

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2010**

**2. Summary of significant accounting policies (cont'd.)**

**2.10 Property, plant and equipment and depreciation (cont'd.)**

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

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

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

**2.11 Biological assets**

This represents the oil palms of the Group and of the Company which are measured at their fair values less estimated point-of-sale costs annually. The fair value of biological assets is determined by an independent valuer based on expected value in use of the biological assets.

The changes in fair value of the biological assets are recognised through profit or loss.

**2.12 Replanting expenses**

Replanting expenses incurred in the financial year is recognised in the income statement. Replanting expenses represent the total cost incurred from land clearing to the point of harvesting.

**2.13 Inventories**

Inventories of oil palm produce and estate stores are stated at the lower of cost (determined on a weighted average basis) and net realisable value. Cost of inventories of oil palm produce includes, where appropriate, the cost of direct materials, direct labour and appropriate production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

**2.14 Foreign currencies**

**(a) Functional and presentation currency**

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

**(b) Foreign currency transactions**

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

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

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

**2. Summary of significant accounting policies (cont'd.)**

**2.14 Foreign currencies (cont'd)**

**(c) Foreign operations**

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

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

**2.15 Employee benefits**

**(a) Short term benefits**

Wages, salaries, commission, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

**(b) Defined contribution plans**

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

**2.16 Income taxes**

**(a) Current tax**

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

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

**(b) Deferred tax**

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## **2. Summary of significant accounting policies (cont'd.)**

### **2.16 Income taxes (cont'd)**

#### **(b) Deferred tax (cont'd)**

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

### **2.17 Provisions**

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

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

## **2. Summary of significant accounting policies (cont'd.)**

### **2.18 Impairment of non-financial assets**

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

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

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

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

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

### **2.19 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant of risk of changes in value.

### **2.20 Financial assets**

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

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

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

#### **(a) Financial assets at fair value through profit or loss**

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

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

**2. Summary of significant accounting policies (cont'd.)**

**2.20 Financial assets (cont'd)**

**(a) Financial assets at fair value through profit or loss (cont'd)**

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

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

**(b) Loans and receivables**

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

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

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

The Group and the Company have designated its cash and bank balances and receivables as loans and receivables as summarised in Note 20 to financial statements.

**(c) Held-to-maturity**

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

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

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company have not designated any financial assets as held-to-maturity.

**(d) Available-for-sale financial assets**

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

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

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

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**2. Summary of significant accounting policies (cont'd.)**

**2.20 Financial assets (cont'd)**

**(d) Available-for-sale financial assets (cont'd)**

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

The Group and the Company have classified its investment in securities under available-for-sale financial assets. The Company has also classified its investment in subsidiaries as available-for-sale financial assets.

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

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

**2.21 Impairment of financial assets**

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

**(a) Trade and other receivables carried at amortised cost**

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Summary of significant accounting policies (cont'd.)**

**2.21 Impairment of financial assets (cont'd)**

**(b) Unquoted equity security carried at cost**

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

**(c) Available-for-sale financial assets**

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

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

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

**2.22 Financial liabilities**

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

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

**(a) Financial liabilities at fair value through profit or loss**

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

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

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

**(b) Other financial liabilities**

The Group's and the Company's financial liabilities include trade payables and other payables. All financial liabilities of the Group and the Company are classified as other financial liabilities.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Summary of significant accounting policies (cont'd.)**

**2.22 Financial liabilities (cont'd.)**

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

**2.23 Leases**

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

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

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

**2.24 Segment reporting**

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 27, including the factors used to identify the reportable segments and the measurement basis of segment information.

**2.25 Share capital and share issuance expenses**

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

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

**3. Significant accounting judgements and estimates**

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. Significant accounting judgements and estimates (cont'd.)**

**3.1 Key sources of estimation uncertainty**

**(a) Fair value of biological assets**

The biological assets are measured at their fair values less estimated point-of-sale costs annually. This requires an estimation of the value in use of the biological assets.

In assessing value in use, the independent professional valuers are required to make an estimate of the expected future cash flows from the biological assets and also to choose a suitable discount rate in order to calculate to their present value of those cash flows. The details are as disclosed in Note 14.

**(b) Carrying value of the investments in subsidiaries**

Investments in subsidiaries are classified as available-for-sale financial assets and carried at fair value.

The directors are of the opinion that the adjusted net tangibles assets of the subsidiaries which comprise the fair value of the biological assets, lands, quoted investments and other financial instruments, represents the fair value of the subsidiaries.

**4. Revenue and cost of sales**

Revenue of the Group represents the invoiced value of sales of crude palm oil, palm kernel and fresh fruit bunches. The cost of sales in relation to the Group's invoiced value of sales consists of cost of cultivation, raw materials, labour and overheads.

Revenue of the Company represents the invoiced value of sales of fresh fruit bunches. The cost of sales in relation to the Company's invoiced value of sales consists of cost of cultivation, labour and overheads.

**5. Dividend income**

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Dividend income from:				
Subsidiaries	-	-	6,379,138	4,850,476
Available-for-sale financial assets				
- Securities quoted in Malaysia	500,933	293,975	252,106	174,600
- Securities quoted outside Malaysia	735,439	718,615	-	134,631
	<u>1,236,372</u>	<u>1,012,590</u>	<u>6,631,244</u>	<u>5,159,707</u>

**6. Other income**

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Gain on sale of property, plant and equipment	14,000	-	14,000	-
Gain on sale of investment securities	1,986	696,776	-	270,933
Net foreign exchange gain	-	274,196	-	43,547
Reversal of impairment loss of investment securities	-	1,013,270	-	722,607
Rental	56,512	50,712	-	-
Miscellaneous	36,763	57,828	9,040	15,600
	<u>109,261</u>	<u>2,092,782</u>	<u>23,040</u>	<u>1,052,687</u>

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**7. Profit before tax**

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

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Auditors' remuneration				
- statutory audit	99,000	99,000	38,000	38,000
- other services	25,000	8,000	25,000	8,000
Depreciation of property, plant and equipment (Note 13)	1,977,683	1,873,292	735,455	701,280
Non-executive directors' remuneration (Note 8)	467,296	462,121	256,500	263,000
Employee benefits expense (Note 9)	13,125,316	12,481,547	4,658,382	4,620,022
Net foreign exchange loss	429,327	421	5,506	152
Bad debts written off	-	41,396	-	-

**8. Directors' remuneration**

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Directors of the Company				
Executive directors:				
Fees	172,000	172,000	78,000	78,000
Salaries	764,400	764,400	594,000	594,000
Commission	579,028	519,311	337,228	310,682
Other emoluments	80,000	80,000	40,000	40,000
	<u>1,595,428</u>	<u>1,535,711</u>	<u>1,049,228</u>	<u>1,002,682</u>
Non-executive directors (Note 7):				
Fees	225,000	225,000	169,000	169,000
Salaries	84,000	84,000	-	-
Commission	43,296	31,621	-	-
Other emoluments	115,000	121,500	87,500	94,000
	<u>467,296</u>	<u>462,121</u>	<u>256,500</u>	<u>263,000</u>
	<u>2,062,724</u>	<u>1,997,832</u>	<u>1,305,728</u>	<u>1,285,682</u>

The number of directors of the Company whose total remuneration during the financial year fall within the following bands are:

	Number of Directors	
	2010	2009
Executive directors:		
RM200,001 – RM250,000	-	1
RM250,001 – RM300,000	1	-
RM300,001 – RM350,000	-	-
RM350,001 – RM400,000	2	2
RM400,001 – RM450,000	-	-
RM450,001 – RM500,000	-	-
RM500,001 – RM550,000	-	1
RM550,001 – RM600,000	1	-
	<u>4</u>	<u>4</u>

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**8. Directors' remuneration (cont'd.)**

	Number of Directors	
	2010	2009
Non-executive directors:		
RM50,000 and below	3	4
RM50,001 – RM100,000	3	2
RM100,001 – RM150,000	-	-
RM150,001 – RM200,000	1	1
RM200,001 – RM250,000	-	-
	<u>7</u>	<u>7</u>
	<u>11</u>	<u>11</u>

**9. Employee benefits expense**

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Wages and salaries	11,042,169	10,543,415	4,185,088	4,083,531
Social security contributions	54,409	53,958	8,517	9,216
Employees Provident Fund	448,018	438,587	125,722	121,611
Other staff related expenses	1,580,720	1,445,587	339,055	405,664
	<u>13,125,316</u>	<u>12,481,547</u>	<u>4,658,382</u>	<u>4,620,022</u>

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,595,428 (2009: RM1,535,711) and RM1,049,228 (2009: RM1,022,682) respectively, as further disclosed in Note 8 to the financial statements.

**10. Income tax expense**

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
<b>Current income tax:</b>				
Malaysian income tax	8,951,601	7,714,356	5,542,838	4,872,218
(Over)/under provision in respect of previous years	(13,555)	(59,764)	876	(24,821)
	<u>8,938,046</u>	<u>7,654,592</u>	<u>5,543,714</u>	<u>4,847,397</u>
<b>Deferred income tax (Note 26):</b>				
Origination and reversal of temporary differences	1,299,852	1,370,297	397,228	239,060
Under/(over) provision in respect of previous years	5,639	(41,158)	4,479	(17,551)
	<u>1,305,491</u>	<u>1,329,139</u>	<u>401,707</u>	<u>221,509</u>
Income tax expense recognised in profit or loss	<u>10,243,537</u>	<u>8,983,731</u>	<u>5,945,421</u>	<u>5,068,906</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the year.

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**10. Income tax expense (cont'd.)**

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2010 and 31 December 2009 are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Profit before tax, representing accounting profit before tax	40,165,760	36,768,373	23,570,651	21,443,984
Tax at Malaysian statutory rate of 25%	10,041,440	9,192,093	5,892,663	5,360,996
Adjustments:				
Non-deductible expenses	265,015	193,445	87,404	64,056
Income not subject to tax	(273,956)	(728,621)	(40,001)	(313,774)
Share of results of associates and a jointly controlled entity	218,954	427,736	-	-
Under/(over) provision of deferred income tax in respect of previous years	5,639	(41,158)	4,479	(17,551)
(Over)/under provision of income tax in respect of previous years	(13,555)	(59,764)	876	(24,821)
Income tax expense recognised in profit or loss	<u>10,243,537</u>	<u>8,983,731</u>	<u>5,945,421</u>	<u>5,068,906</u>

**11. Earnings per stock unit**

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

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>RM</b>	<b>RM</b>
Profit attributable to owners of the parent used in the computation of basic and diluted earnings per stock unit	<u>25,649,821</u>	<u>24,074,598</u>
	<b>Number of ordinary stock units</b>	<b>Number of ordinary stock units</b>
Weighted average number of ordinary stock units for basic and diluted earnings per stock unit computation	<u>70,201,962</u>	<u>70,201,962</u>

The profit attributable to owners of the parent used in the computation of basic and diluted earnings per stock unit and the weighted average number of ordinary stock units for basic and diluted earnings per stock unit is similar respectively as there is no potential dilutive ordinary stock units outstanding as at end of the financial years.

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**12. Dividends**

	Dividends in respect of year		Dividends recognised in year	
	2010	2009	2010	2009
	RM	RM	RM	RM
First interim dividend of 10% less 25% taxation, on 70,201,962 ordinary stock units, declared on 28 May 2009 and paid on 30 June 2009 (7.50 sen net per ordinary stock unit)	-	5,265,147	-	5,265,147
Second interim dividend of 15% less 25% taxation, on 70,201,962 ordinary stock units, declared on 23 November 2009 and paid on 31 December 2009 (11.25 sen net per ordinary stock unit)	-	7,897,720	-	7,897,720
First interim dividend of 15% less 25% taxation, on 70,201,962 ordinary stock units, declared on 26 May 2010 and paid on 30 June 2010 (11.25 sen net per ordinary stock unit)	7,897,720	-	7,897,720	-
Second interim dividend of 17% less 25% taxation, on 70,201,962 ordinary stock units, declared on 26 November 2010 and paid on 31 December 2010 (12.75 sen net per ordinary stock unit)	8,950,750	-	8,950,750	-
	<u>16,848,470</u>	<u>13,162,867</u>	<u>16,848,470</u>	<u>13,162,867</u>

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**13. Property, plant and equipment**

Group	At valuation		At cost					Total RM
	Freehold lands RM	Leasehold lands RM	Buildings RM	Motor vehicles RM	Office equipment and furniture and fittings RM	Plant and machinery and estate equipment RM	Capital work- in-progress RM	
<b>Valuation or cost</b>								
<b>At 1 January 2009</b>	75,478,073	-	6,246,289	3,372,296	545,070	11,723,393	-	97,365,121
As previously stated	-	68,800,000	-	-	-	-	-	68,800,000
Effects of adopting the Amendments to FRS 117								
<b>As restated</b>	75,478,073	68,800,000	6,246,289	3,372,296	545,070	11,723,393	-	166,165,121
Additions	-	-	430,054	135,321	33,488	283,732	131,580	1,014,175
Write off	-	-	(23,484)	(137,982)	(17,092)	(114,520)	-	(293,078)
<b>At 31 December 2009 (restated)</b>	75,478,073	68,800,000	6,652,859	3,369,635	561,466	11,892,605	131,580	166,886,218
<b>At 1 January 2010</b>	75,478,073	-	6,652,859	3,369,635	561,466	11,892,605	131,580	98,086,218
As previously stated	-	68,800,000	-	-	-	-	-	68,800,000
Effects of adopting the Amendments to FRS 117								
<b>As restated</b>	75,478,073	68,800,000	6,652,859	3,369,635	561,466	11,892,605	131,580	166,886,218
Additions	-	-	690,855	363,500	50,120	437,158	475,892	2,017,525
Disposal	-	-	-	(45,200)	-	-	-	(45,200)
Transfer	-	-	131,580	-	-	-	(131,580)	-
<b>At 31 December 2010</b>	75,478,073	68,800,000	7,475,294	3,687,935	611,586	12,329,763	475,892	168,858,543

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. Property, plant and equipment (cont'd.)**

Group	At valuation ----->					At cost ----->					Total RM	
	Freehold lands RM	Leasehold lands RM	Buildings RM	Motor vehicles RM	Office equipment and furniture and fittings RM	Plant and machinery and estate equipment RM	Capital work- in-progress RM					
<b>Accumulated depreciation</b>												
<b>At 1 January 2009</b>												
As previously stated	-	-	4,593,677	2,719,292	364,079	8,672,933	-	-	-	-	-	16,349,981
Effects of adopting the Amendments to FRS 117	-	1,982,500	-	-	-	-	-	-	-	-	-	1,982,500
<b>As restated</b>	-	1,982,500	4,593,677	2,719,292	364,079	8,672,933	-	-	-	-	-	18,332,481
Charge for the year	-	991,250	144,993	228,269	39,963	468,817	-	-	-	-	-	1,873,292
Write off	-	-	(23,484)	(137,982)	(17,092)	(114,520)	-	-	-	-	-	(293,078)
<b>At 31 December 2009 (restated)</b>	-	2,973,750	4,715,186	2,809,579	386,950	9,027,230	-	-	-	-	-	19,912,695
<b>At 1 January 2010</b>												
As previously stated	-	-	4,715,186	2,809,579	386,950	9,027,230	-	-	-	-	-	16,938,945
Effects of adopting the Amendments to FRS 117	-	2,973,750	-	-	-	-	-	-	-	-	-	2,973,750
<b>As restated</b>	-	2,973,750	4,715,186	2,809,579	386,950	9,027,230	-	-	-	-	-	19,912,695
Charge for the year	-	991,250	187,837	248,508	38,388	511,700	-	-	-	-	-	1,977,683
Disposal	-	-	-	(45,200)	-	-	-	-	-	-	-	(45,200)
<b>At 31 December 2010</b>	-	3,965,000	4,903,023	3,012,887	425,338	9,538,930	-	-	-	-	-	21,845,178
<b>Net carrying amount</b>												
At 31 December 2009	75,478,073	65,826,250	1,937,673	560,056	174,516	2,865,375	131,580					146,973,523
At 31 December 2010	75,478,073	64,835,000	2,572,271	675,048	186,248	2,790,833	475,892					147,013,365

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**13. Property, plant and equipment (cont'd.)**

Company	At valuation		At cost				Total RM
	Freehold land RM	Leasehold land RM	Buildings RM	Motor vehicles RM	Office equipment and fittings RM	Plant and machinery and estate equipment RM	
<b>Valuation or cost</b>							
<b>At 1 January 2009</b>							
As previously stated	23,600,000	-	2,096,420	1,116,502	162,059	645,796	27,620,777
Effects of adopting the Amendments to FRS 117	-	39,300,000	-	-	-	-	39,300,000
<b>As restated</b>	23,600,000	39,300,000	2,096,420	1,116,502	162,059	645,796	66,920,777
Additions	-	-	167,254	87,321	228	29,880	284,683
Disposal	-	-	-	(152,000)	-	-	(152,000)
Write off	-	-	(23,484)	(3,730)	-	(15,377)	(42,591)
<b>At 31 December 2009 (restated)</b>	23,600,000	39,300,000	2,240,190	1,048,093	162,287	660,299	67,010,869
<b>At 1 January 2010</b>							
As previously stated	23,600,000	-	2,240,190	1,048,093	162,287	660,299	27,710,869
Effects of adopting the Amendments to FRS 117	-	39,300,000	-	-	-	-	39,300,000
<b>As restated</b>	23,600,000	39,300,000	2,240,190	1,048,093	162,287	660,299	67,010,869
Additions	-	-	4,627	363,500	36,162	121,780	526,069
Disposal	-	-	-	(45,200)	-	-	(45,200)
<b>At 31 December 2010</b>	23,600,000	39,300,000	2,244,817	1,366,393	198,449	782,079	67,491,738

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**13. Property, plant and equipment (cont'd.)**

Company	At valuation ----->				At cost ----->				Total RM
	Freehold land RM	Leasehold land RM	Buildings RM	Motor vehicles and fittings RM	Office equipment and furniture and fittings RM	Plant and machinery and estate equipment RM			
<b>Accumulated depreciation</b>									
<b>At 1 January 2009</b>									
As previously stated	-	-	1,294,869	820,152	109,608	504,081			2,728,710
Effects of adopting the Amendments to FRS 117	-	982,500	-	-	-	-	-	-	982,500
<b>As restated</b>	-	982,500	1,294,869	820,152	109,608	504,081			3,711,210
Charge for the year	-	491,250	63,006	108,232	9,406	29,386			701,280
Disposal	-	-	-	(88,667)	-	-			(88,667)
Write off	-	-	(23,484)	(3,730)	-	(15,377)			(42,591)
<b>At 31 December 2009 (restated)</b>	-	1,473,750	1,334,391	835,987	119,014	518,090			4,281,232
<b>At 1 January 2010</b>									
As previously stated	-	-	1,334,391	835,987	119,014	518,090			2,807,482
Effects of adopting the Amendments to FRS 117	-	1,473,750	-	-	-	-			1,473,750
<b>As restated</b>	-	1,473,750	1,334,391	835,987	119,014	518,090			4,281,232
Charge for the year	-	491,250	69,285	132,293	7,920	34,707			735,455
Disposal	-	-	-	(45,200)	-	-			(45,200)
<b>At 31 December 2010</b>	-	1,965,000	1,403,676	923,080	126,934	552,797			4,971,487
<b>Net carrying amount</b>									
At 31 December 2009	23,600,000	37,826,250	905,799	212,106	43,273	142,209			62,729,637
At 31 December 2010	23,600,000	37,335,000	841,141	443,313	71,515	229,282			62,520,251

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**13. Property, plant and equipment (cont'd.)**

- (a) Freehold and leasehold lands were revalued on 31 December 2006 based on valuations performed by accredited independent valuer. The valuations were determined by reference to open market value on the profit and comparison methods.

The net book value of the freehold and leasehold lands had these revalued lands been carried at historical cost has not been disclosed as such information and records relating to the periods prior to the previous revaluation in 1978 are no longer available for review except for a piece of leasehold land had it been carried at historical cost, its net book value that would have been included in the financial statements of the Group and of the Company as at 31 December 2010 would be RM8,859,867 (2009: RM8,890,937) and RM9,057,138 (2009: RM9,088,208) respectively.

- (b) Included in the above property, plant and equipment are fully depreciated assets of the Group and of the Company costing RM13,161,739 (2009: RM12,743,353) and RM1,581,127 (2009: RM1,584,917) respectively, which are still in use.

**14. Biological assets**

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
<b>At valuation</b>				
At 1 January	55,100,000	49,200,000	24,500,000	23,100,000
Fair value adjustment	5,500,000	5,900,000	1,800,000	1,400,000
At 31 December	<u>60,600,000</u>	<u>55,100,000</u>	<u>26,300,000</u>	<u>24,500,000</u>

The biological assets were revalued on 31 December 2010 based on valuation performed by accredited independent valuer.

The fair value of the biological assets is determined based on the value in use calculations using cash flow projections, covering a twenty five-year period. The discount rate used is based on the expected rate of return of the biological assets, determined by the accredited independent valuer.

**15. Investments in subsidiaries**

	Company	
	2010 RM	2009 RM
<b>Unquoted shares, at valuation</b>		
At 1 January	160,552,479	136,964,296
Revaluation surplus	11,743,155	23,588,183
At 31 December	<u>172,295,634</u>	<u>160,552,479</u>

Details of the subsidiaries which are incorporated in Malaysia are as follows:

Name of company	Proportion of ownership interest (%)		Principal activities
	2010	2009	
Eng Thye Plantations Berhad	83.3	83.3	} Cultivation of oil palms, process and sale of crude palm oil and palm kernel
Timor Oil Palm Plantation Berhad	58.0	58.0	

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**16. Investments in associates**

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
<b>Unquoted shares, at cost</b>				
At 1 January	15,391,742	5,804,672	11,063,584	4,664,304
Increase during the year	-	9,587,070	-	6,399,280
At 31 December	15,391,742	15,391,742	11,063,584	11,063,584
Share of post acquisition reserves	1,853,608	1,806,038	-	-
Currency translation differences	2,262,089	2,646,348	-	-
At 31 December	19,507,439	19,844,128	11,063,584	11,063,584

Details of the associates are as follows:

Name of associate	Proportion of ownership interest (%)		Proportion of voting power (%)		Principal activities
	2010	2009	2010	2009	
Sin Thye Oil Mills Sdn. Bhd. #	50.0	50.0	50.0	50.0	To process and sell crude palm oil and palm kernel. The company has not commenced operations.
Sin Thye Management Sdn. Bhd. #	30.0	30.0	30.0	30.0	Provision of management and advisory services and acting as an insurance agent.
Huay Guan Investment Pte. Ltd.***	35.4*	35.4*	37.5**	37.5**	Trading in stocks and shares.

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\* Includes interest held by a subsidiary, Eng Thye Plantations Berhad

\*\* The proportion of voting power is higher than the proportion of ownership interest as it includes interest held by a non-wholly owned subsidiary of the Group

\*\*\* Incorporated in the Republic of Singapore  
Audited by a firm of auditors other than Ernst & Young  
Year end of 31 December

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2010 RM	2009 RM
<b>Assets and liabilities</b>		
Current assets	49,995,297	51,090,942
Non-current assets	2,604,032	2,632,693
Total assets	52,599,329	53,723,635
Total liabilities	61,985	281,880
<b>Results</b>		
Revenue	13,388,052	13,836,228
Profit for the year	48,387	863,800

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**17. Investment in a jointly controlled entity**

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
<b>Unquoted shares, at cost</b>				
At 1 January	27,630,955	25,089,340	13,781,480	12,519,020
Increase during the year	-	2,541,615	-	1,262,460
	<u>27,630,955</u>	<u>27,630,955</u>	<u>13,781,480</u>	<u>13,781,480</u>
Share of post acquisition reserves	(3,704,968)	(2,803,153)	-	-
Currency translation differences	(1,011,687)	(332,834)	-	-
At 31 December	<u>22,914,300</u>	<u>24,494,968</u>	<u>13,781,480</u>	<u>13,781,480</u>

Details of the jointly controlled entity is as follows:

Name of jointly controlled entity	Proportion of ownership interest (%)		Proportion of voting power (%)		Principal activity
	2010	2009	2010	2009	
Chin Thye Investment Pte Ltd *	34.6**	34.6**	40.0***	40.0***	Investment holding

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\*\* Includes interests held by subsidiaries

\*\*\* The proportion of voting power is higher than the proportion of ownership interest as it includes interests held by non-wholly owned subsidiaries of the Group

The Group's aggregate share of current assets, non-current assets, current liabilities, income and expenses of the jointly controlled entity is as follows:

	Group	
	2010	2009
	RM	RM
<b>Assets and liabilities</b>		
Current assets	15,225,984	15,457,314
Non-current assets	11,741,174	11,395,547
Total assets	<u>26,967,158</u>	<u>26,852,861</u>
Current liabilities, representing total liabilities	<u>4,052,858</u>	<u>2,357,893</u>
<b>Results</b>		
Revenue (other income)	104,308	127,456
Expenses	1,006,123	2,179,857
Loss for the year	<u>(901,815)</u>	<u>(2,052,401)</u>

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**18. Investment securities**

	2010		2009	
	Carrying amount RM	Market value of quoted investments RM	Carrying amount RM	Market value of quoted investments RM
<b>Group</b>				
<b>Available-for-sale financial assets</b>				
Securities quoted In Malaysia	12,780,955	12,780,955	6,234,893	10,091,067
Securities quoted outside Malaysia	28,119,674	28,119,674	9,730,061	15,902,786
<b>Total investment securities</b>	<b>40,900,629</b>	<b>40,900,629</b>	<b>15,964,954</b>	<b>25,993,853</b>
<b>Company</b>				
<b>Available-for-sale financial assets</b>				
Securities quoted In Malaysia, representing total investment securities	6,980,922	6,980,922	3,015,423	5,530,868

\* Prior to 1 January 2010, investment securities were carried at cost less impairment loss.

**19. Inventories**

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
<b>At cost:</b>				
Oil palm produce	348,756	870,343	-	-
Estate stores	1,112,297	1,741,935	200,203	347,113
	<b>1,461,053</b>	<b>2,612,278</b>	<b>200,203</b>	<b>347,113</b>

The amount of inventories of the Group and of the Company recognised as an expense during the financial year in the income statements was RM11,671,840 (2009: RM13,100,243) and RM4,106,168 (2009: RM4,237,354) respectively.

**20. Receivables**

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
<b>Trade receivables</b>				
Third parties	2,637,131	2,051,124	-	-
A subsidiary	-	-	684,547	561,903
A related corporation	3,144,603	2,218,762	3,144,603	2,218,762
	<b>5,781,734</b>	<b>4,269,886</b>	<b>3,829,150</b>	<b>2,780,665</b>
<b>Other receivables</b>				
Dividend receivable	-	-	2,647,316	-
Deposits, prepayment and sundry receivables	357,999	288,557	238,494	186,409
	<b>357,999</b>	<b>288,557</b>	<b>2,885,810</b>	<b>186,409</b>
Total trade and other receivables	6,139,733	4,558,443	6,714,960	2,967,074
Add: Cash and bank balances (Note 21)	109,981,525	112,970,106	42,930,529	45,330,933
Total loans and receivables	<b>116,121,258</b>	<b>117,528,549</b>	<b>49,645,489</b>	<b>48,298,007</b>

Trade receivables are non-interest bearing and are generally on 30-day (2009: 30-day) terms. Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

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**20. Receivables (cont'd.)**

Ageing analysis of trade receivables

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

	Group 2010 RM	2009 RM
Neither past due nor impaired	5,781,734	4,269,886
1 to 30 days past due not impaired	-	-
31 to 60 days past due not impaired	-	-
More than 61 days past due not impaired	-	-
Impaired	-	-
	<u>5,781,734</u>	<u>4,269,886</u>

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. The Group's trade receivables arise from customers with more than 10 years of experience with the Group and losses have occurred infrequently.

None of the Group's trade receivables of RM5,781,734 that are either past due nor impaired have been renegotiated during the financial year.

**Amounts due from a subsidiary and a related corporation**

The amounts due from a subsidiary and a related corporation are trade in nature, non-interest bearing, unsecured and are normally settled on 30-day (2009: 30-day) terms.

Further details on related party transactions are disclosed in Note 28.

Other information on financial risks of other receivables are disclosed in Note 30.

**21. Cash and cash equivalents**

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash on hand and at banks	13,501,954	9,123,179	1,402,449	3,564,240
Deposits with:				
Licensed banks	75,663,271	80,871,277	41,528,080	41,766,693
Other financial institutions	20,816,300	22,975,650	-	-
	<u>96,479,571</u>	<u>103,846,927</u>	<u>41,528,080</u>	<u>41,766,693</u>
Cash and bank balances	<u>109,981,525</u>	<u>112,970,106</u>	<u>42,930,529</u>	<u>45,330,933</u>

Deposits are made for varying periods between 1 day to 365 days depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2010 for the Group and the Company was 1.95% (2009: 1.32%) and 2.43% (2009: 1.79%) respectively.

Included in deposits with a licensed bank are deposits pledged to bank for bank guarantee facilities provided to the Group and the Company amounting to RM327,483 (2009: RM320,577) and RM197,157 (2009: RM192,589) respectively. The deposits with other financial institutions relate to placements with foreign banks.

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**21. Cash and cash equivalents (cont'd.)**

For the purpose of the statements cash flows, cash and cash equivalents comprise the following as at the balance sheet date:

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Cash and bank balances	109,981,525	112,970,106	42,930,529	45,330,933
Less: Deposits pledged for banks guarantee facilities	(327,483)	(320,577)	(197,157)	(192,589)
Cash and cash equivalents	<u>109,654,042</u>	<u>112,649,529</u>	<u>42,733,372</u>	<u>45,138,344</u>

**22. Payables**

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
<b>Trade payables</b>				
Third parties	1,268,888	1,128,635	361,304	490,405
A company in which certain directors and substantial shareholders have interests	302,733	-	-	-
A person connected with certain directors and a substantial shareholder	321,250	1,547,111	175,000	-
	<u>1,892,871</u>	<u>2,675,746</u>	<u>536,304</u>	<u>490,405</u>
<b>Other payables</b>				
Accruals and sundry payables	4,046,332	4,000,440	1,366,043	1,510,806
	<u>5,939,203</u>	<u>6,676,186</u>	<u>1,902,347</u>	<u>2,001,211</u>

**(a) Trade payables**

Trade payables are non-interest bearing and are normally settled on 30 to 90-day (2009: 30 to 90-day) terms.

**(b) Other payables**

Other payables are non-interest bearing and are normally settled on an average term of three to six months (2009: average term of three to six months).

**(c) Amount due to related parties**

The amount due to a company in which certain substantial shareholders and directors have interests and a person connected to certain directors are unsecured, non-interest bearing and are normally settled on 30 to 90-day (2009: 30 to 90-day) terms.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. Share capital and share premium**

	Group and Company		
	Number of ordinary stock units of RM1 each	<----- Amount -----> Share capital RM	Share premium RM
<b>Issued and fully paid</b>			
At 1 January 2010/2009 and 31 December 2010/2009	70,201,962	70,201,962	4,335,840

	Group and Company			
	Number of ordinary stock units of RM1.00 each 2010	Number of ordinary stock units of RM1.00 each 2009	<----- Amount -----> 2010 RM	2009 RM
<b>Authorised share capital</b>				
At 1 January 2010/2009 and 31 December 2010/2009	150,000,000	150,000,000	150,000,000	150,000,000

The holders of ordinary stock units are entitled to receive dividends as declared from time to time and are entitled to one vote per stock unit at meetings of the Company. All ordinary stock units rank equally with regard to the Company's residual assets.

**24. Other reserves**

	Asset revaluation reserve - lands RM	Foreign currency translation reserve RM	Fair value adjustment reserve RM	Total RM
<b>Group</b>				
<b>At 1 January 2009</b>	59,912,816	2,218,169	-	62,130,985
Revaluation reserve of leasehold land realised	(476,301)	-	-	(476,301)
<b>Other comprehensive income</b>				
Foreign currency translation	-	194,333	-	194,333
<b>At 31 December 2009</b>	59,436,515	2,412,502	-	61,849,017
<b>At 1 January 2010</b>	59,436,515	2,412,502	-	61,849,017
Effects of adopting FRS 139 (Note 2.2(f))	-	-	7,790,974	7,790,974
	59,436,515	2,412,502	7,790,974	69,639,991
Revaluation reserve of leasehold land realised	(476,301)	-	-	(476,301)
<b>Other comprehensive income</b>				
Foreign currency translation	-	(950,755)	-	(950,755)
Net gain on fair value changes of available-for-sale investment securities (Note 2.2(f))	-	-	2,655,979	2,655,979
<b>At 31 December 2010</b>	58,960,214	1,461,747	10,446,953	70,868,914

**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. Other reserves (cont'd.)**

Company	Asset revaluation reserve - lands RM	Asset revaluation reserve – investment in subsidiaries RM	Fair value adjustment reserve RM	Total RM
<b>At 1 January 2009</b>	28,515,721	101,111,645	-	129,627,366
Revaluation reserve of leasehold land realised	(284,914)	-	-	(284,914)
<b>Other comprehensive income</b>				
Net gain on fair value changes of available- for-sale investment in subsidiaries	-	23,588,183	-	23,588,183
<b>At 31 December 2009</b>	<u>28,230,807</u>	<u>124,699,828</u>	<u>-</u>	<u>152,930,635</u>
<b>At 1 January 2010</b>	28,230,807	124,699,828	-	152,930,635
Effects of adopting FRS 139 (Note 2.2(f))	-	-	2,515,445	2,515,445
	<u>28,230,807</u>	<u>124,699,828</u>	<u>2,515,445</u>	<u>155,446,080</u>
Revaluation reserve of leasehold land realised	(284,914)	-	-	(284,914)
<b>Other comprehensive income</b>				
Net gain on fair value changes of available- for-sale investment in subsidiaries	-	11,743,155	-	11,743,155
Net gain on fair value changes of available- for-sale investment securities (Note 2.2(f))	-	-	1,344,762	1,344,762
<b>At 31 December 2010</b>	<u>27,945,893</u>	<u>136,442,983</u>	<u>3,860,207</u>	<u>168,249,083</u>

**(a) Asset revaluation reserve - lands**

The asset revaluation reserve – lands represents increases in the fair value of freehold and leasehold lands and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in statement of comprehensive income.

**(b) Asset revaluation reserve - investments in subsidiaries**

The asset revaluation reserve – investments in subsidiaries represents increases in the fair value of investments in subsidiaries and decreases to the extent that such decrease relates to an increase on the same subsidiary previously recognised in statement of comprehensive income.

**(c) Foreign currency translation reserve**

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

**(d) Fair value adjustment reserve**

Fair value adjustment reserve represents the cumulative fair value changes of available-for-sale investment securities until they are disposed of or impaired.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. Retained profits**

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2010 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007. As at 31 December 2010, the Company has sufficient credit in the 108 balance to pay franked dividends amounting to RM37,541,364 (2009: RM54,389,838) out of its entire retained earnings. The remaining amount of the retained earnings of RM47,738,867 (2009: RM29,828,719) may be distributed under its tax exempt income of RM3,036,914 (2009: RM3,036,914) and under the single tier system of RM44,701,953 (2009: RM26,791,805). Alternatively, the Company may distribute the remaining amount of the retained earnings of RM47,738,867 (2009: RM29,828,719) under the single tier system.

**26. Deferred tax liabilities**

Deferred income tax as at 31 December relates to the following:

	Property, plant and equipment RM	Revaluation of lands and biological assets RM	Total RM
<b>Group</b>			
At 1 January 2009	536,392	22,795,895	23,332,287
Recognised in income statement	92,057	1,237,082	1,329,139
At 31 December 2009/1 January 2010	628,449	24,032,977	24,661,426
Recognised in income statement	135,455	1,170,036	1,305,491
At 31 December 2010	<u>763,904</u>	<u>25,203,013</u>	<u>25,966,917</u>
<b>Company</b>			
At 1 January 2009	200,233	11,472,862	11,673,095
Recognised in income statement	(566)	222,075	221,509
At 31 December 2009/1 January 2010	199,667	11,694,937	11,894,604
Recognised in income statement	46,678	355,029	401,707
At 31 December 2010	<u>246,345</u>	<u>12,049,966</u>	<u>12,296,311</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**27. Segment information**

The chief operating decision-maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocation of resources. The Group's principal activities are the cultivation of oil palms, process and sale of crude palm oil and palm kernel and is wholly carried out in Malaysia.

	Group	
	2010	2009
	RM	RM
	<i>Oil palm plantation</i>	
Revenue from external customers	86,612,276	79,336,183
Reportable segment profit	38,208,128	33,714,644
Reportable segment assets	214,998,970	209,244,244
Reportable segment liabilities	5,939,203	6,676,186
	<hr/>	<hr/>
Reportable segment profit is reconciled as follows:		
Total profit for reportable segment	38,208,128	33,714,644
Share of results of associates	25,999	341,456
Share of loss of jointly controlled entity	(901,815)	(2,052,401)
Other income	3,262,405	4,764,674
Other expenses	(428,957)	-
Profit before tax	40,165,760	36,768,373
	<hr/>	<hr/>
Reportable segment assets are reconciled as follows:		
Total assets for reportable segment	214,998,970	209,244,244
Investment in associates	19,507,439	19,844,128
Investment in a jointly controlled entity	22,914,300	24,494,968
Investment securities	40,900,629	15,964,954
Unallocated assets	111,475,848	115,027,727
Total assets	409,797,186	384,576,021
	<hr/>	<hr/>
Reportable segment liabilities are reconciled as follows:		
Total liabilities for reportable segment	5,939,203	6,676,186
Income tax payable	964,863	-
Deferred tax liabilities	25,966,917	24,661,426
Total liabilities	32,870,983	31,337,612
	<hr/>	<hr/>

Revenue from major customers amounted to RM75,305,605 (2009: RM63,607,203).

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2010**

**28. Related party transactions**

**(a) Sale and purchase of goods and services**

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

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
A related corporation in which certain directors and substantial shareholders have interest:				
- Sale of oil palm produce	20,533,497	17,723,540	20,286,635	17,723,540
- Purchase of oil palm produce	442,138	-	-	-
An associate in which certain directors and substantial shareholders have interest:				
- Management fee	176,760	176,759	76,490	76,489
A person connected with certain directors and a substantial shareholder:				
- Purchase of fertilisers	1,859,577	3,033,036	831,435	1,820,,505
Companies in which certain directors and substantial shareholders have interest:				
- Agency fee	54,600	42,000	15,600	12,000
- Sale of oil palm produce	-	251,191	-	-
- Purchase of oil palm produce	1,835,177	135,598	-	-
- Purchase of fertilisers	19,144	-	-	-
A subsidiary in which certain directors and substantial shareholders have interest:				
- Sale of oil palm produce	-	-	7,283,698	7,974,956
- Sale of property, plant and equipment	-	-	-	63,333

**(b) Compensation of key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly.

**Total remuneration of key management personnel**

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Total	2,062,724	1,997,832	1,305,728	1,285,682

For the details of Board of Directors' remuneration, please refer to Note 8 to the financial statements.

**29. Capital commitments**

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Capital expenditure				
Approved and contracted for:				
Capital and investment outlay in a jointly controlled entity	22,769,045	22,769,045	11,418,250	11,418,250

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2010**

**30. Financial risk management objectives and policies**

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

The Group overall financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst minimising the potential adverse impact arising from fluctuation in foreign exchange and interest rates and the unpredictability of the financial markets.

The Group operates within clearly defined guidelines that are approved by the Board of Directors and it does not engage in speculation transactions. Financial risk management is further enhanced by effective internal controls and adherence to the financial risk management policies.

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

**(a) Credit risk**

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

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

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risks related to any financial assets other than an amount due from a related corporation which amounts to approximately 54% of the Group's trade receivables as disclosed in Note 20.

Financial assets that are neither past due nor impaired

Information regarding trade that are neither past due nor impaired is disclosed in Note 20. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

**(b) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain sufficient levels of cash including fixed deposits to meet its working capital requirements.

At the reporting date, the Group does not have any borrowings (including overdrafts) from financial institutions.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**30. Financial risk management objectives and policies (cont'd.)**

**(c) Interest rate risk**

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

The Group's exposure to interest rate risk arises primarily from its deposits with financial institutions.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM238,130 lower/higher, arising mainly as a result of lower/higher interest income from deposits with financial institutions. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

**(d) Foreign currency risk**

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

The Group's business is predominantly located in Malaysia. The functional currency in foreign bank balances and quoted investments outside Malaysia are predominantly denominated in Singapore Dollar ("SGD"), which give rise to conversion exposure. The foreign currency exposures are not hedged.

The unhedged financial assets of the Group that are not denominated in Ringgit Malaysia are as follows:

	<b>Cash and bank balances RM</b>	<b>Investment securities RM</b>	<b>Total RM</b>
Singapore Dollar			
At 31 December 2010	23,776,205	28,119,674	51,895,879
At 31 December 2009	24,531,557	9,730,061	34,261,618

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in SGD exchange rate against the functional currency of the Group, with all other variables held constant.

	<b>2010 RM</b>
	<i>Profit net of tax</i>
SGD/RM – strengthened 1% (2009: 1%)	208,163
– weakened 1% (2009: 1%)	(208,163)

**NOTES TO THE FINANCIAL STATEMENTS**  
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**30. Financial risk management objectives and policies (cont'd.)**

**(e) Market price risk**

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates.)

The Group is exposed to securities price risk from its investment in quoted securities classified as available-for-sale financial assets. These securities are listed on the Bursa Malaysia and SGX-ST in Singapore.

The Group's objective is to manage investment returns and the price risk by investing in investment grade shares with steady dividend yield.

Sensitivity analysis for security price risk

At the reporting date, if the market prices for available-for-sale investment had been 1% higher/lower, with all other variables being held constant, the Group's other reserve in equity would have been RM310,916 higher/lower, arising as a result of an increase/decrease in the fair value of quoted securities classified as available-for-sale.

The Group does not enter into commodity future contracts.

**31. Capital management**

The Group's objectives in managing its capital is to ensure that it maintains a strong and healthy capital to enable the Group to continue as a going concern in order to provide returns for shareholders and to maintain a debt free capital structure.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group did not have any borrowings for the years ended 31 December 2010 and 31 December 2009. The Group monitors capital using dividend payout ratio, which is amount of dividends paid divided by profit net of tax attributable to owners of the parent.

The Group's strategy in 2010, which was unchanged from 2009, was to maintain a debt free capital structure and to pay steady amount of dividends to shareholders.

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Amount of dividends paid	16,848,470	13,162,867	16,848,470	13,162,867
Profit net of tax attributable to owners of the parent	25,649,821	24,074,598	17,625,230	16,375,078
Dividend payout ratio - %	65.69%	54.68%	95.59%	80.38%

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2010**

**32. Breakdown of retained earnings into realised and unrealised**

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Malaysia”) issued a directive to all listed issuers pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of the retained profits as at 31 December 2010 into realised and unrealised profits is as follows:

	<b>Group RM</b>	<b>Company RM</b>
Total retained profits of the Company and its subsidiaries		
Realised	169,699,188	71,031,451
Unrealised	36,906,708	14,248,780
	<u>206,605,896</u>	<u>85,280,231</u>
Total shares of retained profits/(accumulated losses) from associates		
Realised	1,751,735	-
Unrealised	(42,680)	-
Total shares of accumulated losses from a jointly controlled entity		
Realised	(3,113,235)	-
Unrealised	(95,118)	-
	<u>205,106,598</u>	<u>85,280,231</u>
Less: Consolidation adjustments	(32,991,172)	-
Total Group retained profits as per consolidated accounts	<u>172,115,426</u>	<u>85,280,231</u>

Comparative information is not presented in the first financial year of application pursuant to the directive issued by Bursa Malaysia on 25 March 2010.

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Main Market Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses above has been made solely for complying with the disclosure requirements as stipulated in the directives of Bursa Malaysia and should not be applied for any other purposes.

**SHAREHOLDINGS STATISTICS**

**Share Capital As At 29 April 2011**

Authorised	: RM150,000,000
Issued and fully paid	: RM70,201,962
Class of stock units	: Ordinary stock units of RM1.00 each
Voting rights	: One vote per stock unit
No. of shareholders	: 2,659

**Distribution schedule of issued and paid-up share capital as at 29 April 2011**

No. of Holders	%	Holdings	Total Holdings	%
21	0.79	Less than 100	612	*
504	18.95	100 to 1,000	425,985	0.61
1,727	64.95	1,001 to 10,000	6,279,377	8.94
373	14.03	10,001 to 100,000	9,669,385	13.77
33	1.24	100,001 to less than 5% of the issued shares	15,125,594	21.55
1	0.04	5% and above of the issued shares	38,701,009	55.13
<b>2,659</b>	<b>100.00</b>		<b>70,201,962</b>	<b>100.00</b>

**Substantial shareholders (excluding bare trustees) as shown in the register of substantial shareholders as at 29 April 2011.**

Name of Substantial Shareholders	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Stock Units	%	No. of Stock Units	%
Tiong Thye Company Berhad	38,701,009	55.13	-	-
Goh Eng Chew	400,000	0.57	38,701,009	55.13
Gho Lian Chin	2,200	*	38,852,673	55.34
Tai Chuan Company (Private) Limited	-	-	38,701,009	55.13

**(A) Interests of directors in the stock units of the Company as at 29 April 2011.**

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Stock Units	%	No. of Stock Units	%
Goh Eng Chew	400,000	0.57	38,701,009	55.13
Goh Pock Ai	401,100	0.57	-	-
Wong Aun Phui	645,850	0.92	59,785	0.09
Goh Wei Lei	-	-	-	-
Goh Beng Hwa @ Gho Bin Hoa	3,002,202	4.28	-	-
Gho Lian Chin	2,200	*	38,852,673	55.34
Sio Sit Po	608,968	0.87	-	-
Goh Yeok Beng	400,000	0.57	-	-
Dato' Ong Bok Lim	-	-	-	-
Keong Choon Keat	-	-	-	-
Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong	-	-	-	-

**SHAREHOLDINGS STATISTICS**

**(B) Interests of directors in the shares of the related corporations as at 29 April 2011.**

**(i) Eng Thye Plantations Berhad, subsidiary of the Company.**

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1 Each	%	No. of Ordinary Shares of RM1 Each	%
Goh Eng Chew	-	-	15,783,250	83.51
Goh Pock Ai	-	-	-	-
Wong Aun Phui	3,500	0.02	-	-
Goh Wei Lei	-	-	-	-
Goh Beng Hwa @ Gho Bin Hoa	3,500	0.02	-	-
Gho Lian Chin	-	-	15,783,250	83.51
Sio Sit Po	-	-	-	-
Goh Yeok Beng	-	-	-	-
Dato' Ong Bok Lim	35,000	0.19	-	-
Keong Choon Keat	-	-	-	-
Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong	-	-	-	-
Gho Bun Tjin	-	-	-	-

**(ii) Timor Oil Palm Plantation Berhad, subsidiary of the Company.**

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1 Each	%	No. of Ordinary Shares of RM1 Each	%
Goh Eng Chew	10,000	0.10	6,112,300	58.21
Goh Pock Ai	10,000	0.10	-	-
Wong Aun Phui	1,000	0.01	39,000	0.37
Goh Wei Lei	-	-	-	-
Goh Beng Hwa @ Gho Bin Hoa	-	-	-	-
Gho Lian Chin	10,000	0.10	6,112,300	58.21
Sio Sit Po	-	-	-	-
Goh Yeok Beng	10,000	0.10	-	-
Dato' Ong Bok Lim	-	-	-	-
Keong Choon Keat	-	-	-	-
Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong	10,000	0.10	-	-
Gho Bun Tjin	-	-	-	-

**SHAREHOLDINGS STATISTICS**

**(B) Interests of directors in the shares of the related corporations as at 29 April 2011. (cont'd.)**

**Immediate and ultimate holding company and other related corporations.**

**Tiong Thye Company Berhad, immediate and ultimate holding company.**

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1 Each	%	No. of Ordinary Shares of RM1 Each	%
Goh Eng Chew	-	-	13,649,000	65.00
Gho Lian Chin	1,000	*	5,670,000	27.00
Gho Bun Tjin	1,000	*	-	-

\* Less than 0.01%

Goh Eng Chew and Gho Lian Chin by virtue of their interests in the immediate and ultimate holding company, are also deemed interested in the shares of all its subsidiaries to the extent the immediate and ultimate holding company has an interest.

The interests of Goh Eng Chew and Gho Lian Chin in other related corporations are as follows:

Name of other related corporation	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1 Each	%	No. of Ordinary Shares of RM1 Each	%
Seong Thye Plantations Sdn Bhd	-	-	43,474,500	100.00
Seong Thye Development & Oil Mills Sdn Bhd	-	-	6,000,000	100.00
Masai Tinggi Developments Sdn Bhd	-	-	2	100.00

Other than as disclosed above, none of the other directors have any shareholdings in the immediate and ultimate holding company and other related corporations.

**SHAREHOLDINGS STATISTICS**

List of 30 largest securities account holders according to the Record of Depositors (without aggregating the securities from different securities accounts belonging to the same person) as at 29 April 2011

Name	No. of Stock Units	%
1. Tiong Thye Company Berhad	38,701,009	55.13
2. Nam Heng Oil Mill Company Sdn. Berhad	3,157,500	4.50
3. Goh Beng Hwa @ Gho Bin Hoa	3,002,202	4.28
4. Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited (Client A/C-NR)	1,026,406	1.46
5. Wong Aun Phui	645,850	0.92
6. HDM Nominees (Asing) Sdn Bhd Kim Eng Securities Pte Ltd for Sio Sit Po	608,968	0.87
7. Mayban Securities Nominees (Asing) Sdn Bhd UOB-Kay Hian Pte Ltd for Sio Sit Min	568,814	0.81
8. Mayban Securities Nominees (Asing) Sdn Bhd UOB-Kay Hian Pte Ltd for Sio Leh Koen	523,004	0.74
9. Guan Brothers Realty Sdn Bhd	407,000	0.58
10. Goh Pock Ai	401,100	0.57
11. Goh Yeok Beng	400,000	0.57
12. HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Goh Eng Chew @ Gho Kim Tjin	400,000	0.57
13. Chew Huaipin Sdn Bhd	396,100	0.56
14. Seah Mok Khoon	334,400	0.48
15. Lim Kian Huat	303,100	0.43
16. Hup Lee Bakery Sdn Bhd	247,500	0.36
17. Lim Sian Yew & Sons Sdn. Berhad	226,250	0.32
18. Lai Beng Chu	214,000	0.30
19. Ng Poh Cheng	208,900	0.30
20. Nam Heng Oil Mill Company Sdn. Bhd	200,000	0.28
21. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	167,600	0.24
22. Ooi Chye Hoon	158,000	0.23
23. Chan Wai Meng	152,000	0.22
24. Tong Ai Lin	150,000	0.21
25. Teoh Peng Heong & Sons Sdn Bhd	149,000	0.21
26. Thiam Loy Sdn Bhd	129,800	0.18
27. Yeo Khee Huat	127,000	0.18
28. Low Kim Seng	126,600	0.18
29. Foo Hoe Kuang	125,400	0.18
30. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Kiam Hsung	116,100	0.17
	53,373,603	76.03



**OTHER INFORMATION**

(a) Material Contracts

Material contracts entered into by the Company and its subsidiaries which involved the directors' and major shareholders' interests either still subsisting at the end of the financial year ended 31 December 2010 or entered into since the end of the previous financial year: -

Related party transactions of a revenue or trading nature entered into by the Company and its subsidiaries during the financial year ended 31 December 2010: -

	RM
Transactions with Seong Thye Plantations Sdn. Bhd., a related corporation in which the substantial shareholders (Tiong Thye Company Berhad, Tai Chuan Company Pte Ltd, Goh Eng Chew and Gho Lian Chin) and several directors (Goh Eng Chew, Goh Pock Ai, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong and Gho Bun Tjin) have interests.	
Sale of oil palm produce	20,533,497
Purchase of oil palm produce	<u>442,138</u>
Transactions with Chin Teck Plantations Berhad, a company in which the substantial shareholders (Tiong Thye Company Berhad, Tai Chuan Company Pte Ltd, Goh Eng Chew and Gho Lian Chin) and several directors (Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Beng Hwa @ Gho Bin Hoa, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Sio Sit Po, Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong and Gho Bun Tjin) have interests.	
Purchase of oil palm produce	1,835,177
Purchase of fertilisers	<u>19,144</u>
Agency fees paid to Tat Lee Commodities Pte. Ltd., a company incorporated in the Republic of Singapore, in which the substantial shareholders (Goh Eng Chew and Gho Lian Chin) and several directors (Goh Eng Chew, Goh Pock Ai, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong and Gho Bun Tjin) have interests.	<u>54,600</u>
Management fees paid to Sin Thye Management Sdn. Bhd., an associate in which the substantial shareholders (Tiong Thye Company Berhad, Tai Chuan Company Pte Ltd, Goh Eng Chew and Gho Lian Chin) and several directors (Goh Eng Chew, Goh Pock Ai, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong, Gho Bun Tjin) have interests.	<u>176,760</u>
Purchase of fertilisers from Kai Lee Company, the sole proprietor of whom, Ng Yong Seng, is a person connected to a substantial shareholder (Goh Eng Chew) and several directors (Goh Eng Chew, Goh Pock Ai and Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong)	<u>1,859,577</u>

(b) Sanctions and /or penalties

No sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

(c) Non-audit fees paid to external auditors for the financial year ended 31 December 2010

During the financial year ended 31 December 2010, non-audit fees paid or payable to the external auditors amounted to RM25,000.

**NEGRI SEMBILAN OIL PALMS BERHAD (592D)**  
(Incorporated in Malaysia)

**FORM OF PROXY**

I / We .....  
of .....  
being a member of NEGRI SEMBILAN OIL PALMS BERHAD hereby appoint .....  
.....  
of .....  
or failing him / her .....  
of .....

as my / our proxy to attend and vote on my / our behalf at the Seventy Ninth Annual General Meeting of the Company to be held at the Conference Room, Suite 2B-3A-3, Block 2B, Level 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Friday, 24 June 2011 at 10.30 am and at any adjournment thereof.

Resolutions		For	Against
1.	To receive and adopt the Directors' Report and the Financial Statements for the financial year ended 31 December 2010 and the Independent Auditors' Report thereon.		
2.	To approve the directors' fees for the financial year ended 31 December 2010 and to authorise the directors to divide such fees in the proportions and manner to be determined by them.		
	To re-elect the following directors retiring under Article 94 of the Articles of Association of the Company: -		
3.	(i) Mr Keong Choon Keat		
4.	(ii) Mr Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong		
5.	To re-appoint Mr Goh Eng Chew as director pursuant to Section 129(6) of the Companies Act, 1965		
6.	To re-appoint Mr Wong Aun Phui as director pursuant to Section 129(6) of the Companies Act, 1965		
7.	To re-appoint Mr Goh Beng Hwa @ Gho Bin Hoa as director pursuant to Section 129(6) of the Companies Act, 1965		
8.	To re-appoint Dato' Ong Bok Lim as director pursuant to Section 129(6) of the Companies Act, 1965		
9.	To re-appoint Mr Goh Pock Ai as director pursuant to Section 129(6) of the Companies Act, 1965		
10.	To re-appoint auditors and authorise the directors to fix their remuneration.		
	Proposed renewal of shareholders' mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with: -		
11.	Seong Thye Plantations Sdn Bhd		
12.	Kai Lee Company		

(Please indicate with "X" or "√" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion)

Signature(s)

Date:

No. of stock units held	
CDS No,	

**NOTES:**

1. A member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. If the member is a corporation, the Form of Proxy must be executed under its common seal or under the hand of a person duly authorised in writing.
3. The Form of Proxy must be deposited at the Registered Office, Suite 2B-3A-2, Block 2B, Level 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.



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Postage  
Stamp

**NEGRI SEMBILAN OIL PALMS BERHAD**  
Suite 2B-3A-2  
Block 2B Level 3A  
Plaza Sentral  
Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

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