,108,595	7,532,545	11,931,814	628,155	97,642,682
At 31 December 2008	67,340,790	9,068,274	8,032,564	11,098,946	--	95,540,574



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Property, plant and equipment (continued)

	Land and buildings RM	Road and bridges RM	Plant and machinery RM	Motor vehicles, furniture, fittings and equipment RM	Total RM
Company					
At cost					
At 1 January 2008	69,478,400	--	10,985,817	9,983,355	90,447,572
Additions	665,000	--	443,812	1,347,539	2,456,351
Disposal	--	--	--	(370,000)	(370,000)
At 31 December 2008/ 1 January 2009	70,143,400	--	11,429,629	10,960,894	92,533,923
Additions	161,000	536,800	709,650	205,796	1,613,246
At 31 December 2009	70,304,400	536,800	12,139,279	11,166,690	94,147,169
Accumulated depreciation					
At 1 January 2008	4,490,899	--	2,671,951	2,508,398	9,671,248
Depreciation charge	1,048,099	--	1,116,102	1,497,323	3,661,524
Disposal	--	--	--	(326,851)	(326,851)
At 31 December 2008/ 1 January 2009	5,538,998	--	3,788,053	3,678,870	13,005,921
Depreciation charge	1,074,082	22,792	1,206,565	1,397,216	3,700,655
At 31 December 2009	6,613,080	22,792	4,994,618	5,076,086	16,706,576
Carrying amounts					
At 31 December 2009	63,691,320	514,008	7,144,661	6,090,604	77,440,593
At 31 December 2008	64,604,402	--	7,641,576	7,282,024	79,528,002

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Carrying amounts of land and buildings				
Freehold land	20,770,000	20,770,000	20,770,000	20,770,000
Buildings	46,671,573	46,570,790	42,921,320	43,834,402
	<u>67,441,573</u>	<u>67,340,790</u>	<u>63,691,320</u>	<u>64,604,402</u>

Security

Land and buildings of the Group and of the Company with a carrying amount of RM61,796,958 (2008: RM61,991,750) and RM61,067,150 (2008: RM61,991,750) respectively are charged to banks as security for banking facilities granted to the Company and a subsidiary.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Property, plant and equipment (continued)***Leased motor vehicles***

Included in the property, plant and equipment of the Group and of the Company are motor vehicles acquired under lease financing with carrying amount of RM5,764,576 (2008: RM4,803,333) and RM2,083,674 (2008: RM2,165,254) respectively. The leased motor vehicles secured lease obligation as stated in Note 16.

Others

Depreciation charge for property, plant and equipment is allocated as follows:

	Group	
	2009 RM	2008 RM
Income statements	6,268,327	5,235,053
Biological assets	463,071	884,412
	6,731,398	6,119,465

4. Prepaid lease payments

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
<i>At cost</i>				
At 1 January/31 December	149,577,044	149,577,044	89,626,400	89,626,400
<i>Accumulated amortisation</i>				
At 1 January	13,677,983	11,565,413	6,748,495	5,502,619
Amortisation charge	2,112,568	2,112,570	1,245,876	1,245,876
At 31 December	15,790,551	13,677,983	7,994,371	6,748,495
<i>Carrying amounts</i>				
At 31 December	133,786,493	135,899,061	81,632,029	82,877,905

Others

Depreciation charge for prepaid lease payments is allocated as follows:

	Group	
	2009 RM	2008 RM
Income statements	2,101,827	2,037,924
Biological assets	10,741	74,646
	2,112,568	2,112,570

The prepaid lease payments of the Group and of the Company have an unexpired lease period of more than 50 years.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Prepaid lease payments (continued)

The prepaid lease payments of the Group and of the Company with a carrying amount of RM101,331,857 (2008: RM82,877,905) and RM81,632,029 (2008: RM82,877,905) respectively are charged to banks as security for banking facilities granted to the Company and a subsidiary.

Included in the prepaid lease payments of the Group and of the Company are oil palm trees which have exceeded twenty-five (25) years at acquisition and hence no value is placed on the plantation development expenditure.

5. Biological assets

	Plantation development expenditure - oil palm RM	Plantation development expenditure - teak tree RM	Total RM
Group			
At cost			
At 1 January 2008	83,221,457	650,129	83,871,586
Additions	9,471,707	61,998	9,533,705
At 31 December 2008/1 January 2009	92,693,164	712,127	93,405,291
Additions	8,438,008	46,194	8,484,202
At 31 December 2009	101,131,172	758,321	101,889,493
Accumulated amortisation			
At 1 January 2008	3,969,758	--	3,969,758
Amortisation charge	2,442,830	--	2,442,830
At 31 December 2008/1 January 2009	6,412,588	--	6,412,588
Amortisation charge	3,242,502	--	3,242,502
At 31 December 2009	9,655,090	--	9,655,090
Carrying amounts			
At 31 December 2009	91,476,082	758,321	92,234,403
At 31 December 2008	86,280,576	712,127	86,992,703
Company			
At cost			
At 1 January 2008	--	--	--
Additions	755,507	--	755,507
At 31 December 2008/1 January 2009	755,507	--	755,507
Additions	3,538,812	--	3,538,812
At 31 December 2009	4,294,319	--	4,294,319
Carrying amounts			
At 31 December 2009	4,294,319	--	4,294,319
At 31 December 2008	755,507	--	755,507

The biological assets of the Group with a carrying amount of RM8,148,022 (2008: NIL) are charged to a bank as security for banking facilities granted to a subsidiary.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. Biological assets (continued)

Included in plantation development expenditure of the Group are the following expenses capitalised:

	2009 RM	2008 RM
Finance costs	50,101	306,169
Depreciation and amortisation (see Note 3 and 4)	473,812	959,058
Personnel expenses (including key management personnel)		
- Contributions to Employees Provident Fund	--	26,239
- Wages, salaries and others	14,964	243,950
	<u>14,964</u>	<u>243,950</u>

The plantation development expenditure of a subsidiary, Harn Len Pelita Bungan Sdn. Bhd. are situated on Native Customary Rights Land Development Area in Sarawak. Pursuant to the Joint Venture Agreement dated 3 September 2004, the joint venture partner, Pelita Holdings Sdn. Bhd. which holds 40% equity interest in the said subsidiary, undertake to procure the alienation of the land from the Sarawak Government to the said subsidiary as consideration for Pelita Holdings Sdn. Bhd.'s share of the said subsidiary's paid-up share capital. As at today, the land has yet to be alienated to the said subsidiary.

6. Investment property

	Land RM	Property development expenditure RM	Total RM
Group			
At cost			
At 1 January 2008	10,300,000	1,515,967	11,815,967
Additions	--	34,310	34,310
At 31 December 2008/1 January 2009	10,300,000	1,550,277	11,850,277
Additions	--	21,710	21,710
At 31 December 2009	<u>10,300,000</u>	<u>1,571,987</u>	<u>11,871,987</u>
Accumulated impairment losses			
Impairment loss/At 31 December 2009	--	1,571,987	1,571,987
Carrying amount			
At 31 December 2009	<u>10,300,000</u>	--	<u>10,300,000</u>
At 31 December 2008	<u>10,300,000</u>	<u>1,550,277</u>	<u>11,850,277</u>

Fair value

The fair value of the investment property as at 31 December 2009 is RM10,300,000. The fair value is determined by independent professional qualified valuer using open market value method.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. Investments in subsidiaries

	Company	
	2009 RM	2008 RM
Unquoted shares, at cost	87,089,097	87,089,097

Details of subsidiaries, all of which are incorporated in Malaysia, are as follows:

<i>Name of company</i>	<i>Principal activities</i>	<i>Effective ownership interest</i>	
		2009 %	2008 %
Uniglobal Sdn. Bhd. *	Cultivation of oil palm and teak trees	100	100
Masranti Plantation Sdn. Bhd.	Cultivation of oil palm and teak trees	99.99	99.99
Premium Dragon Sdn. Bhd.	Investment holding	100	100
Nusantara Daya Sdn. Bhd.	Investment property	100	100
Harn Len Pelita Bengunan Sdn. Bhd.	Cultivation of oil palm and teak trees	60	60
Dyna Billion Sdn. Bhd.	Dormant	100	100
Sunshine Zodiac Sdn. Bhd.	Dormant	100	100
Zhangxern Corporation Sdn. Bhd.	Dormant	100	100
Masranti Palm Oil Mill Sdn. Bhd. (formerly known as Keyrange Corporation Sdn. Bhd.)	Dormant	100	100

* The entire issued and paid-up capital of this subsidiary with a cost of RM50,000,000 has been charged to a bank as security to obtain bank overdraft and term loan facilities of the Company and a subsidiary.

8. Deferred tax assets and liabilities

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts determined after appropriate offsetting are as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Deferred tax assets	(1,041,083)	(764,920)	(180,678)	--
Deferred tax liabilities	4,251,019	5,114,986	--	731,301
	<u>3,209,936</u>	<u>4,350,066</u>	<u>(180,678)</u>	<u>731,301</u>



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. Deferred tax assets and liabilities (continued)**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Property, plant and equipment				
- capital allowances	10,206,383	9,781,990	1,681,939	1,161,920
- fair value adjustment	7,727,714	7,860,239	--	--
Gain on crude palm oil swap receivables	--	837,000	--	837,000
Provision	(494,680)	(130,440)	(494,680)	(130,440)
Unabsorbed capital allowances	(9,588,801)	(9,358,043)	(1,367,937)	(1,137,179)
Unutilised tax losses	(4,640,680)	(4,640,680)	--	--
	<u>3,209,936</u>	<u>4,350,066</u>	<u>(180,678)</u>	<u>731,301</u>

Movement in temporary difference during the year are as follows:

Group	At 1 January 2009 RM	Recognised in income statements RM	At 31 December 2009 RM
Property, plant and equipment			
- capital allowances	9,781,990	424,393	10,206,383
- fair value adjustment	7,860,239	(132,525)	7,727,714
Gain on crude palm oil swap receivables	837,000	(837,000)	--
Provision	(130,440)	(364,240)	(494,680)
Unabsorbed capital allowances	(9,358,043)	(230,758)	(9,588,801)
Unutilised tax losses	(4,640,680)	--	(4,640,680)
	<u>4,350,066</u>	<u>(1,140,130)</u>	<u>3,209,936</u>

Company

Property, plant and equipment			
- capital allowances	1,161,920	520,019	1,681,939
Gain on crude palm oil swap receivables	837,000	(837,000)	--
Provision	(130,440)	(364,240)	(494,680)
Unabsorbed capital allowances	(1,137,179)	(230,758)	(1,367,937)
	<u>731,301</u>	<u>(911,979)</u>	<u>(180,678)</u>

Group	At 1 January 2008 RM	Recognised in income statements RM	At 31 December 2008 RM
Property, plant and equipment			
- capital allowances	2,513,288	7,268,702	9,781,990
- fair value adjustment	8,618,875	(758,636)	7,860,239
Gain on crude palm oil swap receivables	--	837,000	837,000
Provision	(135,368)	4,928	(130,440)
Unabsorbed capital allowances	(614,000)	(8,744,043)	(9,358,043)
Unutilised tax losses	--	(4,640,680)	(4,640,680)
	<u>10,382,795</u>	<u>(6,032,729)</u>	<u>4,350,066</u>



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. Deferred tax assets and liabilities (continued)

Company	At 1 January 2008 RM	Recognised in income statements RM	At 31 December 2008 RM
Property, plant and equipment			
- capital allowances	786,000	375,920	1,161,920
Gain on crude palm oil swap receivables	--	837,000	837,000
Provision	(135,368)	4,928	(130,440)
Unabsorbed capital allowances	(614,000)	(523,179)	(1,137,179)
	<u>36,632</u>	<u>694,669</u>	<u>731,301</u>

Unrecognised deferred tax assets

Deferred tax assets of the subsidiaries have not been recognised in respect of the following items:

	Group	
	2009 RM'000	2008 RM'000
Property, plant and equipment		
- capital allowances	20,473	18,797
Unutilised tax losses	(18,685)	(21,356)
Unabsorbed capital allowances	(26,561)	(11,542)
	<u>(24,773)</u>	<u>(14,101)</u>

The unutilised tax losses and unabsorbed capital allowances do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits there from.

9. Goodwill on consolidation

	Group	
	2009 RM	2008 RM
Carrying amounts	<u>7,616,523</u>	<u>7,616,523</u>

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Group	
	2009 RM	2008 RM
Masranti Plantation Sdn. Bhd.	5,794,799	5,794,799
Uniglobal Sdn. Bhd.	1,821,724	1,821,724
	<u>7,616,523</u>	<u>7,616,523</u>



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

9. Goodwill on consolidation (continued)

The recoverable amount for the above was based on its value in use and was determined by discounting the future cash flows generated from the continuing use of these units and was based on the following key assumptions:

- Cash flows were projected based on a 10 years forecast and projections.
- Production yield is projected based on industry growth rate.
- Commodity price is projected based on current market price and remains constant throughout the projected period.
- Expenses were projected at annual increase of approximately 2% per annum.
- A pre-tax discount rate of 6.5% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the Group's existing rate of borrowing.

The value assigned to the key assumptions represents management's assessment of future trends in the industry.

Based on the management assessment, the estimated cash flow generated by Masranti Plantation Sdn. Bhd. and Uniglobal Sdn. Bhd. are significantly higher than the carrying amount of the respective goodwill. Management considers that no impairment is required.

10. Trade and other receivables

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Non-current				
Due from subsidiaries				
- Non-trade	--	--	66,704,352	61,477,262
Current				
Trade receivables	7,098,825	3,520,651	3,206,769	1,892,914
Other receivables, deposits and prepayments	7,402,015	5,380,459	5,631,194	3,672,151
Due from subsidiaries				
- Non-trade	--	--	1,300,236	1,105,019
Due from affiliated companies				
- Trade	604	6,683	604	6,683
- Non-trade	--	2,052	--	2,052
	<u>14,501,444</u>	<u>8,909,845</u>	<u>10,138,803</u>	<u>6,678,819</u>
	<u>14,501,444</u>	<u>8,909,845</u>	<u>76,843,155</u>	<u>68,156,081</u>

The non-trade amounts due from subsidiaries and affiliated companies is in respect of advances made which are unsecured and have no fixed terms of repayment. Interest is charged at 3.5% (2008: NIL) per annum for non-trade amount due from subsidiaries.

Included in the trade receivables of the Group/Company is allowance for doubtful debts of RM59,100 (2008: RM14,321).

Included in other receivables, deposits and prepayment of the Group/Company is deposit of RM4,810,000 (2008: NIL) paid for the acquisition of a company as disclosed in Note 31.

Included in other receivables, deposits and prepayments of the Group/Company in prior year was gain on crude palm oil swap receivables amounting to RM3,348,000.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

11. Inventories

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Agricultural produce	1,177,093	747,434	1,177,093	747,434
Consumables and spares	1,314,015	1,993,594	929,126	605,648
Nursery	836,718	1,123,811	--	--
	<u>3,327,826</u>	<u>3,864,839</u>	<u>2,106,219</u>	<u>1,353,082</u>

12. Cash and cash equivalents

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances	3,751,267	4,085,152	3,317,297	3,290,877
Deposits placed with licensed banks	258,134	248,812	258,134	248,812
	<u>4,009,401</u>	<u>4,333,964</u>	<u>3,575,431</u>	<u>3,539,689</u>

The deposits of the Group and of the Company of RM258,134 (2008: RM248,812) are pledged to licensed banks as security for bank guarantee facilities granted to the Group and the Company.

13. Share capital and reserves

Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2009 RM	2008 RM	2009	2008
Ordinary shares of RM1.00 each:				
Authorised	<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>
Issued and fully paid	<u>185,477,159</u>	<u>185,477,159</u>	<u>185,477,159</u>	<u>185,477,159</u>

Reserves

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Distributable				
Retained earnings	33,561,988	28,511,725	34,003,879	6,623,208
Non-distributable				
Share premium	6,634,854	6,634,854	6,634,854	6,634,854
Capital reserves	<u>6,268,000</u>	<u>6,268,000</u>	<u>6,268,000</u>	<u>6,268,000</u>
	<u>46,464,842</u>	<u>41,414,579</u>	<u>46,906,733</u>	<u>19,526,062</u>

The Finance Act, 2007 introduced a single tier company income tax system in respect of the distribution of dividend with effect from year of assessment 2008. As such, the Company adopts the single tier company income tax system with effect from year of assessment 2008.

Capital reserves

On 18 July 2003, the Company issued RM44,310,095 1.5% five (5) years 2003/2008 Redeemable Convertible Secured Loan Stocks (RCSLS) at nominal value of RM1.00 each. Upon early redemption of the RCSLS in 2005, the equity component of the RCSLS was transferred to capital reserves.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

14. Minority shareholders' interest

Group

The losses applicable to the minority in a subsidiary, Harn Len Pelita Bengunan Sdn. Bhd. exceeded the minority interest in the equity of that subsidiary. The Directors of the Company are of the opinion that this deficit is temporary as it is the intention of the said subsidiary to progressively increase its paid-up share capital to RM24,000,000 and the minority shareholder of the said subsidiary, being the joint venture partner of the development, has undertaken to subscribe for 40% of the increased paid-up share capital i.e. RM9,600,000 in accordance with the Joint Venture Agreement dated 3 September 2004 (see Note 5).

15. Retirement benefits

	Group/Company	
	2009 RM	2008 RM
At 1 January	507,447	438,385
Provision made during the year	126,934	69,062
Provision used during the year	(44,361)	--
At 31 December	<u>590,020</u>	<u>507,447</u>

16. Loans and borrowings (secured)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Non-current				
Finance lease liabilities	2,312,620	2,096,454	808,994	1,068,215
Term loans	56,471,000	57,099,000	28,921,000	38,549,000
	58,783,620	59,195,454	29,729,994	39,617,215
Current				
Finance lease liabilities	1,859,341	1,599,630	697,745	667,997
Term loans	23,628,000	21,628,000	19,628,000	18,628,000
Bank overdraft	14,039,059	2,730,830	14,039,059	2,730,830
	39,526,400	25,958,460	34,364,804	22,026,827
	<u>98,310,020</u>	<u>85,153,914</u>	<u>64,094,798</u>	<u>61,644,042</u>

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2009			2008		
	Minimum lease payments RM	Interest RM	Principal RM	Minimum lease payments RM	Interest RM	Principal RM
Group						
Less than one year	2,062,613	203,272	1,859,341	1,787,630	188,000	1,599,630
Between one and five years	2,468,804	156,184	2,312,620	2,342,665	246,211	2,096,454
	<u>4,531,417</u>	<u>359,456</u>	<u>4,171,961</u>	<u>4,130,295</u>	<u>434,211</u>	<u>3,696,084</u>



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16. Loans and borrowings (secured) (continued)

Finance lease liabilities (continued)

Company	2009			2008		
	Minimum lease payments RM	Interest RM	Principal RM	Minimum lease payments RM	Interest RM	Principal RM
Less than one year	757,624	59,879	697,745	741,432	73,435	667,997
Between one and five years	844,081	35,087	808,994	1,185,384	117,169	1,068,215
	<u>1,601,705</u>	<u>94,966</u>	<u>1,506,739</u>	<u>1,926,816</u>	<u>190,604</u>	<u>1,736,212</u>

Security

The term loans and bank overdrafts are secured by fixed charges over certain land and building, prepaid lease payments and biological assets of the Group and the entire issued and paid-up capital of a subsidiary.

Significant covenants

- a. The Group, Company and subsidiaries are required to maintain various ratios during the tenure of credit facilities.
 - i) gearing ratio (ranging lower than 0.75 to 2.0); and
 - ii) interest cover ratio (lower than 2.0)
- b. The Group net tangible worth shall not be less than RM120,000,000.
- c. The Company shall not without the banks' prior written consent, incur or assume additional indebtedness or guarantee any indebtedness (except in the ordinary course of business), alter the present ownership structure and extend loans and advances to the Directors of the Company.
- d. The properties shall be valued by a professional valuer at least once every two years or such times as may be decided by the banks.

Terms and debt repayment schedule

Group 2009	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
Bank overdraft	--	14,039	14,039	--	--	--
Finance lease liabilities	2010 - 2014	4,172	1,859	1,294	1,019	--
Secured term loans	2010 - 2019	80,099	23,628	13,628	42,843	--
		<u>98,310</u>	<u>39,526</u>	<u>14,922</u>	<u>43,862</u>	<u>--</u>
2008						
Bank overdraft	--	2,731	2,731	--	--	--
Finance lease liabilities	2009 - 2012	3,696	1,600	1,244	580	272
Secured term loans	2009 - 2014	78,727	21,628	13,628	40,584	2,887
		<u>85,154</u>	<u>25,959</u>	<u>14,872</u>	<u>41,164</u>	<u>3,159</u>



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16. Loans and borrowings (secured) (continued)**Terms and debt repayment schedule (continued)**

	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
Company 2009						
Bank overdraft	--	14,039	14,039	--	--	--
Finance lease liabilities	2010 - 2012	1,507	698	495	314	--
Secured term loans	2010 - 2014	48,549	19,628	9,628	19,293	--
		<u>64,095</u>	<u>34,365</u>	<u>10,123</u>	<u>19,607</u>	<u>--</u>
2008						
Bank overdraft	--	2,731	2,731	--	--	--
Finance lease liabilities	2007 - 2012	1,736	668	505	291	272
Secured term loans	2009 - 2014	57,177	18,628	9,628	26,034	2,887
		<u>61,644</u>	<u>22,027</u>	<u>10,133</u>	<u>26,325</u>	<u>3,159</u>

17. Trade and other payables

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Non-current				
Due to a subsidiary - Non-trade	--	--	21,855,567	31,797,935
Current				
Trade payables	14,396,136	12,492,035	4,565,041	5,637,029
Other payables and accrued expenses	14,009,655	20,950,544	3,000,283	8,774,774
Due to a subsidiary - Non-trade	--	--	3,465,878	3,356,866
Due to affiliated companies				
- Trade	755,123	639,660	755,123	639,660
- Non-trade	4,139	1,753	--	--
	<u>759,262</u>	<u>641,413</u>	<u>755,123</u>	<u>639,660</u>
	<u>29,165,053</u>	<u>34,083,992</u>	<u>11,786,325</u>	<u>18,408,329</u>
	<u>29,165,053</u>	<u>34,083,992</u>	<u>33,641,892</u>	<u>50,206,264</u>

The non-trade amounts due to subsidiaries and affiliated companies are in respect of advances or payment on behalf, which are unsecured and have no fixed terms of repayment.

Interest is charged at 3.5% (2008: NIL) per annum on non-trade amounts due to subsidiaries.

Included in other payables and accrued expenses of the Group is an amount of RM6,231,748 (2008: RM8,243,620) owing to a contractor for plantation development work performed in certain subsidiaries.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18. Revenue/Gross profit

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Revenue				
- Plantations	95,770,478	129,380,363	59,465,976	89,867,367
- Property and hotel	7,307,083	8,147,662	7,307,083	8,147,662
- Dividend income from a subsidiary	--	--	19,689,380	--
	<u>103,077,561</u>	<u>137,528,025</u>	<u>86,462,439</u>	<u>98,015,029</u>
Cost of sales of agricultural produces	63,776,850	70,482,977	35,250,697	47,288,331
Cost of services	7,192,466	8,988,090	7,792,466	8,988,090
	<u>70,969,316</u>	<u>79,471,067</u>	<u>43,043,163</u>	<u>56,276,421</u>
Gross profit	<u>32,108,245</u>	<u>58,056,958</u>	<u>43,419,276</u>	<u>41,738,608</u>

19. Finance costs

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Interest expenses	6,202,039	6,196,201	5,421,266	4,450,710
Less: Finance cost capitalised	(50,101)	(306,169)	--	--
	<u>6,151,938</u>	<u>5,890,032</u>	<u>5,421,266</u>	<u>4,450,710</u>

20. Profit before tax

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit before tax is arrived at after charging/(crediting)				
Audit fees	140,000	130,000	66,000	60,000
Bad debts written off	26,825	754	26,825	754
Depreciation and amortisation	11,612,656	9,715,807	4,946,531	4,907,400
Impairment loss of investment property	1,571,987	--	--	--
Personnel expenses (including key management personnel)				
- Contributions to Employees Provident Fund	1,148,742	1,191,190	893,885	944,680
- Wages, salaries and others	13,420,507	13,417,483	10,838,494	10,692,281
Rental of premises	12,000	12,000	12,000	12,000
Retirement benefits	126,934	69,062	126,934	69,062
Plant and equipment written off	38,424	--	--	--
Allowance for/(Reversal of) doubtful debts	44,779	(62,329)	44,779	(62,329)
Gain on disposal of property, plant and equipment	--	(127,651)	--	(126,851)
Waiver of debts	(5,640,302)	--	(5,640,302)	--
Losses in crude palm oil swap	--	6,570,197	--	6,570,197
	<u></u>	<u></u>	<u></u>	<u></u>



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20. Profit before tax (continued)

Staff costs and Employees Provident Fund are allocated as follows:

	Group	
	2009 RM	2008 RM
Wages, salaries and others (including Directors' remuneration)		
- income statements	13,420,507	13,417,483
- plantation development expenditure	14,964	243,950
	13,435,471	13,661,433
Employees Provident Fund		
- income statements	1,148,742	1,191,190
- plantation development expenditure	--	26,239
	1,148,742	1,217,429

Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

Key management personnel compensation are as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Directors				
- Fees	135,000	135,000	135,000	135,000
- Remuneration	4,056,024	4,048,504	3,219,336	3,211,816
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	229,072	292,830	229,072	292,830
Total short-term employee benefits	4,420,096	4,476,334	3,583,408	3,639,646
Other key management personnel:				
- Remuneration	1,520,424	1,593,031	1,081,384	1,167,934
	5,940,520	6,069,365	4,664,792	4,807,580

Other key management personnel comprises persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

21. Tax expense

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Tax expense				
- Current year	7,229,000	9,550,000	4,200,000	5,250,000
- (Over)/Under provided in prior year	(115,431)	39,819	(91,111)	67,380
	7,113,569	9,589,819	4,108,889	5,317,380
Deferred tax (income)/expense				
- Origination and reversal of temporary differences	(1,137,572)	(5,972,248)	(919,546)	753,409
- (Over)/Under provided in prior year	(2,558)	(60,481)	7,567	(58,740)
	(1,140,130)	(6,032,729)	(911,979)	694,669
	5,973,439	3,557,090	3,196,910	6,012,049
	RM'000	RM'000	RM'000	RM'000
Reconciliation of effective tax expense				
Profit before tax	10,958	23,922	32,432	14,700
Tax at Malaysian tax rate	2,740	6,221	8,108	3,822
Non-deductible expenses	2,425	2,600	1,505	2,150
Non-taxable income	(1,410)	--	(6,332)	--
Reversal of deferred tax on revaluation surplus for freehold land	--	(306)	--	--
Unrecognised deferred tax	2,336	(4,699)	--	--
Effect of changes in tax rate	--	(238)	--	31
	6,091	3,578	3,281	6,003
(Over)/Under provided in prior year	(118)	(21)	(84)	9
Tax expense	5,973	3,557	3,197	6,012

22. Earning per ordinary share

Group

(a) Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2009 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	2009 RM	2008 RM
Profit for the year attributable to shareholders	6,905,035	20,977,154



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

22. Earning per ordinary share (continued)**(a) Basic earnings per ordinary share (continued)**

Weighted average number of ordinary shares are determined as follows:

	2009	2008
Weighted average number of ordinary shares at 31 December	185,477,159	185,477,159
Basic earnings per ordinary share (sen)	3.7	11.3

(b) Diluted earnings per ordinary share

There are no dilutive potential ordinary shares.

23. Dividends

Dividends recognised in the current year by the Company are:

	Sen per share	Total amount RM	Date of payment
2009			
2009 - Interim, single tier	1.0	1,854,772	11 January 2010
2008			
2008 - Interim, single tier	2.0	3,709,543	19 January 2009

24. Acquisition of property, plant and equipment

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Current year's acquisition of plant and equipment	8,871,930	6,372,219	1,613,246	2,456,351
Less: Acquisition by lease financing	(2,275,200)	(1,432,600)	(536,000)	(220,000)
	6,596,730	4,939,619	1,077,246	2,236,351

25. Acquisition of biological assets

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Current year's acquisition of biological assets	8,484,202	9,533,705	3,538,812	755,507
Less:				
Non fund items capitalised:				
- Depreciation and amortisation	(473,812)	(959,058)	--	--
- Finance cost	(50,101)	(306,169)	--	--
	7,960,289	8,268,478	3,538,812	755,507



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

26. Segment reporting

Group

Segment information is presented in respect of the Group's business. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The Group comprises the following main business segments:

Plantation	The cultivation of oil palm and palm oil milling
Property and hotel	Property investment and hotel business

Geographical segments

Geographical segment is not presented as the Group's customers and assets are principally operating in Malaysia.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

26. Segment reporting (continued)

Group	Plantations		Property and hotel		Consolidated	
	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM
Business segments						
Revenue from external customers	95,770,478	129,380,363	7,307,083	8,147,662	103,077,561	137,528,025
Segment result/(loss)	23,862,557	39,925,728	(3,768,169)	(1,033,998)	20,094,388	38,891,730
Unallocated expenses					(2,994,033)	(9,088,434)
Finance costs					(6,151,938)	(5,890,032)
Interest income					9,322	8,421
Profit before tax					10,957,739	23,921,685
Tax expense					(5,973,439)	(3,557,090)
Profit after tax					4,984,300	20,364,595
Minority interest					1,920,735	612,559
Profit for the year					6,905,035	20,977,154
Segment assets/Total assets						
Unallocated assets	277,389,962	267,588,989	77,460,233	80,002,123	354,850,195	347,591,112
Segment liabilities/Total liabilities						
Unallocated liabilities	64,699,660	52,546,305	1,958,976	2,303,929	66,658,636	54,850,234
Capital expenditure	16,008,399	14,378,585	845,530	1,561,649	16,853,929	14,675,007
Depreciation and amortisation	9,225,507	7,302,337	2,387,149	2,413,470	11,612,656	9,715,807
Non-cash expenses other than depreciation and amortisation	38,424	--	1,654,560	69,062	1,692,984	69,062



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. Commitments

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Capital commitment				
Property, plant and equipment				
Contracted but not provided for	15,991,214	945,771	330,500	569,500
Authorised but not contracted for	33,077,524	4,319,073	402,850	340,000
Biological assets				
Authorised but not contracted for	847,506	3,415,409	751,188	--
Other commitment				
Investments				
Contracted but not provided for	9,189,000	--	23,589,000	--
	<u>59,105,244</u>	<u>8,680,253</u>	<u>25,073,538</u>	<u>909,500</u>

28. Contingent liabilities

	Company	
	2009 RM'000	2008 RM'000
Unsecured		
Corporate guarantees given to:		
- financial institution in respect of outstanding banking facilities of subsidiaries (secured)	34,215	23,393
- supplier in respect of outstanding amount owing by subsidiaries (unsecured)	7,687	4,044
	<u>41,902</u>	<u>27,437</u>

Secured

The land and buildings and prepaid lease payments of the Company amounting to RM61,067,150 (2008: RM61,991,750) and RM81,632,029 (2008: RM82,877,905) respectively are charged to banks as security for banking facilities granted to a subsidiary.

29. Financial instruments**Financial risk management objectives and policies**

Exposure to credit, currency, interest and liquidity risk arises in the normal course of the Group's and the Company's business. In prior year, derivative financial instruments are used to manage the fluctuations in crude palm oil prices. The Group's and the Company's policies for managing the risks are summarised below:



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29. Financial instruments (continued)

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount other than sales of fresh fruit bunches to oil mills. The Group and the Company do not require collateral in respect of financial assets.

At balance sheet date, the Group and the Company have significant concentrations of credit risk arising from amount due from five customers (2008: three customers) and two customer (2008: one customer), which represent 61% (2008: 60%) and 73% (2008: 72%) of the total receivables of the Group and the Company respectively. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Foreign currency risk

The Group and the Company are not exposed to any foreign currency risk as there is no transactions entered into or borrowings that is denominated in foreign currency at balance sheet date.

Interest rate risk

The Group's and Company's primary interest rate risk is related to interest-earning deposits placed with licensed banks and borrowing. There is no formal hedging policy with respect to interest rate exposure.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29. Financial instruments (continued)

Effective interest rate and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their average effective interest rates at the balance sheet date and the periods in which they mature, or if earlier, reprice.

Group 2009	Average effective interest rate %	Total RM'000	Within 1 year RM'000	1-2 years		2-3 years		3-4 years		4-5 years		More than 5 years	
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Fixed rate instruments													
Fixed deposits with licensed banks	3.75	258	258	--	--	--	--	--	--	--	--	--	--
<i>Secured</i>													
Term loans	5.73	(35,399)	(15,628)	(5,628)	(5,628)	(5,628)	(2,887)	--	--	--	--	--	--
Finance lease liabilities	3.33	(4,172)	(1,859)	(1,294)	(692)	(208)	(119)	--	--	--	--	--	--
		(39,313)	(17,229)	(6,922)	(6,320)	(5,836)	(3,006)	--	--	--	--	--	--
Floating rate instruments													
<i>Secured</i>													
Term loans	6.05	(44,700)	(44,700)	--	--	--	--	--	--	--	--	--	--
Bank overdrafts	6.39	(14,039)	(14,039)	--	--	--	--	--	--	--	--	--	--
		(58,739)	(58,739)	--	--	--	--	--	--	--	--	--	--
2008													
Fixed rate instruments													
Fixed deposits with licensed banks	3.50	249	249	--	--	--	--	--	--	--	--	--	--
<i>Secured</i>													
Term loans	6.17	(41,027)	(15,628)	(5,628)	(5,628)	(5,628)	(5,628)	(2,887)	--	--	--	--	--
Finance lease liabilities	3.15	(3,696)	(1,600)	(1,244)	(580)	(272)	--	--	--	--	--	--	--
		(44,474)	(16,979)	(6,872)	(6,208)	(5,900)	(5,628)	(2,887)	--	--	--	--	--
Floating rate instruments													
<i>Secured</i>													
Term loans	7.00	(37,700)	(37,700)	--	--	--	--	--	--	--	--	--	--
Bank overdrafts	7.43	(2,731)	(2,731)	--	--	--	--	--	--	--	--	--	--
		(40,431)	(40,431)	--	--	--	--	--	--	--	--	--	--



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29. Financial instruments (continued)

Effective interest rate and repricing analysis (continued)

Company 2009	Average effective interest rate %	Total RM'000	Within 1 year RM'000	Term					More than 5 years RM'000
				1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000		
Fixed rate instruments									
Fixed deposits with licensed banks	3.75	258	258	--	--	--	--	--	--
Due from subsidiaries	3.50	1,270	1,270	--	--	--	--	--	--
Due to a subsidiary	3.50	(3,466)	(3,466)	--	--	--	--	--	--
<i>Secured</i>									
Term loans	5.73	(35,399)	(15,628)	(5,628)	(5,628)	(5,628)	(2,887)	--	--
Finance lease liabilities	2.75	(1,507)	(698)	(495)	(314)	--	--	--	--
		(38,844)	(18,264)	(6,123)	(5,942)	(5,628)	(2,887)	--	--
Floating rate instruments									
<i>Secured</i>									
Term loans	6.05	(13,150)	(13,150)	--	--	--	--	--	--
Bank overdrafts	6.39	(14,039)	(14,039)	--	--	--	--	--	--
		(27,189)	(27,189)	--	--	--	--	--	--
2008									
Fixed rate instruments									
Fixed deposits with licensed banks	3.50	249	249	--	--	--	--	--	--
<i>Secured</i>									
Term loans	6.17	(41,027)	(15,628)	(5,628)	(5,628)	(5,628)	(5,628)	(2,887)	--
Finance lease liabilities	2.38	(1,736)	(668)	(505)	(291)	(272)	--	--	--
		(42,514)	(16,047)	(6,133)	(5,919)	(5,900)	(5,628)	(2,887)	--
Floating rate instruments									
<i>Secured</i>									
Term loans	7.00	(16,150)	(16,150)	--	--	--	--	--	--
Bank overdrafts	7.43	(2,731)	(2,731)	--	--	--	--	--	--
		(18,881)	(18,881)	--	--	--	--	--	--



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29. Financial instruments (continued)**Liquidity risk**

The Group and the Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows. (see Note 1(b)).

Fair values*Recognised financial instruments*

The carrying amounts of current financial assets and liabilities approximate their fair values due to the relatively short term nature of these financial instruments.

No disclosure as fair value is made for non-current amounts due from/to subsidiaries as it is not practicable to determine the fair value with sufficient reliability since the amounts have no fixed terms of repayment.

The aggregate fair values of other financial assets and liabilities carried on the balance sheet at 31 December are shown below:

Group	2009		2008	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial liabilities				
Retirement benefits	590,020	590,020	507,447	507,447
Fixed rate term loan	35,399,000	34,786,023	41,027,000	39,660,057
Finance lease liabilities	4,171,961	4,171,961	3,696,084	3,696,084
	<u>40,160,981</u>	<u>39,548,004</u>	<u>45,230,531</u>	<u>43,863,588</u>
Company				
Financial liabilities				
Retirement benefits	590,020	590,020	507,447	507,447
Fixed rate term loan	35,399,000	34,786,023	41,027,000	39,660,057
Finance lease liabilities	1,506,739	1,506,739	1,736,212	1,736,212
	<u>37,495,759</u>	<u>36,882,782</u>	<u>43,270,659</u>	<u>41,903,716</u>

Estimation of fair values

The fair values financial instruments listed above, have been determined by discounting the relevant cash flows using current effective interest rates for similar instruments at the balance sheet date.

The carrying amount of the variable term loan, being floating rate term loans, would approximate its fair values as its effective interest rate changes accordingly to movements in the market interest rate.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The significant related party transactions of the Group and of Company are as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Affiliated companies				
- Rental of premises	12,000	12,000	12,000	12,000
- Management fees receivable	37,800	36,000	37,800	36,000
- Sales	301,428	557,716	301,428	557,716
- Rental receivable	39,168	34,884	39,168	34,884
- Purchase of air tickets	187,140	686,388	98,521	686,388
- Transport charges payable	1,286,420	1,554,573	1,286,420	1,554,573
- Purchases	22,767,387	31,609,812	22,767,387	31,609,812
- Transport charges receivable	435,083	566,522	435,083	566,522
- Bio-organic fertilizer	267,869	35,641	267,869	35,641
- Insurance	232,062	--	168,481	--
- Hotel	5,832	--	5,832	--
Remuneration paid to staff who are close family member of certain Directors, Tan Sri Dato' Low Nam Hui, Mr. Low Quek Kiong, Mr. Low Kueck Shin, Mr. Low Kwek Lee and Mr. Low Kuek Kong	<u>818,104</u>	<u>804,221</u>	<u>818,104</u>	<u>804,221</u>

31. Significant event

On 8 December 2009, the Company entered into a Share Sale Agreement to acquire the entire issued share capital of a Company, Gemilang Bumimas Sdn. Bhd. for a total cash consideration of RM13,999,000.

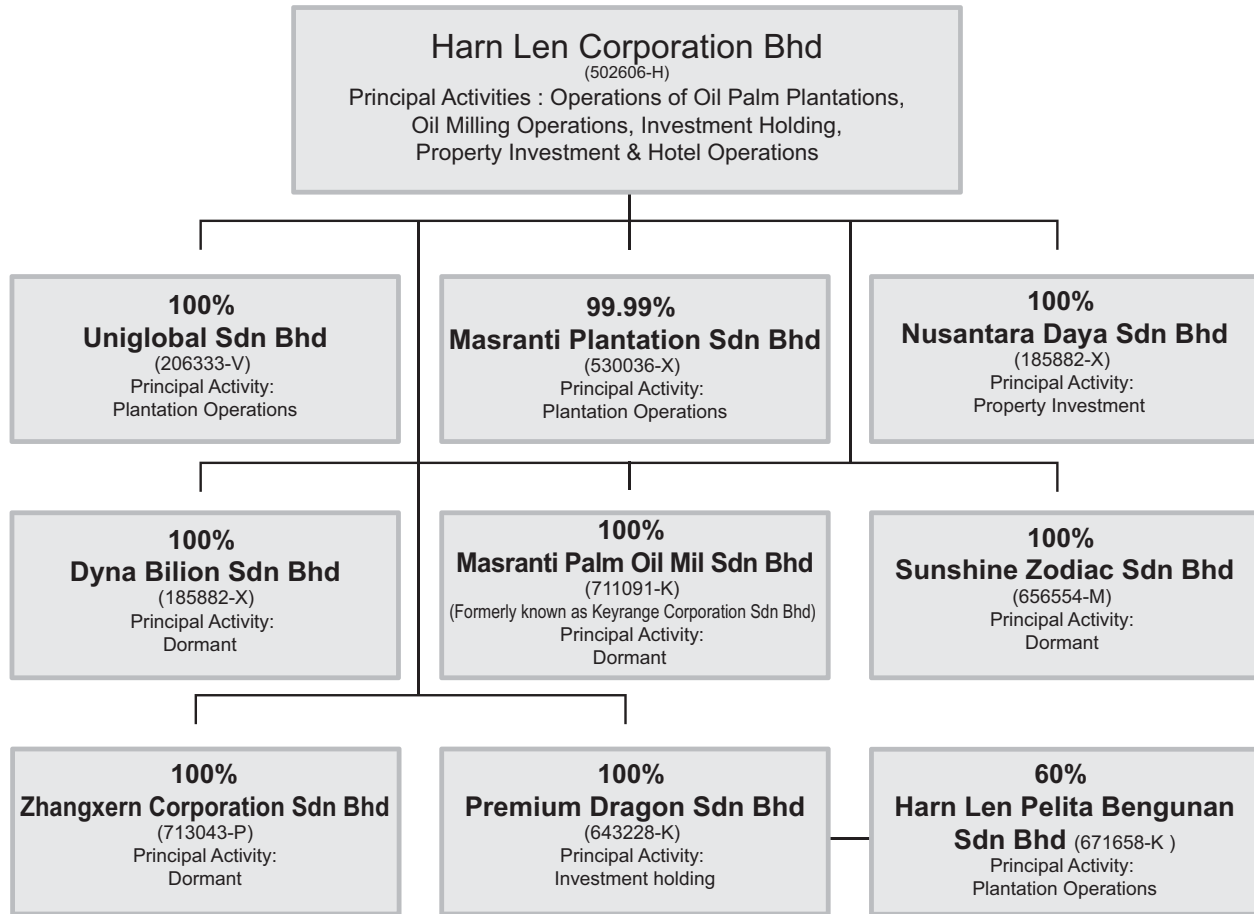
32. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

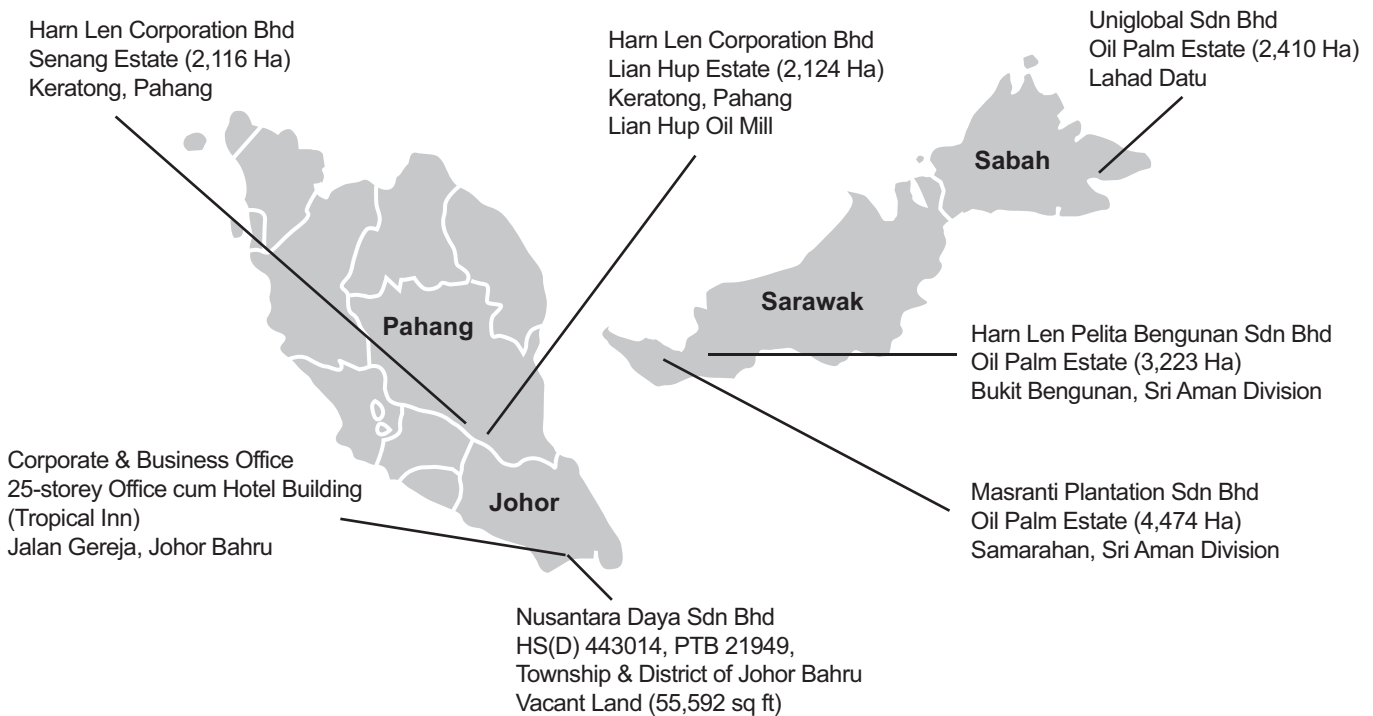
	As restated RM	As previously stated RM
Trade and other receivables		
Non-current	61,477,262	--
Current	<u>6,678,819</u>	<u>68,156,081</u>
Trade and other payables		
Non-current	31,797,935	--
Current	<u>18,408,329</u>	<u>50,206,264</u>



GROUP CORPORATE STRUCTURE AS AT 31 DECEMBER 2009



LOCATION OF OPERATIONS





LIST OF PROPERTIES OF THE GROUP

Registered owner/ Location	Tenure	Area	Year of Expiry (For leasehold)	Description/ Existing Use	Net Book Value (RM'000)	Age of Building (years)	Date of Acquisition
<u>1. Harn Len</u>							
i) Lot 1782, Geran 27393 Township & District of Johor Bahru, Johor Darul Takzim	Freehold	40,293 sq. ft	Freehold	Office & hotel building	61,067	32	18.07.2003
ii) Lian Hup Estate - Lot PT 166, 259 - Lot PT 313 - Lot PT 345 - Lot PT 510, 521, 522 All in Mukim of Keratong, District of Rompin, Pahang Darul Makmur Estate Buildings Factory Workshop	Leasehold	2,124.46 Hectares ("ha")	2070 2072 2074 2079	Oil Palm Plantation & Palm oil mill	40,069	N/A	18.07.2003
iii) Senang Estate - Lot PT 163, 164, 165, 255 - Lot PT 314 - Lot PT 448, 449, 450, 451 - Lot PT 515 All in Mukim of Keratong, District of Rompin, Pahang Darul Makmur Estate Buildings	Leasehold	2,116.31 ("ha")	2070 2072 2078 2079	Oil Palm Plantation	41,563	N/A	18.07.2003
					722	1-32	
<u>2. Uniglobal Sdn Bhd</u>							
Uniglobal Estate - CL 115345401 - CL 115378115 District of Lahad Datu, Sabah Estate Buildings	Leasehold	2,023 ha 386.80 ha	2077 2084	Oil palm Plantation	29,544	N/A	18.07.2003
					750	1-12	
<u>3. Masranti Plantation Sdn Bhd</u>							
Lot No 35, TRN.: 708-LCPLS-024-000-00035 Punda-Sabal Land District of Samarahan Division Sarawak Estate Buildings	Leasehold	4,474 ha	2061	Oil palm Plantation	22,610	N/A	15.01.2004
					1,707	1-5	
<u>4. Nusantara Daya Sdn Bhd</u>							
HS (D) 443014 PTB 21949 Township and District of Johor Bahru	Freehold	55,592.15 sq. ft	Freehold	Vacant Land	10,300	N/A	28.11.2006
<u>5. Harn Len Pelita Bengunan</u>							
Estate Buildings					1,294	1-3	
					<u>211,528</u>		

N/A – Not Applicable



ANALYSIS OF SHAREHOLDINGS AS AT 30 APRIL 2010

AUTHORISED SHARE CAPITAL	:	RM500,000,000 ordinary shares of RM1-00 each
ISSUED AND FULLY PAID-UP CAPITAL	:	RM185,477,159 divided into 185,477,159 shares
CLASS OF SHARES	:	Ordinary shares of RM1-00 each
NO OF SHAREHOLDERS	:	3,593
VOTING RIGHTS	:	One vote per ordinary share

A) LIST OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Directors	Direct		Deemed interest in shares	
		No of shares	%	No of shares	%
1.	Tan Sri Dato' Low Nam Hui	-	-	129,449,708 ^{*1}	69.79
2.	Puan Sri Datin Chan Pui Leorn	500,000	0.27	128,949,708 ^{*2}	69.52
3.	Dato Liew Kuek Hin	-	-	114,507,245 ^{*3}	61.74
4.	Low Quek Kiong	20,000	0.01	129,429,108 ^{*4}	69.78
5.	Low Kueck Shin	-	-	129,449,708 ^{*1}	69.79
6.	Low Kwek Lee	-	-	129,449,708 ^{*1}	69.79
7.	Low Kuek Kong	-	-	129,449,708 ^{*1}	69.79
8.	Low Kuit Son	-	-	129,449,708 ^{*1}	69.79
9.	Low Kok Yong	330,000	0.18	129,119,708 ^{*5}	69.61
10.	Low Kok Yaow	-	-	129,449,708 ^{*1}	69.79
11.	Low Siew Eng	200,800	0.11	129,248,908 ^{*6}	69.68
12.	Low Nam Hui United Holdings Sdn Bhd	46,286,679	24.96	-	-
13.	LNH (C&E) Sdn Bhd	-	-	11,571,670 ^{*7}	6.24
14.	Low Nam Hui & Sons Sdn Bhd	11,571,670	6.24	-	-
15.	LNH Enterprise Sdn Bhd	47,808,896	25.78	17,696,863 ^{*8}	9.54
16.	Seri Cemerlang Plantation (Pahang) Sdn Bhd	17,696,863	9.54	-	-

Notes:-

- *1 Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd and Yong Yaow Properties Sdn Bhd and the shares held by his immediate family members Puan Sri Datin Chan Pui Leorn, Low Quek Kiong, Low Kok Yong and Low Siew Eng pursuant to Section 6A of the Companies Act, 1965.
- *2 Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd and Yong Yaow Properties Sdn Bhd and the shares and the shares held by her immediate family members Low Quek Kiong, Low Kok Yong and Low Siew Eng pursuant to Section 6A of the Companies Act, 1965.
- *3 Deemed interested in the shares held by Lian Hup Manufacturing Company Sdn Berhad, Syarikat Senang Oil Palm Estate Sdn Bhd, Perdana Properties Berhad, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd and Seri Cemerlang Plantation (Pahang) Sdn Bhd and the shares held by his siblings, Low Quek Kiong and Low Kok Yong pursuant to Section 6A of the Act. The status of some of Dato' Liew's indirect shareholdings in Harn Len are the subject of a legal action vide Johor Bahru High Court Suit No.MT4-22-843-2005.
- *4 Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd and Yong Yaow Properties Sdn Bhd and the shares held by his immediate family members Puan Sri Datin Chan Pui Leorn, Low Kok Yong and Low Siew Eng pursuant to Section 6A of the Companies Act, 1965.
- *5 Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd and Yong Yaow Properties Sdn Bhd and the shares held by his immediate family members Puan Sri Datin Chan Pui Leorn, Low Quek Kiong and Low Siew Eng pursuant to Section 6A of the Companies Act, 1965.
- *6 Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd and Yong Yaow Properties Sdn Bhd and the shares held by her immediate family members Puan Sri Datin Chan Pui Leorn, Low Quek Kiong and Low Kok Yong pursuant to Section 6A of the Companies Act, 1965.
- *7 Deemed interested in the shares held by Low Nam Hui & Sons Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
- *8 Deemed interested in the shares held by Seri Cemerlang Plantation (Pahang) Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.



ANALYSIS OF SHAREHOLDINGS AS AT 30 APRIL 2010 (Cont'd)

B) LIST OF DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct		Deemed interest in shares	
		No of shares	%	No of shares	%
1.	Tan Sri Dato' Low Nam Hui	-	-	129,449,708 ^{*1}	69.79
2.	Low Quek Kiong	20,000	0.01	129,429,708 ^{*2}	69.78
3.	Low Kueck Shin	-	-	129,449,708 ^{*1}	69.79
4.	Low Kwek Lee	-	-	129,449,708 ^{*1}	69.79
5.	Low Kuek Kong	-	-	129,449,708 ^{*1}	69.79
6.	Loh Wann Yuan	1	0	-	-
7.	Lee Chon Sing	50,001	0.03	-	-
8.	Brig. Jen. (B) Dato' Ali Bin Hj. Musa	-	-	-	-
9.	Law Piang Woon	-	-	-	-

Notes:-

*1 Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd and Yong Yaow Properties Sdn Bhd and the shares held by his immediate family members Puan Sri Datin Chan Pui Leorn, Low Quek Kiong, Low Kok Yong and Low Siew Eng pursuant to Section 6A of the Companies Act, 1965.

*2 Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd and Yong Yaow Properties Sdn Bhd and the shares held by his immediate family members Puan Sri Datin Chan Pui Leorn, Low Kok Yong and Low Siew Eng pursuant to Section 6A of the Companies Act, 1965.

C) DISTRIBUTION OF SHAREHOLDINGS

No. of Holders	Holdings	Total Holdings	Percentage (%)
36	Less than 100	1,205	0.00
1,203	100 to 1,000	360,725	0.20
1,640	1,001 to 10,000	8,442,111	4.55
627	10,001 to 100,000	20,865,331	11.25
82	100,001 to less than 5% of issued shares	35,933,679	19.37
5	5% and above of issued shares	119,874,108	64.63
Total:		185,477,159	100.00



ANALYSIS OF SHAREHOLDINGS AS AT 30 APRIL 2010 (Cont'd)

D) TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS

No.	Name	No. Of Shares Held	Percentage (%)
1.	LOW NAM HUI UNITED HOLDINGS SDN BHD	46,286,679	24.96
2.	LNH ENTERPRISE SDN BHD	24,808,896	13.38
3.	SCOTIA NOMINEES (TEMPATAN) SDN BHD Pledged securities account for LNH Enterprise Sdn Bhd	23,000,000	12.40
4.	SERI CEMERLANG PLANTATION (PAHANG) SDN BHD	12,736,863	6.87
5.	LOW NAM HUI & SONS SDN BHD	11,571,670	6.24
6.	YONG YAOW PROPERTIES SDN BHD	5,034,800	2.71
7.	KENANGA NOMINEES (TEMPATAN) SDN BHD Pledged securities account for Seri Cemerlang Plantation (Pahang) Sdn Bhd	3,490,000	1.88
8.	HLG NOMINEE (TEMPATAN) SDN BHD Hong Leong Bank Bhd for Chuan Hong Hang Sdn Bhd	3,324,500	1.79
9.	TOH LAY FAN	1,696,700	0.91
10.	SERI CEMERLANG PLANTATION (PAHANG) SDN BHD	1,470,000	0.79
11.	HLG NOMINEE (TEMPATAN) SDN BHD Hong Leong Bank Bhd for Chuan Hong Hang Properties Sdn Bhd	1,346,300	0.73
12.	PUBLIC NOMINEES (TEMPATAN) SDN BHD Pledged securities account for Yap Qwee Beng (E-KPG)	1,340,000	0.72
13.	LOH LAI KIM	1,245,700	0.67
14.	TA NOMINEES (TEMPATAN) SDN BHD Pledged securities account for Chor Sek Choon	1,000,000	0.54
15.	HU THAI HUA @ ANDREW POH @ FOU TAI HUA	875,000	0.47
16.	TEOH GUAN KOK & CO. SDN BHD	679,800	0.37
17.	TAN CHONG LIANG @ THAN CHONG KIM	587,600	0.32
18.	BDO CAPITAL CONSULTANTS SDN BHD Exempt An	531,193	0.29
19.	CHAN PUI LEORN	500,000	0.27
20.	KENANGA NOMINEES (TEMPATAN) SDN BHD Pledged Securities account for Tee Kim Tee @ Tee Ching Tee	479,600	0.26
21.	CHIN HON PUN	465,200	0.25
22.	PUBLIC NOMINEES (TEMPATAN) SDN BHD Pledged securities account for Koay Ean Chim (IMO/TAS)	397,000	0.21
23.	HLG NOMINEE (TEMPATAN) SDN BHD Hong Leong Bank Bhd for Yap Kun Lee	396,800	0.21
24.	WONG TON YANG	350,700	0.19
25.	LOW KOK YONG	330,000	0.18
26.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Ng Ching Soong (470478)	328,100	0.18
27.	CHUAN HONG HANG TRADING SDN BHD	326,500	0.18
28.	YEAT SIAW PING	315,400	0.17
29.	KOH KIN TONG	315,000	0.17
30.	TONG AI LING	315,000	0.17

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FORM OF PROXY

I/We _____ [NRIC No : _____] of _____ being a member/ members of **HARN LEN CORPORATION BHD** (Co. No. 502606-H) do hereby appoint _____ [NRIC NO: _____] of _____ or failing him _____ [NRIC NO: _____] of _____ as * my/our proxy to attend and to vote for * me/us on * my/our behalf at the Tenth (10th) Annual General Meeting of the Company to be held on Friday, the 18th day of June, 2010 at 3.30 pm at Meranti Hall, 4th Floor, Johor Tower, 15 Jalan Gereja, 80100 Johor Bahru and at any adjournment thereof. * My / our proxy is to vote as indicated below:

No.	RESOLUTION	FOR	AGAINST
1.	Approval of Directors' Fees		
2.	Re-election of Director - Low Kueck Shin		
3.	Re-election of Director - Low Kwek Lee		
4.	Re-election of Director - Law Piang Woon		
5.	Re-appointment of Director - Tan Sri Dato' Low Nam Hui		
6.	Re-appointment of Messrs KPMG as Auditors		
Special Business:			
7.	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
8.	Proposed Renewal of Shareholders' Mandate for recurrent related party transactions with Seri Cemerlang Plantation (Pahang) Sdn Bhd		
9.	Proposed Renewal of Shareholders' Mandate for recurrent related party transactions with Pengangkutan Low Nam Hui Sdn Bhd		
10.	Proposed Renewal of Shareholders' Mandate for recurrent related party transactions with Low Nam Hui & Sons Sdn Bhd		
11.	Proposed Renewal of Shareholders' Mandate for recurrent related party transactions with Comet Travels Sdn Bhd		
12.	Proposed Renewal of Shareholders' Mandate for recurrent related party transactions with Advance Pinnacle Sdn Bhd		
13.	Proposed Renewal of Shareholders' Mandate for recurrent related party transactions with Nusantara Bakti Sdn Bhd		
14.	Proposed Renewal of Shareholders' Mandate for recurrent related party transactions with Original Gift Sdn Bhd		
15.	Proposed Amendment to the Articles of Association of the Company		

(Please indicate with a cross (X) in the appropriate space whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he thinks fit.)

Number of shares held _____

 Signature of Member / Members

Dated this _____ day of _____ 2010

Note :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same Meeting.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
4. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of its attorney duly authorised.
6. The Proxy Form must be deposited with the Company Secretary at the Registered Office, 6th Floor, Johor Tower, 15, Jalan Gereja, 80100 Johor Bahru, Johor not less than 48 hours before the time set for the Meeting.



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STAMP

The Company Secretary
Harn Len Corporation Bhd (502606-H)
6th Floor, Johor Tower
15 Jalan Gereja
80100 Johor Bahru

FOLD HERE

HARN LEN CORPORATION BHD (502602-H)

6th FLOOR JOHOR TOWER, 15 JALAN GEREJA

80100 JOHOR BAHRU, JOHOR, MALAYSIA

TEL : (607) 222 1777 FAX : (607) 224 9213