

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

2.3 Standards issued but not yet effective (cont'd.)

Effective annual period to be announced by the Malaysian Accounting Standards Board

FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
FRS 9	Financial Instruments: Hedge Accounting and Amendments to FRS 9, FRS 7 and FRS 139)

The directors expect that the adoption of the above standards and interpretations will not have a material impact on the financial statements of the Group and of the Company in the period of initial application except as disclosed below:

FRS 9 Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

Malaysian Financial Reporting Standards (MFRS Framework)

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

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

On 7 August 2013, MASB announced that it will permit Transitioning Entities to defer adoption of the new MFRS Framework and continue to use the existing Financial Reporting Standards (FRS) Framework for additional year. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the year ending 31 December 2015. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group and the Company have commenced transitioning their accounting policies and financial reporting from the current FRS Framework to MFRS Framework. At the date of these financial statements, the Group and the Company have not completed their quantification of the financial effects of the differences between accounting standards under the FRS Framework and MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2013 could be different if prepared under the MFRS Framework.

The Group and the Company consider that they are achieving their scheduled milestones and expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2015.



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

2.4 Basis of consolidation

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

The Company controls an investee if and only if the Company meets all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, over vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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

When the Company loses control of a subsidiary, a gain or loss calculated as the difference between

- (i) aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets and liabilities of the subsidiaries and any non-controlling interest, is recognised in profit or loss.

The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date of control is lost is regarded as the cost on initial recognition of the investment.



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

2.4 Basis of consolidation (cont'd.)

Business combination

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

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

The Group elects on a transaction-by-transaction basis, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position.

2.5 Non-controlling interest

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

Changes in the Group's interest in a subsidiary that does not result in a loss of control are accounted for as equity transactions as described in Note 2.4.

2.6 Subsidiaries

Subsidiaries are entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee as further described in Note 2.4.

In the Company's separate financial statements, investments in subsidiaries are classified as available-for-sale financial assets in accordance with FRS 139. These financial assets are measured at fair value. Any gains or losses from changes in fair value are recognised in other comprehensive income except that impairment losses are recognised in profit or loss. The cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when such investment is derecognised.

On derecognition of such investments, the difference between the carrying amount and the sum of the consideration received and any cumulative gains or losses that had been recognised in other comprehensive income is recognised in profit or loss.

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

2.7 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

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

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

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

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

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

2.8 Investment in joint venture

The Group has an interest in a joint venture. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Investment in joint venture is accounted for in the Group's financial statements using the equity method as described in Note 2.7.

In the Company's separate financial statements, investment in joint venture is stated at cost less impairment losses.

On disposal of the investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.



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

2.9 Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

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

2.10 Property, plant and equipment and depreciation

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

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

Freehold and leasehold land are measured at fair value and impairment loss is recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold and leasehold land at the reporting date. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offset an existing surplus on the same asset carried in the asset revaluation reserve.

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

Freehold land has an unlimited useful life and therefore is not depreciated. Capital-work-in-progress are not depreciated as these assets are not yet available for use. Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	99 years
Buildings	5 to 25 years
Motor vehicles	5 years
Plant and machinery, estate equipment, office equipment, and furniture and fittings	5 to 10 years



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 indicate that the carrying value may not be recoverable.

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

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

2.11 Biological assets

This represents the mature and immature oil palm plantations of the Group and of the Company which are measured at their fair values less estimated point-of-sale costs annually. Oil palms are considered mature when the palms attain 4 years old. Point-of-sale costs include all costs that would be necessary to sell the assets. 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 profit or loss. 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 and the Company'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.



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

2.14 Foreign currencies (cont'd)

(b) Foreign currency transactions (cont'd.)

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

(c) Foreign operations

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

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

2.15 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 and the Company. 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 companies in the Group make contributions to the Employees 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.

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

2.16 Income taxes (cont'd)

(b) Deferred tax

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

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

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

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

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

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

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

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

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



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

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.

2.18 Impairment of non-financial assets

The Group and the Company 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 and the Company makes an estimate of the asset's recoverable amount.

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

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the 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 banks and on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant 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.

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

2.20 Financial assets (cont'd.)

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

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition.

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.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are 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 twelve months after the reporting date which are classified as non-current.

The Group and the Company have designated their 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 twelve months after the reporting date which are classified as current.

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



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

2.20 Financial assets (cont'd.)

(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 interest method are recognised in profit or loss. The cumulative gains or losses 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's and the Company's right to receive payment is established.

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

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

The Group and the Company have classified their investments in securities as available-for-sale financial assets. The Company has also classified its investments 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 gains or losses 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 consider 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

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

2.21 Impairment of financial assets (cont'd)

(a) Trade and other receivables carried at amortised cost (cont'd.)

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.

(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 considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

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

Impairment losses on available-for-sale equity 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 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 or classified any financial liabilities as at fair value through profit or loss.



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

2.22 Financial liabilities (cont'd.)

(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 of 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.

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 term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

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

2.24 Segment reporting

The principal activities of the Group are the cultivation of oil palms, production and sale of fresh fruit bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia. The management of the Company regularly reviews the segment performance. Additional disclosures on the segment is 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.

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

2.26 Fair value measurement

The Group and the Company measure certain of their financial instruments and non-financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial instruments takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active market for identical assets and liabilities.
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Board of Directors ("the Board") determines the policies and procedures for both recurring fair value measurement, such as biological assets and unquoted available-for-sale financial assets (investments in subsidiaries). External valuers are involved for valuation of significant assets, such as biological assets. Involvement of external valuers is decided upon annually by the Board and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the Board analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Board verifies inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents which also includes comparison with other relevant external sources to determine if any change is reasonable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above in the individual notes relating to the assets and liabilities whose fair value were determined.



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 disclosure 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.

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 which involves management's assumptions on the crude palm oil prices, fresh fruit bunches yield and oil ratio over the remaining useful life of the biological assets adjusted based on indirect observable market data.

The accredited independent valuers are appointed in assessing value in use and 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 fair value is measured using the adjusted net tangible assets of the subsidiaries which comprise the fair value of the biological assets, land, quoted investments and other financial instruments, represents the fair value of the subsidiaries. The inputs to this model are taken from observable market where possible, but where this is not feasible, a degree of judgement and assumptions about the model inputs, including forecast cash flows, the discount rate, pricing data received from third party - on recently observed prices inactive market and volatility were required.

(c) Revaluation of freehold and leasehold land

The freehold and leasehold land of the Group and of the Company are measured at fair value. This requires an estimation of the fair values.

Valuations are performed at least once every five years by accredited independent valuer by reference to open market value using the market comparison method. Judgement is required in selecting any comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, size, shape and terrain of land, tenure and restrictions if any, availability of infrastructure, soil type and drainage, age and density of plantings and other relevant characteristics.

(d) Impairment of investment in a joint venture

The Group determines at each reporting date whether there is any objective evidence that the investment in a joint venture is impaired.

The harvesting of young matured palms of the joint venture engaged in oil palm plantation in Lampung Province, Indonesia has been delayed due to unrest in the villages neighbouring the estate. The commencement of harvesting is pending clearance by the relevant authorities. The joint venture has maintained its existing staff force to enable it to commence harvesting which is pending clearance by the relevant authorities. As such, the directors are of the opinion that impairment is not necessary at this juncture.

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.

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5. Dividend income

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Dividend income from:				
Available-for-sale financial assets				
Subsidiaries	-	-	4,063,089	6,379,138
Quoted securities				
- Securities quoted in Malaysia	733,454	497,183	386,739	253,259
- Securities quoted outside Malaysia	1,457,186	1,199,952	-	-
	<u>2,190,640</u>	<u>1,697,135</u>	<u>4,449,828</u>	<u>6,632,397</u>

6. Other income

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Gain on sale of property, plant and equipment	-	6,000	-	-
Net fair value gain on available-for-sale investment securities (transferred from equity on disposal)	824,369	1,030,632	-	-
Unrealised foreign exchange gain	909,267	706,416	2,189	2,931
Rental	36,450	67,882	-	-
Miscellaneous	334,079	28,291	91,530	10,010
	<u>2,104,165</u>	<u>1,839,221</u>	<u>93,719</u>	<u>12,941</u>

7. Profit before tax

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

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Auditors' remuneration				
- Statutory audit	119,000	119,000	48,000	48,000
- Other services	20,000	8,000	20,000	8,000
- Overprovision in previous year	-	(5,000)	-	-
Depreciation of property, plant and equipment (Note 13)	3,511,748	3,029,657	1,203,384	1,103,688
Non-executive directors' remuneration (Note 8)	708,231	727,927	404,000	404,000
Employee benefits expense (Note 9)	18,172,142	16,803,233	6,227,344	5,878,726
Realised foreign exchange loss	-	1,333	-	437
Property, plant and equipment written off	18,856	-	-	-



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8. Directors' remuneration

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Directors of the Company				
Executive directors:				
Fees	256,000	256,000	112,000	112,000
Salaries	1,284,000	1,284,000	888,000	888,000
Commission	272,918	522,188	130,465	231,306
Other emoluments	84,000	96,000	48,000	48,000
	<u>1,896,918</u>	<u>2,158,188</u>	<u>1,178,465</u>	<u>1,279,306</u>
Non-executive directors (Note 7):				
Fees	356,000	356,000	260,000	260,000
Salaries	144,000	144,000	-	-
Commission	28,231	47,927	-	-
Other emoluments	180,000	180,000	144,000	144,000
	<u>708,231</u>	<u>727,927</u>	<u>404,000</u>	<u>404,000</u>
	<u>2,605,149</u>	<u>2,886,115</u>	<u>1,582,465</u>	<u>1,683,306</u>

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

	Number of Directors	
	2013	2012
Executive directors:		
RM250,001 – RM300,000	1	-
RM300,001 – RM350,000	-	1
RM350,001 – RM400,000	-	-
RM400,001 – RM450,000	1	-
RM450,001 – RM500,000	1	-
RM500,001 – RM550,000	-	1
RM550,001 – RM600,000	-	1
RM650,001 – RM700,000	1	-
RM700,001 – RM750,000	-	-
RM750,001 – RM800,000	-	1
	<u>4</u>	<u>4</u>
Non-executive directors:		
RM50,000 and below	1	1
RM50,001 – RM100,000	4	4
RM100,001 – RM150,000	1	1
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	1	-
RM250,001 – RM300,000	-	1
	<u>7</u>	<u>7</u>
	<u>11</u>	<u>11</u>

9. Employee benefits expense

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Wages and salaries	14,799,789	13,741,057	5,197,590	4,912,616
Social security contributions	73,812	63,006	12,158	11,041
Employees Provident Fund	897,661	651,309	239,944	197,965
Retirement benefits	-	138,240	-	69,120
Other staff related expenses	2,400,880	2,209,621	777,652	687,984
	<u>18,172,142</u>	<u>16,803,233</u>	<u>6,227,344</u>	<u>5,878,726</u>

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,896,918 (2012: RM2,158,188) and RM1,178,465 (2012: RM1,279,306) respectively, as further disclosed in Note 8.

10. Income tax expense

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current income tax:				
Malaysian income tax	3,052,706	7,229,511	2,166,297	3,721,023
Under/(over) provision in respect of previous years	38,502	74,077	(11,101)	15,634
	<u>3,091,208</u>	<u>7,303,588</u>	<u>2,155,196</u>	<u>3,736,657</u>
Deferred income tax (Note 26):				
Origination and reversal of temporary differences	4,112,056	(4,590,948)	415,490	(1,681,339)
Changes in tax rates	(466,120)	-	(111,722)	-
Overprovision in respect of previous years	(23,498)	(84,923)	(11,476)	(35,296)
	<u>3,622,438</u>	<u>(4,675,871)</u>	<u>292,292</u>	<u>(1,716,635)</u>
Income tax expense recognised in profit or loss	<u>6,713,646</u>	<u>2,627,717</u>	<u>2,447,488</u>	<u>2,020,022</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% from the current year's tax rate of 25%, effective from the year of assessment 2016. The computation of deferred tax as at 31 December 2013 has reflected these changes.

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 2013 and 31 December 2012 are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit before tax, representing accounting profit before tax	<u>28,984,294</u>	<u>15,196,058</u>	<u>10,306,971</u>	<u>7,918,549</u>
Tax at Malaysian statutory rate of 25%	7,246,074	3,799,015	2,576,743	1,979,637
Adjustments:				
Non-deductible expenses	601,655	577,894	81,840	253,333
Income not subject to tax	(1,555,777)	(1,166,785)	(76,796)	(193,286)
Share of results of associates and a joint venture	872,810	(571,561)	-	-
Overprovision of deferred tax in respect of previous years	(23,498)	(84,923)	(11,476)	(35,296)
Under/(over) provision of income tax in respect of previous years	38,502	74,077	(11,101)	15,634
Effect of change in tax rates on deferred tax	(466,120)	-	(111,722)	-
Income tax expense recognised in profit or loss	<u>6,713,646</u>	<u>2,627,717</u>	<u>2,447,488</u>	<u>2,020,022</u>

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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.

	Group	
	2013	2012
	RM	RM
Profit attributable to owners of the parent used in the computation of basic and diluted earnings per stock unit	18,292,031	10,146,865
	Number of ordinary stock units	Number of ordinary stock units
Weighted average number of ordinary stock units for basic and diluted earnings per stock unit computation	70,201,962	70,201,962

The respective 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 as there is no potential dilutive ordinary stock units outstanding as at end of the financial years.

12. Dividends

	Dividends in respect of year		Dividends recognised in year	
	2013	2012	2013	2012
	RM	RM	RM	RM
First interim dividend of 10% less 25% taxation and special dividend of 5% less 25% taxation, on 70,201,962 ordinary stock units, declared on 25 May 2012 and paid on 29 June 2012 (11.25 sen net per ordinary stock unit)	-	7,897,720	-	7,897,720
Second interim dividend of 14% less 25% taxation, on 70,201,962 ordinary stock units, declared on 30 November 2012 and paid on 31 December 2012 (10.50 sen net per ordinary stock unit)	-	7,371,206	-	7,371,206
First interim dividend of 4% single tier on 70,201,962 ordinary stock units, declared on 31 May 2013 and paid on 28 June 2013 (4.00 sen net per ordinary stock unit)	2,808,079	-	2,808,079	-
Second interim dividend of 5% single tier on 70,201,962 ordinary stock units, declared on 29 November 2013 and paid on 31 December 2013 (5.00 sen net per ordinary stock unit)	3,510,098	-	3,510,098	-
	<u>6,318,177</u>	<u>15,268,926</u>	<u>6,318,177</u>	<u>15,268,926</u>



13. Property, plant and equipment

Group	At valuation		At cost					Capital work-in-progress	Total
	Freehold land	Leasehold land	Buildings	Motor vehicles	Office equipment and furniture and fittings	Plant and machinery and estate equipment	RM		
Valuation or cost									
At 1 January 2012	107,980,000	101,900,000	8,268,454	4,238,573	621,611	12,710,373	-	235,719,011	
Additions	-	-	1,630,643	1,095,273	16,411	203,377	1,122,000	4,067,704	
Disposal	-	-	-	-	-	(20,000)	-	(20,000)	
Write off	-	-	(45,200)	(5,616)	-	-	-	(50,816)	
At 31 December 2012	107,980,000	101,900,000	9,853,897	5,328,230	638,022	12,893,750	1,122,000	239,715,899	
At 1 January 2013	107,980,000	101,900,000	9,853,897	5,328,230	638,022	12,893,750	1,122,000	239,715,899	
Additions	-	-	806,640	1,720,509	50,658	1,966,320	-	4,544,127	
Write off	-	-	(13,000)	(308,049)	(6,755)	(165,183)	-	(492,987)	
Transfer	-	-	-	-	-	1,122,000	(1,122,000)	-	
At 31 December 2013	107,980,000	101,900,000	10,647,537	6,740,690	681,925	15,816,887	-	243,767,039	
Accumulated depreciation									
At 1 January 2012	-	-	5,149,169	2,997,336	459,818	10,099,937	-	18,706,260	
Charge for the year	-	1,567,873	323,466	523,633	32,531	582,154	-	3,029,657	
Disposal	-	-	-	-	-	(20,000)	-	(20,000)	
Write off	-	-	(45,200)	(5,616)	-	-	-	(50,816)	
At 31 December 2012	-	1,567,873	5,427,435	3,515,353	492,349	10,662,091	-	21,665,101	
At 1 January 2013	-	1,567,873	5,427,435	3,515,353	492,349	10,662,091	-	21,665,101	
Charge for the year	-	1,567,873	422,983	742,189	31,315	747,388	-	3,511,748	
Write off	-	-	(4,853)	(302,772)	(6,755)	(159,751)	-	(474,131)	
At 31 December 2013	-	3,135,746	5,845,565	3,954,770	516,909	11,249,728	-	24,702,718	
Net carrying amount									
At 31 December 2012	107,980,000	100,332,127	4,426,462	1,812,877	145,673	2,231,659	1,122,000	218,050,798	
At 31 December 2013	107,980,000	98,764,254	4,801,972	2,785,920	165,016	4,567,159	-	219,064,321	

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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 and vehicles RM	Office equipment and fittings RM	Plant and machinery and estate equipment RM	
Valuation or cost							
At 1 January 2012	33,900,000	56,700,000	2,256,373	1,500,941	203,132	883,989	95,444,435
Additions	-	-	-	401,000	9,627	3,100	413,727
At 31 December 2012	33,900,000	56,700,000	2,256,373	1,901,941	212,759	887,089	95,858,162
At 1 January 2013	33,900,000	56,700,000	2,256,373	1,901,941	212,759	887,089	95,858,162
Additions	-	-	17,740	826,501	25,773	8,900	878,914
Write off	-	-	-	(103,095)	-	-	(103,095)
At 31 December 2013	33,900,000	56,700,000	2,274,113	2,625,347	238,532	895,989	96,633,981
Accumulated depreciation							
At 1 January 2012	-	-	1,473,451	955,789	132,163	606,196	3,167,599
Charge for the year	-	746,053	69,886	221,951	11,269	54,529	1,103,688
At 31 December 2012	-	746,053	1,543,337	1,177,740	143,432	660,725	4,271,287
At 1 January 2013	-	746,053	1,543,337	1,177,740	143,432	660,725	4,271,287
Charge for the year	-	746,053	69,956	333,253	12,507	41,615	1,203,384
Write off	-	-	-	(103,095)	-	-	(103,095)
At 31 December 2013	-	1,492,106	1,613,293	1,407,898	155,939	702,340	5,371,576
Net carrying amount							
At 31 December 2012	33,900,000	55,953,947	713,036	724,201	69,327	226,364	91,586,875
At 31 December 2013	33,900,000	55,207,894	660,820	1,217,449	82,593	193,649	91,262,405

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

Freehold and leasehold land were revalued on 31 December 2011 based on valuations performed by accredited independent valuers. The valuations were determined by reference to open market value using the market comparison methods.

The net carrying amount of the freehold and leasehold land had these revalued land 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 parcel of leasehold land had it been carried at historical cost, its net carrying amount that would have been included in the financial statements of the Group and of the Company as at 31 December 2013 would be RM8,766,657 (2012: RM8,797,727) and RM8,963,928 (2012: RM8,994,998) respectively.

The fair value measurement of the freehold and leasehold land has been categorised as Level 3 using significant unobservable inputs. There have been no transfers between Level 1 and Level 2 during the financial year

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable input used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market comparison technique: Entails analysis on recent transactions and asking prices of similar properties in and around the locality for comparison to derive unimproved land values for all estates and market value with adjustments made for differences in location, terrain, size, shape of land, tenure, title restrictions if any, cultivation and other relevant characteristics to arrive at the market value.	<ul style="list-style-type: none"> Estimated basic land value per hectare Risk adjusted discount rate 	The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none"> the estimated basic land value per hectare were higher/(lower) the risk-adjusted discount rates were lower/(higher)

Included in the above property, plant and equipment are fully depreciated assets of the Group and of the Company costing RM13,483,641 (2012:RM13,482,043) and RM1,882,339 (2012:RM1,692,472) respectively, which are still in use.

14. Biological assets

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
At valuation				
At 1 January	38,800,000	56,200,000	15,300,000	21,400,000
Fair value adjustments	17,500,000	(17,400,000)	2,400,000	(6,100,000)
At 31 December	56,300,000	38,800,000	17,700,000	15,300,000

The biological assets were revalued on 31 December 2013 based on valuations 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 valuers.

The fair value measurement for biological assets have been categorised as Level 3 using significant unobservable inputs. There have been no transfers between Level 1 and Level 2 during the period.



14. Biological assets (cont'd.)

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable input used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p>Discounted cash flows:</p> <p>The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for 25 years. The expected net cash flows are discounted using a risk-adjusted discounted rate.</p>	<ul style="list-style-type: none"> Estimated future crude palm oil ("CPO") prices per tonne range from RM2,300 to RM2,900, with a weighted average RM2,300 Estimated future palm kernel ("PK") prices per tonne range from RM1,380 to RM1,885, with a weighted average RM1,380 Estimated future CPO and PK production cost per tonne Estimated production cost per tonne Risk adjusted discount rate 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> the estimated CPO prices per tonne were higher/(lower) the estimated PK prices per tonne were higher/(lower) the estimated CPO and PK production cost per tonne were (higher)/lower the estimated production costs per tonne were (higher)/lower the risk-adjusted discount rates were lower/(higher)
<p>Market comparison technique:</p> <p>Entails analysis on recent transactions and asking prices of similar properties in and around the locality for comparison to derive unimproved land values for all estates and market value with adjustments made for differences in location, terrain, size, shape of land, tenure, title restrictions if any, cultivation and other relevant characteristics to arrive at the market value.</p>	<ul style="list-style-type: none"> Estimated basic land value per hectare Risk adjusted discount rate 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> the estimated basic land value per hectare were lower/(higher) the risk-adjusted discount rates were lower/(higher)

15. Investments in subsidiaries

	Company	
	2013 RM	2012 RM
Unquoted shares, at valuation		
At 1 January	205,911,901	198,977,505
Revaluation surplus	47,105,541	6,934,396
At 31 December	<u>253,017,442</u>	<u>205,911,901</u>

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

Name of subsidiary	Proportion of ownership interest (%)		Principal activities
	2013	2012	
Eng Thye Plantations Berhad ("ETP")	83.3	83.3	Cultivation of oil palms, process and sale of crude palm oil and palm kernel
Timor Oil Palm Plantation Berhad ("TOP")	58.0	58.0	



15. Investments in subsidiaries (cont'd.)

Equity interest held by non-controlling interests in subsidiaries are provided below:

	ETP		TOP	
	2013 %	2012 %	2013 %	2012 %
Non-controlling interests %	16.70%	16.70%	42.00%	42.00%

The summarised financial information relating to the subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

	ETP		TOP	
	2013 RM	2012 RM	2013 RM	2012 RM
(i) Summarised statements of financial position				
Non-current assets	147,757,300	128,135,578	83,766,225	81,762,994
Current assets	44,539,598	47,523,804	47,759,057	46,449,805
Total assets	192,296,898	175,659,382	131,525,282	128,212,799
Non-current liabilities	9,339,082	2,833,969	11,840,186	12,495,614
Current liabilities	3,651,375	4,456,311	3,515,459	2,576,927
Total liabilities	12,990,457	7,290,280	15,355,645	15,072,541
Equity attributable to owners of the parent	149,398,915	140,285,960	67,377,841	65,620,834
Equity attributable to non-controlling interest	29,907,526	28,083,142	48,791,796	47,519,424
Total equity	179,306,441	168,369,102	116,169,637	113,140,258
(ii) Summarised statements of comprehensive income				
Revenue	34,301,851	42,075,159	29,077,115	26,717,056
Profit for the year	15,953,876	7,030,697	3,093,734	2,865,230
Other comprehensive (loss)/income ("OCI")	(2,181,537)	2,801,199	1,116,895	3,214,962
Profit attributable to owners of the parent	13,292,769	5,857,977	1,794,366	1,661,833
Profit attributable to non-controlling interest	2,661,107	1,172,720	1,299,368	1,203,397
OCI attributable to owners of the parent	(1,817,656)	2,333,959	647,799	1,864,678
OCI attributable to non-controlling interest	(363,881)	467,240	469,096	1,350,284
(iii) Summarised cash flows information				
Operating	3,435,748	11,242,396	3,163,316	4,595,036
Investing	(3,767,697)	(2,552,273)	(1,350,957)	761,985
Financing (dividend paid to non-controlling interest)	(2,835,000)	(4,536,000)	(1,181,250)	(1,731,500)
Net (decrease)/increase in cash and cash equivalents	(3,166,949)	4,154,123	631,109	3,625,521

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16. Investments in associates

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Unquoted shares, at cost	15,391,742	15,391,742	11,063,584	11,063,584
Share of post acquisition reserves	2,373,420	2,053,329	-	-
Currency translation differences	3,851,770	3,141,754	-	-
	<u>21,616,932</u>	<u>20,586,825</u>	<u>11,063,584</u>	<u>11,063,584</u>

Details of the associates are as follows:

Name of associate	Proportion of ownership interest (%)		Proportion of voting power (%)		Principal activities
	2013	2012	2013	2012	
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.

Incorporated in Malaysia
Audited by Ernst & Young, Malaysia
Year end of 31 December

* 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:

	2013 RM	2012 RM
Assets and liabilities		
Current assets	57,984,026	54,193,735
Non-current assets	2,331,424	2,337,576
Total assets	<u>60,315,450</u>	<u>56,531,311</u>
Current liabilities, representing total liabilities	<u>2,197,670</u>	<u>1,147,555</u>
Results		
Revenue	20,390,629	13,578,791
Profit for the year	<u>827,537</u>	<u>2,225,258</u>



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16. Investments in associates (cont'd.)

Summarised financial information representing adjusted proportion of ownership interest held by the Group in respect of the Group's material associate is stated below:

At 31 December 2013	Huay Guan Investment Pte. Ltd. RM	Other individually immaterial associates RM	Total RM
(i) Summarised statements of financial position			
Current assets	20,849,819	731,945	21,581,764
Non-current assets	-	699,427	699,427
Current liabilities, representing total liabilities	22,793	641,466	664,259
Net assets	20,827,026	789,906	21,616,932
(ii) Summarised statements of comprehensive income			
Revenue	7,409,405	188,618	7,598,023
Profit/(loss) for the year	326,285	(13,301)	312,984
Other comprehensive income	-	7,107	7,107
At 31 December 2012			
(i) Summarised statements of financial position			
Current assets	19,812,659	426,357	20,239,016
Non-current assets	-	701,273	701,273
Current liabilities, representing total liabilities	21,934	331,530	353,464
Net assets	19,790,725	796,100	20,586,825
(ii) Summarised statements of comprehensive income			
Revenue	4,853,564	191,741	5,045,305
Profit for the year	815,805	14,431	830,236
Other comprehensive loss	-	(5,849)	(5,849)



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17. Investment in a joint venture

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Unquoted shares, at cost	27,630,955	27,630,955	13,781,480	13,781,480
Share of post acquisition reserve	(5,288,833)	(1,484,608)	-	-
Currency translation differences	(2,690,431)	(1,140,012)	-	-
	<u>19,651,691</u>	<u>25,006,335</u>	<u>13,781,480</u>	<u>13,781,480</u>

Details of the joint venture in which the Group participates are as follows:

Name of joint venture	Proportion of ownership interest (%)		Proportion of voting power (%)		Principal activity
	2013	2012	2013	2012	
Chin Thye Investment Pte Ltd *	34.6**	34.6**	40.0***	40.0***	Investment holding

* Incorporated in the Republic of Singapore
Audited by an affiliate of Ernst & Young
Year end of 31 December

** 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, non-current liabilities, income and expenses of the joint venture is as follows:

	Group	
	2013 RM	2012 RM
Assets and liabilities		
Current assets	8,221,399	7,642,199
Non-current assets	13,321,368	19,770,839
Total assets	<u>21,542,767</u>	<u>27,413,038</u>
Current liabilities	928,318	249,387
Non-current liabilities	962,758	2,157,316
Total liabilities	<u>1,891,076</u>	<u>2,406,703</u>
Results		
Revenue (other income)	25,367	3,859,731
Expenses	(3,829,592)	(2,403,723)
(Loss)/profit for the year	<u>(3,804,225)</u>	<u>1,456,008</u>

18. Investment securities

	2013		2012	
	Carrying amount RM	Market value of quoted investments RM	Carrying amount RM	Market value of quoted investments RM
Group				
Available-for-sale financial assets				
Securities quoted In Malaysia	14,444,155	14,444,155	12,598,475	12,598,475
Securities quoted outside Malaysia	44,459,306	44,459,306	37,184,019	37,184,019
Total investment securities	<u>58,903,461</u>	<u>58,903,461</u>	<u>49,782,494</u>	<u>49,782,494</u>
Company				
Available-for-sale financial assets				
Securities quoted In Malaysia, representing total investment securities	<u>8,377,309</u>	<u>8,377,309</u>	<u>7,120,624</u>	<u>7,120,624</u>



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19. Inventories

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
At cost:				
Oil palm produce	875,465	1,834,511	-	-
Estate stores	1,378,713	1,655,286	627,755	463,124
	<u>2,254,178</u>	<u>3,489,797</u>	<u>627,755</u>	<u>463,124</u>

The amount of inventories of the Group and of the Company recognised as an expense during the financial year in the income statements was RM12,487,628 (2012:RM12,500,016) and RM3,230,349 (2012:RM3,742,464) respectively.

20. Receivables

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Trade receivables				
Third parties	4,058,584	2,778,994	-	-
A subsidiary	-	-	423,457	454,273
A related corporation	1,257,855	1,006,310	1,257,855	1,006,310
	<u>5,316,439</u>	<u>3,785,304</u>	<u>1,681,312</u>	<u>1,460,583</u>
Other receivables				
Interest receivable	312,388	292,460	142,347	141,339
Deposits, prepayment and sundry receivables	675,559	424,858	459,986	308,444
	<u>987,947</u>	<u>717,318</u>	<u>602,333</u>	<u>449,783</u>
Total trade and other receivables	6,304,386	4,502,622	2,283,645	1,910,366
Add: Cash and bank balances (Note 21)	127,658,507	129,902,710	41,930,046	42,553,511
Less: Prepayment	(15,020)	(15,546)	(15,020)	(15,546)
Total loans and receivables	<u>133,947,873</u>	<u>134,389,786</u>	<u>44,198,671</u>	<u>44,448,331</u>

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30-day (2012:30-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.

The Group's and the Company's trade receivables as at reporting date are neither past due nor impaired.

These debtors are creditworthy debtors with good payment records with the Group and the Company. The Group's and the Company's trade receivables arise from customers with more than ten years of experience with the Group and the Company and losses have occurred infrequently.

None of the Group's trade receivables of RM5,316,439 (2012:RM3,785,304) that are neither past due nor impaired have been renegotiated during the financial year.

(b) Other receivables

The Group's and the Company's other receivables as at reporting date are neither past due nor impaired.

Other information on financial risks of other receivables are disclosed in Note 31.

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20. Receivables (cont'd.)

(c) 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 (2012:30-day) terms.

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

The carrying amount of loan and receivables are reasonable approximation of fair value due to their short-term nature.

21. Cash and bank balances

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Cash on hand and at banks	21,247,377	21,369,109	3,597,635	4,742,126
Deposits with:				
Licensed banks	89,332,380	86,719,701	38,332,411	37,811,385
Other financial institutions	17,078,750	21,813,900	-	-
	<u>106,411,130</u>	<u>108,533,601</u>	<u>38,332,411</u>	<u>37,811,385</u>
Cash and bank balances	<u>127,658,507</u>	<u>129,902,710</u>	<u>41,930,046</u>	<u>42,553,511</u>

Deposits are made for varying periods of between 1 day and 365 days depending on the immediate cash requirements of the Group and of the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2013 for the Group and the Company was 2.47% (2012:2.36%) and 2.90% (2012:2.84%) respectively.

Included in deposits with licensed banks are deposits pledged to banks for bank guarantee facilities provided to the Group and the Company amounting to RM370,288 (2012:RM355,924) and RM217,411 (2012:RM211,071) respectively. The deposits with other financial institutions relate to placements with foreign banks.

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

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Cash and bank balances	127,658,507	129,902,710	41,930,046	42,553,511
Less: Deposits pledged for banks guarantee facilities	(370,288)	(355,924)	(217,411)	(211,071)
Cash and cash equivalents	<u>127,288,219</u>	<u>129,546,786</u>	<u>41,712,635</u>	<u>42,342,440</u>



22. Payables

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Trade payables				
Third parties	1,600,917	1,632,723	-	311,285
A person connected with certain directors and a substantial shareholder	-	274,960	-	274,960
	<u>1,600,917</u>	<u>1,907,683</u>	<u>-</u>	<u>586,245</u>
Other payables				
Accruals and sundry payables				
Third parties	6,927,417	6,403,849	2,609,678	1,745,526
An associate	345,602	344,388	-	148,554
	<u>7,273,019</u>	<u>6,748,237</u>	<u>2,609,678</u>	<u>1,894,080</u>
Total payables	<u>8,873,936</u>	<u>8,655,920</u>	<u>2,609,678</u>	<u>2,480,325</u>

(a) Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 90-day (2012:30 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 (2012: average term of three to six months).

(c) Amount due to related parties

The amount due to an associate is unsecured, non-interest bearing and is normally settled on 30 to 90-day (2012: 30 to 90-day) terms.

The carrying amount of these payables are reasonable approximation of fair value due to their short-term nature.

23. Share capital and share premium

	Company			
	Number of ordinary shares of RM1 each 2013	2012	<----- Amount -----> 2013 RM	2012 RM
Authorised share capital				
At 1 January and 31 December	150,000,000	150,000,000	150,000,000	150,000,000

	Company		
	Number of ordinary stock units of RM1 each	<----- Amount -----> Share capital RM	Share premium RM
Issued and fully paid			
At 1 January 2013/2012 and 31 December 2013/2012	70,201,962	70,201,962	4,335,840

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.



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24. Other reserves

Group	Asset revaluation reserve - land RM	Foreign currency translation reserve RM	Fair value adjustment reserve RM	Total RM
At 1 January 2012	110,091,746	2,502,004	6,416,050	119,009,800
Revaluation reserve of leasehold land realised	(725,061)	-	-	(725,061)
Other comprehensive (loss)/income				
Foreign currency translation	-	(320,625)	-	(320,625)
Net gain on fair value changes of available- for-sale investment securities	-	-	4,698,113	4,698,113
- Transfer to profit or loss upon disposal	-	-	(728,283)	(728,283)
- Gain on fair value changes	-	-	5,426,396	5,426,396
At 31 December 2012	109,366,685	2,181,379	11,114,163	122,662,227
At 1 January 2013	109,366,685	2,181,379	11,114,163	122,662,227
Revaluation reserve of leasehold land realised	(725,061)	-	-	(725,061)
Other comprehensive (loss)/income				
Foreign currency translation	-	(672,059)	-	(672,059)
Net gain on fair value changes of available- for-sale investment securities	-	-	2,637,873	2,637,873
- Transfer to profit or loss upon disposal	-	-	(583,189)	(583,189)
- Gain on fair value changes	-	-	3,221,062	3,221,062
Changes in tax rates on deferred tax	(3,107,100)	-	-	(3,107,100)
At 31 December 2013	105,534,524	1,509,320	13,752,036	120,795,880

Company	Asset revaluation reserve - land RM	Asset revaluation reserve – investments in subsidiaries RM	Fair value adjustment reserve RM	Total RM
At 1 January 2012	52,853,166	163,124,854	3,732,515	219,710,535
Revaluation reserve of leasehold land realised	(335,611)	-	-	(335,611)
Other comprehensive income				
Net gain on fair value changes of available- for-sale investment in subsidiaries	-	6,934,396	-	6,934,396
Net gain on fair value changes of available- for-sale investment securities	-	-	178,747	178,747
At 31 December 2012	52,517,555	170,059,250	3,911,262	226,488,067
At 1 January 2013	52,517,555	170,059,250	3,911,262	226,488,067
Revaluation reserve of leasehold land realised	(335,611)	-	-	(335,611)
Other comprehensive income/(loss)				
Net gain on fair value changes of available- for-sale investment in subsidiaries	-	47,105,541	-	47,105,541
Net gain on fair value changes of available- for-sale investment securities	-	-	1,035,442	1,035,442
Changes in tax rates on deferred tax	(909,308)	-	-	(909,308)
At 31 December 2013	51,272,636	217,164,791	4,946,704	273,384,131



24. Other reserves (cont'd.)

(a) Asset revaluation reserve - land

The asset revaluation reserve – land represents increases in the fair value of freehold and leasehold land 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 the cumulative fair value changes of investments in subsidiaries until they are disposed of or impaired.

(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.

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.

During the financial year ended 31 December 2013, the Company elected for the irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The amount of the retained earnings of RM74,097,949 (2012:RM72,221,032) may be distributed under its tax exempt income of RM3,042,859 (2012:RM3,042,859) and remaining amount under the single tier system of RM71,055,090 (2012:RM69,178,173). Alternatively, the Company may distribute the entire amount of the retained earnings of RM74,097,949 (2012:RM72,221,032) under the single tier system.

26. Deferred tax liabilities

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

Group	Property, plant and equipment RM	Revaluation of land and biological assets RM	Total RM
At 1 January 2012	861,143	33,412,112	34,273,255
Recognised in income statement	23,888	(4,699,759)	(4,675,871)
At 31 December 2012/1 January 2013	885,031	28,712,353	29,597,384
Recognised in income statement	26,070	3,596,368	3,622,438
Recognised in equity	-	3,428,847	3,428,847
At 31 December 2013	911,101	35,737,568	36,648,669



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26. Deferred tax liabilities (cont'd.)

Company	Property, plant and equipment RM	Revaluation of land and biological assets RM	Total RM
At 1 January 2012	290,378	15,694,058	15,984,436
Recognised in income statement	(32,597)	(1,684,038)	(1,716,635)
At 31 December 2012/1 January 2013	257,781	14,010,020	14,267,801
Recognised in income statement	(42,406)	334,698	292,292
Recognised in equity	-	909,308	909,308
At 31 December 2013	215,375	15,254,026	15,469,401

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, production and sale of fresh fruit bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia.

	Group	
	2013	2012
	RM	RM
Revenue from external customers	74,671,885	85,349,164
Reportable segment profit	25,777,890	6,668,821
Reportable segment assets	289,347,304	269,231,034
Reportable segment liabilities	8,873,936	8,655,920
Reportable segment profit is reconciled as follows:		
Total profit for reportable segment	25,777,890	6,668,821
Share of results of associates	312,984	830,236
Share of loss of a joint venture	(3,804,225)	1,456,008
Interest income	2,709,255	2,704,637
Dividend income	2,190,640	1,697,135
Other income	1,816,606	1,839,221
Other expenses	(18,856)	-
Profit before tax	28,984,294	15,196,058
Reportable segment assets are reconciled as follows:		
Total assets for reportable segment	289,347,304	269,231,034
Investments in associates	21,616,932	20,586,825
Investment in a joint venture	19,651,691	25,006,335
Investment securities	58,903,461	49,782,494
Unallocated assets	122,788,956	126,369,663
Total assets	512,308,344	490,976,351
Reportable segment liabilities are reconciled as follows:		
Total liabilities for reportable segment	8,873,936	8,655,920
Income tax payable	479,119	403,370
Deferred tax liabilities	36,648,669	29,597,384
Total liabilities	46,001,724	38,656,674

Revenue from three major customers amounted to RM47,473,591 (2012:RM59,862,805).



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	
	2013	2012	2013	2012
	RM	RM	RM	RM
A related corporation in which certain directors and substantial shareholders have interest:				
- Sale of oil palm produce	12,564,473	16,362,656	12,564,473	16,362,656
An associate in which certain directors and substantial shareholders have interest:				
- Management fee	177,380	177,320	76,490	76,490
A person connected with certain directors and a substantial shareholder:				
- Purchase of fertilisers	-	620,377	-	293,825
Companies in which certain directors and substantial shareholders have interest:				
- Agency fee	54,600	54,600	15,600	15,600
- Purchase of oil palm produce	889,325	1,977,400	-	-
- Purchase of property, plant and equipment	-	239,000	-	239,000
A subsidiary in which certain directors and substantial shareholders have interest:				
- Sale of oil palm produce	-	-	5,751,534	6,701,710
- Sale of oil palm seedling	-	-	76,950	-

(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 the Company directly and indirectly.

Total remuneration of key management personnel

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Total	2,605,149	2,886,115	1,582,465	1,683,306

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

29. Capital commitments

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Capital expenditure				
Approved and contracted for:				
Capital and investment outlay in a joint venture	22,769,045	22,769,045	11,418,520	11,418,520
Purchase of property, plant and machinery	-	1,188,000	-	-
	22,769,045	23,957,045	11,418,520	11,418,520



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30. Fair value measurement

The following table provides the fair value measurement hierarchy of the Company's and the Group's assets as at reporting date.

Financial instruments

(i) The following table shows carrying amounts of financial assets measured at fair value including their levels in the fair value hierarchy.

	Carrying amount		Fair value measurement using				
	Available-for-sale RM	Other financial liabilities RM	Total RM	Quoted prices in active markets (Level 1) RM	Significant observable input (Level 2) RM	Significant unobservable input (Level 3) RM	Total RM
As at 31 December 2013							
Group							
Financial assets measured at fair value							
Investment securities (Note 18)	58,903,461	-	58,903,461	58,903,461	-	-	58,903,461
Company							
Financial assets measured at fair value							
Investment in subsidiaries (Note 15)	253,017,442	-	253,017,442	-	-	253,017,442	253,017,442
Investment securities (Note 18)	8,377,309	-	8,377,309	8,377,309	-	-	8,377,309
As at 31 December 2012							
Group							
Financial assets measured at fair value							
Investment securities (Note 18)	49,782,494	-	49,782,494	49,782,494	-	-	49,782,494
Company							
Financial assets measured at fair value							
Investment in subsidiaries (Note 15)	205,911,901	-	205,911,901	-	-	205,911,901	205,911,901
Investment securities (Note 18)	7,120,624	-	7,120,624	7,120,624	-	-	7,120,624

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

30. Fair value measurement (cont'd.)

Financial instruments (cont'd.)

(ii) The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement	
		Sensitivity level	Effect on fair value Increase/ (Decrease) RM
Investment in subsidiaries			
Adjusted net assets value: Valuation methodology which entails adjustment to the book values of individual subsidiary's assets and liabilities to arrive at their value reflecting the specific characteristics that market participants would consider in pricing the equity instrument.	<ul style="list-style-type: none"> Estimated basic land value per hectare 	+5%	5,601,449
		-5%	<u>(5,601,449)</u>
	<ul style="list-style-type: none"> Estimated present value of the net cash flows expected to be generated by the plantation CPO price per MT 	+RM100	5,843,322
		-RM100	<u>(5,843,322)</u>

Non-financial instrument measurement

The Group's and the Company's non-financial instrument measured at fair value comprise biological assets and property, plant and equipment. Fair value measurement hierarchy, valuation techniques as well as the significant unobservable inputs used are disclosed in Note 13 and Note 14, respectively.

31. 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's 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 key financial risks.

The Group operates within clearly defined guidelines that are approved by the Board of Directors and it does not engage in speculative 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 and the Company's exposure 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 and other financial assets such as cash and bank balances.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade and have dealings only with recognised and creditworthy third parties. It is the Group's and the Company'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 and the Company's exposure to bad debts is not significant. For other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.



31. Financial risk management objectives and policies (cont'd.)

(a) Credit risk (cont'd.)

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.

At reporting date, approximately 74% (2012:76%) of the Company's trade receivables were due from 2 related companies which were subsequently received in January 2014 (2012:January 2013). Other than this, the Company has no significant concentration of credit risk as at reporting date. 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 20% (2012:22%) of the Group's trade receivables as disclosed in Note 20.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks and other financial institutions, all of which 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 and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain sufficient levels of cash including fixed deposits to meet its working capital requirements.

At the reporting date, the Group and the Company do not have any borrowings (including overdrafts) from financial institutions. The maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations are on demand or within one year.

(c) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from 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 and the Company's profit net of tax would have been RM210,195 and RM71,873 (2012:RM219,060 and RM70,896), respectively 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:

	Cash and bank balances RM	Investment securities RM	Total RM
Singapore Dollar			
At 31 December 2013	25,316,028	44,459,306	69,775,334
At 31 December 2012	27,570,084	37,184,019	64,754,103



31. Financial risk management objectives and policies (cont'd.)

(c) Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk

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

	Other reserves		Profit net of tax	
	2013 RM	2012 RM	2013 RM	2012 RM
SGD/RM				
- strengthened 1% (2012: 1%)	314,944	262,956	253,160	275,701
- weakened 1% (2012: 1%)	(314,944)	(262,956)	(253,160)	(275,701)

(e) Market price risk

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

The Group and the Company are 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 Singapore Exchange Limited.

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 and the Company's other reserves in equity would have been RM443,668 and RM83,773 (2012:RM374,620 and RM71,206), respectively 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.

32. 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 2013 and 31 December 2012. 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.

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Amount of dividends paid	6,318,177	15,268,926	6,318,177	15,268,926
Profit net of tax attributable to owners of the parent	18,292,031	10,146,865	7,859,483	5,898,527
Dividend payout ratio - %	34.54%	150.48%	80.39%	258.86%



NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

33. Breakdown of retained earnings into realised and unrealised

The breakdown of the retained profits as at 31 December 2013 and 31 December 2012 into realised and unrealised profits or losses are follows:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Total retained profits of the Company and subsidiaries				
Realised	201,542,681	195,778,406	65,745,173	65,816,805
Unrealised	36,359,897	22,642,316	8,352,776	6,404,227
	<u>237,902,578</u>	<u>218,420,722</u>	<u>74,097,949</u>	<u>72,221,032</u>
Total shares of retained profits from associates				
Realised profits	2,155,100	1,809,243	-	-
Unrealised profits	54,387	105,402	-	-
Total shares of retained profits/(accumulated losses) from a joint venture				
Realised losses	(9,132,256)	(8,376,152)	-	-
Unrealised profits	4,552,338	7,090,541	-	-
	<u>235,532,147</u>	<u>219,049,756</u>	<u>74,097,949</u>	<u>72,221,032</u>
Less: Consolidation adjustments	(43,435,177)	(39,651,701)	-	-
Total retained profits as per financial statements	<u>192,096,970</u>	<u>179,398,055</u>	<u>74,097,949</u>	<u>72,221,032</u>

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 30 April 2014

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	: 2,467

Distribution schedule of issued and paid-up share capital as at 30 April 2014

No. of Holders	%	Holdings	Total Holdings	%
51	2.06	Less than 100	739	*
484	19.62	100 to 1,000	401,590	0.57
1,525	61.82	1,001 to 10,000	5,536,910	7.89
372	15.08	10,001 to 100,000	9,687,035	13.80
34	1.38	100,001 to less than 5% of the issued shares	15,874,679	22.61
1	0.04	5% and above of the issued shares	38,701,009	55.13
2,467	100.00		70,201,962	100.00

Substantial shareholders (excluding bare trustees) as shown in the register of substantial shareholders as at 30 April 2014.

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	-	-	39,101,009	55.70
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 30 April 2014.

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Stock Units	%	No. of Stock Units	%
Goh Eng Chew	-	-	39,101,009	55.70
Goh Pock Ai	401,100	0.57	-	-
Wong Aun Phui	645,850	0.92	59,785	0.09
Goh Wei Lei	-	-	-	-
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	-	-	-	-
Gho Eng Liong	400,000	0.57	-	-
Gho Bun Tjin	2,200	*	-	-

* Less than 0.01%

SHAREHOLDINGS STATISTICS

(B) Interests of directors in the shares of the related corporations as at 30 April 2014.

(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	-	-	-	-
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 Eng Liong	3,500	0.02	-	-
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	-	-	-	-
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 Eng Liong	-	-	-	-
Gho Bun Tjin	-	-	-	-



SHAREHOLDINGS STATISTICS

(B) Interests of directors in the shares of the related corporations as at 30 April 2014. (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	-	-	13,650,000	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 30 April 2014

Name	No. of Stock Units	%
1. Tiong Thye Company Berhad	38,701,009	55.13
2. Nam Heng Oil Mill Company Sdn. Berhad	3,505,300	4.99
3. Goh Beng Hwa @ Gho Bin Hoa	1,602,202	2.28
4. Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited (Client A/C-NR)	1,330,406	1.90
5. Wong Aun Phui	645,850	0.92
6. Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Sio Sit Po	608,968	0.87
7. Guan Brothers Realty Sdn Bhd	600,000	0.85
8. Mayban Securities Nominees (Asing) Sdn Bhd UOB-Kay Hian Pte Ltd for Sio Sit Min	568,814	0.81
9. Mayban Securities Nominees (Asing) Sdn Bhd UOB-Kay Hian Pte Ltd for Sio Leh Koen	523,004	0.74
10. Seah Mok Khoon	510,000	0.73
11. Chew Huaipin Sdn Bhd	440,300	0.63
12. Goh Pock Ai	401,100	0.57
13. Goh Eng Hian	400,000	0.57
14. Goh Yeok Beng	400,000	0.57
15. HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Great Eastern Trading Company Pte Ltd	400,000	0.57
16. RHB Nominees (Tempatan) Sdn Bhd DMG & Partners Securities Pte Ltd for Gho Eng Liong	400,000	0.57
17. Lim Kian Huat	371,200	0.53
18. Wong Taek Boon @ Guan Taek Boon	311,185	0.45
19. RHB Nominees (Asing) Sdn Bhd DMG & Partners Securities Pte Ltd for Goh Hooi Min @ Gho Hooi Min	300,000	0.43
20. Lai Beng Chu	249,000	0.36
21. Hup Lee Bakery Sdn Bhd	247,500	0.36
22. Lim Sian Yew & Sons Sdn. Berhad	226,250	0.32
23. Ng Poh Cheng	204,400	0.29
24. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	167,600	0.24
25. Guan Bian Leng	150,000	0.21
26. Tong Ai Lin	150,000	0.21
27. Teoh Peng Heong & Sons Sdn Bhd	149,000	0.21
28. Low Kim Seng	136,600	0.19
29. Ang Swee Kiat	135,000	0.19
30. Thiam Loy Sdn Bhd	129,800	0.18
	53,964,488	76.87



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 2013 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 2013: -

	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	<u>12,564,473</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, 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	<u>889,325</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>177,380</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 2013

During the financial year ended 31 December 2013, non-audit fees paid or payable to the external auditors amounted to RM20,000.



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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 Eighty Second 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, 20 June 2014 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 2013 and the Independent Auditors' Report thereon.		
2.	To approve the directors' fees for the financial year ended 31 December 2013 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.	Mr Goh Yeok Beng		
4.	Mr Sio Sit Po		
5.	Mr Gho Eng Liong		
	To re-appoint the following directors pursuant to Section 129(6) of the Companies Act, 1965:-		
6.	Mr Goh Eng Chew		
7.	Mr Wong Aun Phui		
8.	Dato' Ong Bok Lim		
9.	Mr Goh Pock Ai		
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		
	To retain the following directors as Independent Non-Executive Directors:-		
12.	Mr Sio Sit Po		
13.	Dato' Ong Bok Lim		
14.	Mr Keong Choon Keat		

(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 depositor shall not be regarded as a member entitled to attend this Meeting and to speak and vote thereat unless his/her name appears in the Record of Depositors as at 13 June 2014 issued by Bursa Malaysia Depository Sdn Bhd upon request by the Company in accordance with the rules of Bursa Malaysia Depository Sdn Bhd.
2. 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.
3. 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.
4. 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.



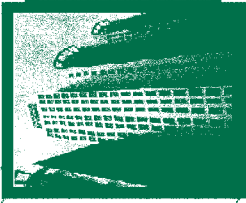
Fold this flap for sealing

Then fold here

AFFIX
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

1st fold here



Conference Room,
Suite 2B-3A-3, Block 2B,
Level 3A, Plaza Sentral,
Jalan Stesen Sentral 5,
Kuala Lumpur Sentral,
50470 Kuala Lumpur.



