





STATEMENT OF CORPORATE GOVERNANCE

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The Board of Directors is committed to ensure the highest standard of corporate governance is practised throughout TH Plantations Berhad and its subsidiaries ("the Group") as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

The Board of Directors is pleased to report to the shareholders the manner in which the Group has applied the principles, and the extent of compliance with the best practices and good governance as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance ("the Code").

1. BOARD OF DIRECTORS

1.1 The Board

TH Plantations Berhad is led and managed by an experienced Board comprising of members with a range of experience in relevant fields such as plantation, business administration, public service, legal, planning, development and marketing. The Board comprises eight (8) members.

Six (6) out of eight (8) members of the Board are independent non-executive Directors. As such, more than one third (1/3) of the Board comprises of independent non-executive Directors. The presence of independent non-executive Directors fulfils a pivotal role in corporate accountability. Although all the Directors have an equal responsibility to the Group, the role of these independent non-executive Directors is particularly important as they provide unbiased and independent views, advice and judgement to take account of the interests not only of the Group, but also of the shareholders, employees, customers and the community in which the Group conducts its business. The Company recognises the contribution of non-executive Directors as equal Board members to the development of the Company's strategy, the importance of representing the interests of public shareholders and providing a balanced and independent view to the Board. All non-executive Directors are independent of management and free from any relationship which could interfere with their independent judgement.

The Board has identified Tan Sri Datuk Dr Yusof bin Basiran as the Senior Independent Non-Executive Director to whom concerns regarding the Company may be conveyed.

1.2 Board Meetings and Attendance

The Board meets at least four (4) times a year and additional meetings are held as and when required.

During the financial year ended 31 December 2007, six (6) Board meetings were held. A summary of the attendance of each Director at the Board meetings held during the financial year ended 31 December 2007 are as follows:-

Directors	Description	No. of Board Meetings Attended	Percentage (%)
Tan Sri Datuk Dr Yusof bin Basiran	Independent Non-Executive Chairman	5/6	83.33%
Dato' Che Abdullah @ Rashidi bin Che Omar	Managing Director	6/6	100%
Datuk Ismee bin Ismail	Non-Independent Non-Executive Director	4/6	66.67%
Datuk Dr. Abdul Samad bin Haji Alias	Independent Non-Executive Director	6/6	100%
Datuk Azizan bin Abd Rahman	Independent Non-Executive Director	5/6	83.33%
Dato' Haji Wan Zakaria bin Abd Rahman	Independent Non-Executive Director	5/6	83.33%
Md. Yusof bin Hussin	Independent Non-Executive Director	5/6	83.33%
Syed Hood bin Syed Edros	Independent Non-Executive Director	5/6	83.33%

1.3 Supply of Information

All Directors are provided with an agenda and board papers prior to every Board meeting to enable the Directors to obtain further information or explanations, where and when necessary, in order to be properly briefed before the meeting. In addition to quantitative information, the Directors are also provided with updates/information relevant to the business of the meeting, including management information on the financial and trading position of the Group. Senior management staff and external advisors may be invited to attend Board meetings, to advise and provide the Board with detailed explanations and clarification on certain matters that are tabled to the Board.

There is a schedule of matters reserved specifically for the Board's decision, including the Group's financial results, the business plan, the direction of the Group, new investment and business proposals, the management or performance of the business of subsidiaries, corporate plans and annual budgets.

All Directors have access to the advice and services of the Company Secretary and may seek independent professional advice in the furtherance of their duties.

1.4 Appointments to the Board

In compliance with the Code, the Nomination Committee has the responsibility of proposing new candidates for appointment to the Board.

1.5 Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) or the number nearest to one-third (1/3) of the Directors for the time being shall retire from their office and be eligible for re-election, provided always, that all the Directors shall retire from their office once at least in each three (3) years. Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next annual general meeting and shall then be eligible for re-election.

2. BOARD COMMITTEES

The following Board Committees have been established to assist the Board in the discharge of its duties and execution of specific responsibilities. All the Committees listed below do not have executive powers but report to the Board on all matters considered and submit recommendations for the Board's approval (except the power of the Audit Committee to report to the Bursa Malaysia Securities Berhad ("Bursa Securities") in circumstances described in the Audit Committee Report):

2.1 Audit Committee

The Audit Committee reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the internal audit function and ensures an objective and professional relationship is maintained with the external auditors. The Committee has full access to the auditors, who in turn, have access at all times to the Chairman of the Committee.

The Audit Committee terms of reference together with the Audit Committee Report are disclosed on pages 56 to 59 of the Annual Report. The activities of the Audit Committee during the year ended 31 December 2007 are also set out under the Audit Committee Report.

2.2 Remuneration Committee

The Remuneration Committee for the financial year ended 31 December 2007 comprises the following members:

Directors	Description
Tan Sri Datuk Dr Yusof bin Basiran	Independent Non-Executive Chairman
Datuk Ismee bin Ismail	Non-Independent Non-Executive Director
Dato' Haji Wan Zakaria bin Abd Rahman	Independent Non-Executive Director

The Committee is responsible for reviewing and recommending to the Board the remuneration framework for Managing Director and assists the Board in ensuring that the remuneration of the Non-Executive Directors and Managing Director commensurate with the responsibilities and duties undertaken by the Board members.

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Apart from the Managing Director, the Remuneration Committee is also responsible in reviewing and submitting recommendations to the Board on the overall remuneration policy and reward systems for key senior management of the Group.

The Board as a whole determines the remuneration of each Director. Directors do not participate in decision regarding their own remuneration package.

The Committee held three (3) meetings during the financial year ended 31 December 2007.

2.3 Nomination Committee

The Nomination Committee is made up entirely of non-executive Directors. For the financial year ended 31 December 2007, the Committee comprises the following members:

Directors	Description
Datuk Dr. Abdul Samad bin Haji Alias	Independent Non-Executive Director
Datuk Azizan bin Abd Rahman	Independent Non-Executive Director
Md. Yusof bin Hussin	Independent Non-Executive Director

The Committee is responsible for identifying and recommending new nominees to the Board as well as Committees of the Board. In addition, the Committee is also entrusted with the task of assessing annually the performance of the Board members. The Nomination Committee also considers the balance of the board membership and determines the core competencies and skills required of the Board in order to discharge its duties effectively.

The Nomination Committee held two (2) meetings during the financial year ended 31 December 2007.

3. DIRECTORS' TRAINING

As an integral element of the process of appointing new Directors, the Board ensures that there is an orientation and education programme for new Board members. This is supplemented by visits to key locations and meetings with other key senior management of the Group. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks.

In year 2007, the Directors attended the following training programmes and seminars :

Name	Programmes / Seminars
Tan Sri Datuk Dr Yusof bin Basiran	The 6th Incorporated Society of Planters' Seminar International Biofuel Conference PORIM International Palm Oil Congress China International Oil Seeds Conference
Dato' Che Abdullah @ Rashidi bin Che Omar	Directors' Training Programme TH Visioning & Strategy Workshop Strategy Articulation Workshop, PIPOC 2007 TH Group of Plantation Managers' Seminar 2007
Datuk Ismee bin Ismail	TH Group of Plantation Managers' Seminar 2007 Directors' Training Programme
Datuk Dr. Abdul Samad bin Haji Alias	Directors' Training Programme
Datuk Azizan bin Abd Rahman	TH Group of Plantation Managers' Seminar 2007
Dato' Haji Wan Zakaria bin Abd Rahman	TH Group of Plantation Managers' Seminar 2007
Syed Hood bin Syed Edros	Directors' Training Programme
Md. Yusof bin Hussin	Directors' Training Programme

All the Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP").

The Company will, on a continuous basis, evaluate and determine the training needs of the Directors.

4. DIRECTORS' REMUNERATION

Details of the aggregate remuneration of the Directors during the financial year ended 31 December 2007, with categorisation into appropriate components and the number of Directors whose remuneration falls into each successive bands of RM50,000 are as follows: -

	Basic Salary	EPF	Leave Passage	Bonus and Allowance	Benefit-in-kind	Directors' Fees	Total
Executive Dato' Che Abdullah @ Rashidi Bin Che Omar	533,161	154,144	-	405,200	7,800	36,000	1,136,305
Non-Executive Directors Tan Sri Datuk Dr Yusof Bin Basiran	-	-	-	-	18,300	72,000	90,300
Datuk Ismee Bin Ismail	-	-	-	-	-	36,000	36,000
Datuk Dr Abdul Samad Bin Haji Alias	-	-	-	-	-	60,000	60,000
Datuk Azizan Bin Abd Rahman	-	-	-	-	-	48,000	48,000
Dato' Haji Wan Zakaria Bin Abd Rahman	-	-	-	-	-	36,000	36,000
Md. Yusof bin Hussin	-	-	-	-	-	36,000	36,000
Syed Hood Bin Syed Edros	-	-	-	-	-	48,000	48,000
Sub-Total	-	-	-	-	18,300	336,000	354,300
Total	533,161	154,144	-	405,200	26,100	372,000	1,490,605

RM	Executive Director	Non-Executive Directors	Total
50,000 and below	-	5	5
50,001 and above	1	2	3

5. SHAREHOLDERS' COMMUNICATION AND INVESTOR RELATIONS

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company. As such, the Company communicates with its shareholders, institutional and potential investors through the various announcements made during the year. In addition, the Board also ensures timely release of the financial results on a quarterly basis in order to provide its shareholders with an overview of the Group's financial and operational performance.

The Annual General Meeting ("AGM") of the Company is also a means of communication with its shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Members of the Board, as well as the external auditors and legal advisers of the Company are present to answer questions raised at the meeting. The Board has also been encouraging the participation from shareholders through questions and answers session during the AGM, where the Directors are available to answer questions on the financial performances and the business operations of the Group.

Apart from the above, the Managing Director and key senior management of the Group will also schedule dialogue sessions or briefings with analysts and fund managers after the announcement of each quarterly financial results of the Group. Further, the Group maintains a website at <http://www.thplantations.com.my> which the shareholders and the general public can access information about the Group.

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6. ACCOUNTABILITY AND AUDIT

6.1 Audit Committee

The Audit Committee comprises three (3) Independent Non-Executive Directors.

Throughout the financial year under review, the Audit Committee convened nine (9) meetings. During the meetings, the Committee carried out their duties as set out on pages 56 to 59 of this Annual Report.

6.2 Financial Reporting

The Board aims to present a balanced and meaningful assessment of the Group's financial performance and prospects to the shareholders, investors and regulatory authorities, primarily through the annual financial statements and Chairman's Statement in the Annual Report.

The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy and completeness of information.

6.3 Internal Controls

The Board is responsible in ensuring that the Group's systems of internal control are in place and that its effectiveness be constantly reviewed to ensure the adequacy of these systems.

The review on the systems of internal control is set out under the Statement on Internal Control on pages 52 to 53 of the Annual Report.

6.4 Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report on pages 56 to 59 of the Annual Report. The Company has always maintained a close and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with the appropriate Financial Reporting Standards in Malaysia.

6.5 Relationship with the Management

The Board maintains a close and transparent relationship with all the management staff. The Board is furnished with information relating to the running of the Group's operations through various reports prepared by the management staff. This will allow them to understand the operations better and make decisions in steering the Company towards a profitable business. In addition, the Managing Director also hold frequent monthly management meetings with the management staff in order to discuss and plan the Group's operations.

7. STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Company is committed to achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board considers that it has complied with the Best Principles as set out in the Code throughout the financial year.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is required under Paragraph 15.27(a) of the Listing Requirements to issue a statement explaining their responsibilities in the preparation of the annual financial statements.

The Directors are required by the Companies Act, 1965 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the results and cash flows of the Company and of the Group for the financial year then ended.

In preparing the financial statements for the financial year ended 31 December 2007, the Directors have:-

- used appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- ensured that all applicable approved accounting standards have been followed.

The Directors took steps to ensure that the Company and the Group keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

The Directors are also responsible for taking such steps that are necessary to safeguard the assets of the Group and to prevent fraud and other irregularities.

9. ADDITIONAL COMPLIANCE INFORMATION

9.1 Utilisation of proceeds from Corporate Proposals

There were no corporate proposals carried out for the financial year ended 2007.

9.2 Share Buy-Back

The Company did not carry out any share buy-back during the financial year.

9.3 Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued by the Company during the financial year.

9.4 American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programme during the financial year.

9.5 Imposition of Sanctions and/or Penalties

There were no sanctions and / or penalties imposed on the Company and / or its subsidiaries, directors or management by any regulatory bodies during the financial year save and except for the following:-

- Imposition of fine amounting to RM1,852,240 by the Land Office, Rompin for violation of express term of title on PT 2297 HSD (2924) Ladang Sungai Buan, Pahang. The express terms on the title are for the cultivation of rubber but THP had used it for the cultivation of oil palm.

9.6 Non-Audit Fees

The total amount of non-audit fees paid / payable to the external auditors and their affiliated companies by the Group for the financial year ended 31 December 2007 amounted to RM276,000.

9.7 Variation in Results

There were no material variances between the results of the financial statements for the year ended 31 December 2007 and the unaudited results previously announced.

9.8 Profit Guarantee

The Company did not give any profit guarantee during the financial year.

9.9 Material Contracts

There was no material contracts entered into by the Company and / or its subsidiaries involving Directors' and major shareholders' interests during the financial year.

9.10 Revaluation Policy on Landed Properties

The Company did not adopt any revaluation policy on landed properties during the financial year.

9.11 Recurrent Related Party Transactions of a Revenue or Trading Nature

Details of transactions with related parties undertaken by the Group during the financial year are disclosed on pages 105 to 107 of the financial statement





STATEMENT ON INTERNAL CONTROL

STATEMENT ON INTERNAL CONTROL

(Pursuant to paragraph 15.27(b) of the Listing Requirement (LR) Of Bursa Malaysia Securities Berhad)

INTRODUCTION

The Board of Directors ("the Board") of TH Plantations Berhad is pleased to present its Statement on Internal Control for the financial year ended 31 December 2007, prepared in accordance with the Bursa Malaysia Securities Berhad's "Statement on Internal Control: Guidance for Directors of Public Listed Companies".

RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a consistently sound internal control environment and risk management so as to ensure its effectiveness in safeguarding the assets of the Group and the interests of its Shareholders. The Board views that the internal control framework is being designed to manage rather than eliminate the risk of failure to achieve business objectives and thus, can only provide reasonable but not absolute assurance against material misstatement, frauds or losses.

The Management is to implement the established policies and procedures as approved by the Board, on risks and controls by identifying and evaluating the Group's risks and in response, design, operate and monitor a suitable system of internal control and formulate relevant policies and procedures to manage these risks.

KEY ELEMENTS OF THE INTERNAL CONTROL FRAMEWORK

In reviewing and ensuring the adequacy and integrity of the internal control system, the Board has established the following key elements in the internal control framework of the Group:

- *Risk Management*
Following the Enterprise-wide Risk Management (ERM) framework identification exercise that was initiated and approved by the Board in 2007, it has since then delegated to Management the implementation of the recommendations as set out in the comprehensive ERM report and action plan. Management has set up a Risk Management Committee to monitor the progress of these recommendations and action plan.
- *Organisation Structure & Authorisation Procedures*
The Group maintains a formal organisation structure with clear lines of reporting to the Board, Committees and Senior Management with clearly defined role and responsibilities, authority limits, review and approval procedures and proper segregation of duties.
- *Standard Operating Procedures (SOP)*
The Board acknowledges the importance of documented SOP in managing the operations of the Group, both at head office as well as at estates and mills level. The SOPs of various operations are updated as and when required, taking into consideration current requirements and changes. This is to ensure that proper internal control measures are incorporated to manage the risks of fraud and misstatements, which may compromise the goals and objectives of the Group.
- *Board Committees*
To effectively and efficiently manage the operations of the Group, the Audit Committee, the Nominations Committee, the Remunerations Committee, and the Tender Committee, each with a clear Terms of Reference (TOR), have been set up by the Board to assist in discharging its responsibilities.

On a periodic basis, the Audit Committee assesses the adequacy and integrity of the internal control system through independent reviews conducted and various reports it received from the Internal Audit Function and the Management. Internal control issues were brought to the attention of the Audit Committee which, in turn, reports to the Board on matters requiring the Board's attention.

- *Internal Audit Function*
In supporting the Audit Committee to discharge its responsibilities more effectively, the Internal Audit Function has undergone a Strategic Review and Enhancement Programme by an external consultant, which provided recommendations and action plan to enhance the function in order to support the current and future growth of the Group.
- *Information & Communication*
Through the use of the THP Management Information System (THPMIS), information critical to the management of key business risks and meeting the Group's business objectives are communicated within the Group and ensuring that matters requiring the attention of the Board and Senior Management are highlighted on a timely basis for review, deliberation and decision-making.

- *Operations Review and Monitoring*

Operations of the Group is constantly monitored by the Board with up-to-date reports being presented by Management, which reviews the performance of the Group against budget and prior year performance on a monthly basis. Variances are carefully analysed and corrective actions are taken where necessary. Detailed reports on performance review with steps taken are being presented to the Board on a quarterly basis and explanations by Management are sought during the meetings.

Management also monitors the performance of the estates and its managers through reports produced internally on a regular basis by the Plantation Advisors (PAs). The role of the PAs is to ensure that the technical aspects of all estates under the Group are using the current best practice in plantation management.

- *Human Capital Development and Training*

Emphasis is placed on enhancing the quality and ability of employees through continuous training and development. Employees' competencies are assessed annually through reviews of Key Performance Indicators (KPI) and subsequently, potential areas for further development and training are highlighted by Head of Departments and business units.

- *Procurement and Tender Award System*

A policy on awarding of tenders has been practiced to enhance the control and coordination of procurement of goods and services. Various internal control measures are in place throughout the procurement and tender award process to safeguard the interest of the Group.

- *Insurance and Physical Safeguards*

Adequate insurance cover on assets of the Group is in place to ensure sufficient protection against mishap that may result in material losses to the Group. Review on the adequacy of coverage is conducted annually by the Management.

CONCLUSION

The Board is of the view that the system of internal control that is in place throughout the year under review is sound and adequate to safeguard the interest of the Group and its Shareholders and to facilitate the expansion of its operations. Additionally, the Board regards the risks faced by the Group are within tolerable levels in relation to the business environment that the Group operates in.

There were no material losses or fraud during the current financial year as a result of weaknesses in internal controls and the Board and Management are continuously taking measures to improve and strengthen the internal control framework and environment of the Group.





AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

The Board of Directors of TH Plantations Berhad is pleased to present the Audit Committee's Report which lays out its activities held throughout the financial year ended 31 December 2007 in compliance with Paragraph 15.16 (1) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee currently comprises the following members of which all of them are Independent Non-Executive Directors. A summary of their respective attendance at the Audit Committee meetings held during the financial year are as follows:-

Directors	No. of Meetings Attended	Percentage (%)
Datuk Dr. Abdul Samad bin Haji Alias * <i>Chairman</i> <i>Independent Non-Executive Director</i>	9/9	100%
Datuk Azizan bin Abd Rahman <i>Independent Non-Executive Director</i>	6/9	66.67%
Syed Hood bin Syed Edros <i>Independent Non-Executive Director</i>	7/9	77.78%

* A member of the Malaysian Institute of Accountants

Meetings were also attended by the Managing Director, Senior General Manager Finance, the Head of Internal Audit and External Audit teams as well as various members of the Senior Management team.

ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee carried out its duties in accordance with its terms of reference.

The main activities undertaken by the Committee during the financial year under review were as follows: -

Financial and Operations Review

- Reviewed the quarterly financial and operational reports, interim financial results, the interim financial report to Bursa Securities and the annual audited financial statements; and
- Reviewed the application of corporate governance principles and the extent of the Group's compliance with the best practices set out under the Malaysian Code of Corporate Governance in conjunction with the preparation of the Corporate Governance and Internal Control Statements.

External Audit

- Reviewed and approved the external auditors' scope of work and audit plan;
- Reviewed with the external auditors the approved accounting standards applicable to the financial statements of the Company and the Group;
- Reviewed with the external auditors the results of the audit, the audit report including management's responses on matters highlighted in the report;
- Reviewed the conduct and considered the remuneration and re-appointment of the external auditors ;
- Reviewed with the external auditors the approved Financial Reporting Standards in Malaysia applicable to the financial statements of the Company and the Group ; and
- Held independent meetings (without the presence of Management) with the external auditors on significant findings in the course of their audit .

Internal Audit

- Reviewed and approved the internal audit team's scope of work and audit plan;
- Prepared the Audit Committee Report for inclusion in the Annual Report 2007;
- Reviewed the Statement of Internal Control for inclusion in the Annual Report 2007;
- Reviewed the internal audit reports and reported to the Board on relevant issues; and
- Held independent meetings (without the presence of Management) with the internal auditors on significant findings in the course of their audit.

Related Party Transactions

The Audit Committee reviewed all related party transactions entered into by the Company and the Group to ensure that such transactions are undertaken at arm's length basis on normal commercial terms which are not detrimental to the interests of the minority shareholders of the Company and the internal control procedures employed are both sufficient and effective.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is performed in-house and acts independently on the activities and operations of other operating units. Their principal role is to undertake independent, regular and systematic reviews of the internal control system so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively. It is the responsibility of the internal audit to provide the Audit Committee with independent and objective reports on the state of internal controls of the Group's major operations and the extent of these units' compliance to both the Group's established policies and procedures, and relevant statutory requirements.

During the financial year under review, the internal auditors conducted audits on operating units and carried out regular reviews of the operations of the companies within the Group in accordance to the approved internal audit plan. Findings and recommendations for improvements made here were presented to the Audit Committee and Board for further deliberation. Other than the scheduled reviews, the Group Internal Audit may undertake special assignments outside the normal scope of its daily activities and notify the Audit Committee and management.

TERMS OF REFERENCE

In performing their duties and discharging their responsibilities, the Audit Committee is guided by the Terms of Reference of the Committee as follows:-

1. Composition

The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members.

All members of the Audit Committee shall be non-executive Directors, a majority of whom shall be independent Directors.

An alternate Director must not be appointed as a member of the Audit Committee.

In the event of any vacancy in the Audit Committee resulting in the number of members reduced to below three (3), the Board shall, within three (3) months appoint a new member to fill the vacancy.

2. Membership

At least one (1) member of the Audit Committee: -

- a) must be a member of the Malaysian Institute of Accountants; or
- b) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and
 - i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - ii) he must be a member of one (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
- c) must have a degree/ master/ doctorate in accounting or finance and at least three (3) years' post qualification experience in accounting or finance; or
- d) must have at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation; or
- e) possess such other requirements relating to financial-related qualifications or experience as prescribed or approved by Bursa Malaysia Securities Berhad.

3. Chairman

The members of the Audit Committee shall elect a chairman from amongst their members who shall be an Independent Non-Executive Director.

AUDIT COMMITTEE REPORT

4. Quorum

The quorum of the Audit Committee meeting shall not be less than two (2), the majority of whom shall be Independent Non-Executive Directors.

5. Meeting

- a) The Committee shall have at least four (4) meetings in a financial year and such additional meetings as the Chairman shall decide in order to fulfill its duties;
- b) The Committee meeting shall be chaired by the Chairman; or in his absence, another member who is an Independent Director nominated by the Audit Committee;
- c) The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the Notice of meeting, together with supporting explanatory documentation to members not less than five (5) days prior to each meeting;
- d) The Secretary of the Committee shall be entrusted to record the proceedings of the Committee meeting;
- e) The Committee may invite any Board member or any member of the senior management or any relevant employees within the Company or the Group whom the Committee thinks fit to attend the Audit Committee Meeting, to assist in resolving and clarifying matters raised in the audit report and/or to brief on their respective reports and findings; and
- f) The Committee shall report to the full Board from time to time, its recommendation for consideration and implementation and the final decision shall be the responsibility of the Board.

6. Voting and Proceeding of Meeting

The decision of the Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote. Provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

Circular Resolutions signed by all the members shall be valid and effective as if it had been passed at a meeting of the Audit Committee.

7. Minutes

The Committee shall cause minutes to be duly recorded and entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the Meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

Minutes of the Committee Meeting will be made available to all Board members. The Chairman of the Audit Committee will provide written or a verbal report of significant matters of each meeting of the Audit Committee at the next Board meeting or as may otherwise be required by the Board.

The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office of the Company, and shall be opened for the inspection of any member of the Committee and the Board.

8. Authority

The Audit Committee is authorised by the Board to investigate any activity of the Company and its subsidiaries within its terms of reference or as otherwise directed by the Board. The Audit Committee shall have: -

- a) the authority to investigate any matter within its terms of reference;
- b) the resources which are required to perform its duties;
- c) full and unrestricted access to any information, records, properties and personnel of the Company and of the Group;
- d) direct communication channels with the external auditors and internal auditors;

- e) the right to obtain independent professional or other advice and to invite any person with relevant experience and expertise to attend the Committee Meeting whenever deemed necessary; and
- f) the right to convene meeting with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

9. Functions and Responsibilities

The functions and responsibilities of the Audit Committee shall include the following:

- a) to consider the appointment, resignation and dismissal of external auditors and make appropriate recommendations to the Board (including the audit fees);
- b) to review with the external auditors of the Company:
 - i) their audit plan;
 - ii) their audit report;
 - iii) their management letter and management's response; and
 - iv) the assistance given by the employees of the Company and the Group to the external auditors;
- c) to discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss (in the absence of management where necessary);
- d) to review the quarterly financial results and annual audited financial statements of the Group before recommending the same for the Board's approval, focusing particularly on:-
 - i) compliance with accounting standard and any other legal requirements;
 - ii) any changes in or implementation of accounting policies and practices;
 - iii) significant and unusual issues and adjustments arising from the audit;
 - iv) the going concern assumption.
- e) to review and consider the adequacy of scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- f) to review the internal audit programme, the reports prepared by the internal audit department and to ensure that appropriate action is taken on the recommendations of the internal audit function;
- g) to review any appraisal or assessment of the performance of members of the internal audit function;
- h) to approve any appointment or termination of senior members of the internal audit function;
- i) to be informed of any resignation of internal audit staff members and provide an avenue for the resigning staff member to explain or submit his/ her reasons for resignation;
- j) to review any related party transactions and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that may raise questions on management integrity;
- k) to consider the reports and major findings of any internal investigations and management's responses thereto;
- l) to verify, on an annual basis, the allocation of options under a share scheme for employees to ensure compliance with the allocation criteria determined by the Company's share option committee and in accordance with the By-Laws of the relevant option scheme;
- m) to promptly report to Bursa Malaysia Securities Berhad of a matter reported by the Audit Committee to the Board of Directors which has not been satisfactorily resolved resulting in a breach of the Listing Requirements; and
- n) such other functions or responsibilities as may be agreed to by the Committee and the Board.

10. Review of the Audit Committee Charter

The Audit Committee shall review and assess the adequacy of the Audit Committee Charter at least once a year. The Audit Committee shall recommend to the Board for approval on any amendments, whenever deemed necessary and appropriate.

11. Review of the Audit Committee

The Board of Directors shall review and assess the term of office and performance of the Audit Committee and each of its members at least once every three (3) years.





CORPORATE SOCIAL RESPONSIBILITIES

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

THPB in its tagline 'Sustainability of Pembangunan Ummah' recognizes its role in promoting and incorporating both socially and environmentally correct value throughout all levels of its daily business operations and activities, whether directly or indirectly.

Since the incorporation of THPB in Year 1972, there had been various practices and activities within and outside of the organization in the intention of fulfilling its Corporate Social Responsibilities (CSR) towards employees, community and environment .

In the commitment towards the tagline THPB is considering the following scope:

- i) Recognize company's human capital as the main asset that is to be developed wherever the company operates.
- ii) The commitment and the responsibility in ensuring the healthy environment during the development of business activities
- iii) Practice good and transparent corporate governance that would protect the shareholder's benefit
- iv) THPB also believes that the company has responsibilities towards public in line with company's history and objectives.

Semenjak THPB ditubuhkan pada tahun 1972, terdapat pelbagai amalan dan aktiviti organisasi yang bertujuan untuk memenuhi tanggungjawab sosial korporat (CSR) terhadap pekerja, komuniti dan alam sekitar.

Oleh yang demikian, dalam melaksanakan komitmen seperti yang di war-warkan dalam Tag Line, THPB memberi pertimbangan ke atas skop-skop berikut:

- i) Mengiktiraf bahawa modal insan syarikat adalah aset utama yang perlu dibangunkan walau di mana syarikat beroperasi.*
- ii) Komited dan bertanggungjawab dalam memastikan persekitaran yang sihat semasa aktiviti perniagaan sedang dibangunkan.*
- iii) Mengamal tata urus tadbir korporat dengan cekap dan telus yang mana mampu melindungi faedah pemegang saham.*
- iv) THPB juga yakin bahawa syarikat mempunyai tanggungjawab ke atas masyarakat sejajar dengan sejarah dan objektif penubuhan syarikat.*



Based on the scopes, THPB has implemented the CSR's activities by focusing to the following components :

Human Capital

Despite operating within a production-oriented industry, THPB realizes its greatest asset lies in its human resources. This is why THPB is committed towards developing and retaining the best talents within the organization. THPB do not only offers a competitive remuneration and compensation package, but also invests in well structured training programs. The training covers the entire breadth of business functions at THPB such as planting management, mill operations, Information Technology, Finance, Administration, Motivation, Self Development Program, Spiritual enhancement Program, Outdoor physical training etc.

In encouraging the high performance culture in the organization, the management has also put into place a work performance measurement program in the form of a Key Performance Index (KPI) where employees' performances on the job are periodically defined, monitored and their effectiveness measured. Employees' performances here are then index weighted and cross linked to THPB's annual work performances bonus allocation for determining each individual employee's bonus entitlement.

Berdasarkan skop tersebut, THPB telah melaksanakan aktiviti CSR dengan memberi tumpuan kepada komponen-komponen berikut:

Modal Insan

Walaupun beroperasi di dalam industri yang berorientasikan pengeluaran, THPB menyedari akan kepentingan sumber manusianya sebagai aset yang paling utama. Oleh kerana itu, THPB menitikberatkan usaha untuk menarik serta mengekalkan para pekerja yang terbaik dan berbakat. THPB tidak sahaja menawarkan pakej-pakej pekerjaan yang lebih menarik tetapi juga melabur dalam program-program latihan yang mempunyai susunatur yang sempurna. Bentuk program latihan adalah merangkumi pelbagai fungsi perniagaan dan bidang pekerjaan di THPB seperti Pengurusan Penanaman, Operasi Kilang, Teknologi Maklumat, Kewangan, Pentadbiran, Peningkatan Motivasi, Program Pembangunan Diri, Program Peningkatan Kesedaran Kerohanian, Aktiviti Latihan Fizikal dan lain-lain.

Dalam usaha untuk menggalakkan budaya peningkatan prestasi kerja dalam organisasi, Pihak Pengurusan juga telah memperkenalkan ukuran prestasi kerja berbentuk "Key Performance Index" (KPI) di mana prestasi setiap pekerja akan dipantau pada masa yang ditentukan dengan mengambil kira kemahiran dan kecekapan yang dimiliki. Prestasi setiap pekerja kemudiannya dihubungkan dengan sistem peruntukan bonus tahunan THPB untuk menentukan bonus yang

Although the KPI system in its original forms is a means for organizations to streamline or tie-in an employee's efforts to those of its own, the process of periodical interim performance reviews between employees and their immediate superiors can be seen as a means for employee self-governance to improve their work motivation and abilities.

As a caring organization, the welfare of employees is well taken care by covering them under group insurance coverage such as Group Personal Accident, Group Hospitalization & Surgical Scheme and Group Term Life Assurance Policies. Others benefits such as Car and computer loans are provided to all its employee. The company also subsidizes interest on housing loans for staffs to assist them in owning their house.

Apart from the legal requirements stipulated by the Occupational Safety and Health Act of 1994 (Act 514)(OSHA), THPB recognizes the importance of maintaining workplace, safety and health as it can additionally impact on all employees' morale and productivity. Collaborating with an external consultant, THPB is currently in the process of conducting the OSHA- defined Chemical, Health and Risk assessment to ensure workplace health and safety of its field-operations.

bakal diterima oleh setiap pekerja. Walaupun pada asalnya penggunaan sistem KPI ini lebih bermaksud untuk mengukur mutu kerja yang telah dilaksanakan, proses penilaian secara berperingkat ini juga dapat dilihat sebagai satu usaha oleh para pekerja untuk lebih meningkatkan lagi kebolehan individu serta motivasi kerja.

Sebagai sebuah organisasi yang prihatin, kebajikan pekerja di THPB dijaga dengan baik dengan memberi perlindungan insuran seperti dalam Polisi Kemalangan Peribadi Berkumpulan, Polisi Rawatan Perubatan Hospital & Pembedahan Berkumpulan dan Pelan Takaful Keluarga Berkelompok (Insuran Nyawa). Kemudahan-kemudahan lain yang disediakan untuk anggota adalah seperti Skim Pembiayaan Pinjaman Kenderaan dan Skim Pinjaman Komputer. Di samping itu, syarikat juga menyediakan kemudahan subsidi faedah pinjaman perumahan untuk membantu anggota-anggota memiliki rumah sendiri.

Selain memenuhi keperluan perundangan yang telah disyaratkan oleh Akta Kesihatan dan Keselamatan Pekerjaan 1994 (Akta 514) (OSHA), THPB memperakui pentingnya untuk mengekalkan tahap keselamatan dan kesihatan di tempat kerja yang secara langsung dapat mempengaruhi semangat kerja dan juga daya pengeluaran setiap pekerja. Dengan kerjasama sebuah syarikat perunding, THPB pada masa ini sedang menjalani proses penilaian Kimia, Kesihatan dan Risiko OSHA untuk menentukan keselamatan dan kesihatan para pekerja yang terjamin.



THPB has implemented a Workplace Health and Safety policy that generally prescribes guidelines for adherence to by business units in planning, designing and managing health and safety at their respective workplaces. Detailed support for business units on this matter is provided by the Company's Quality, Health and Safety Department.

As a complement to this policy, THPB also practices the following:

1. Regular audit and update of all safety and health aspects relating to THPB's operations and activities.
2. Education of employees on workplace health and safety issues through regular seminars, and both classroom and hands on training
3. Ample provision of suitable protective equipment and appliances for employees' use of their respective workplace.

THPB juga telah melaksanakan dasar Kesihatan dan Keselamatan Tempat kerja yang secara umumnya menyediakan garis panduan yang perlu dipatuhi terutamanya bagi mereka yang bekerja di dalam bidang pengurusan kesihatan serta keselamatan di tempat kerja. Sokongan secara terperinci juga diberikan kepada setiap unit kerja yang disediakan oleh Jabatan Kualiti, Kesihatan dan Keselamatan Syarikat.

Untuk melengkapkan polisi ini, THPB juga turut mengamalkan perkara-perkara berikutnya:

1. Audit serta kerja kemaskini yang menyeluruh di dalam segenap aspek keselamatan dan kesihatan yang berkaitan dengan operasi serta aktiviti harian THPB.
2. Pendidikan terhadap pengetahuan pekerja mengenai isu-isu kesihatan dan keselamatan di tempat kerja menerusi seminar yang merangkumi latihan-latihan yang dijalankan di pejabat dan juga ditempat kerja.
3. Peruntukan peralatan perlindungan diri di tempat kerja yang cukup dan bersesuaian untuk kegunaan para pekerja pada setiap masa.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

4. Requiring all contractors and suppliers to abide by THPB's health and safety rules while on its premises
 5. Taking disciplinary action on employees found guilty of neglecting THPB's health and safety rules during the course of their daily employment.
4. Memberikan arahan kepada pihak kontraktor dan juga pembekal untuk mematuhi segala peraturan keselamatan dan kesihatan yang telah ditetapkan semasa berada di dalam kawasan kerja THPB.
 5. Tindakan disiplin akan diambil ke atas para pekerja yang gagal mematuhi peraturan-peraturan keselamatan dan kesihatan di tempat kerja semasa berada di dalam tempoh perkhidmatan dengan THPB.

Environment

THPB takes its role in preserving the environment very seriously, given that its primary source of income directly and indirectly depends on the well being of the environment. As such in addition to ensuring that all its operations adhere to both local and national environmental by-laws and legislations, THPB adopts a zero-burning technique for its new planting and replanting process. Additionally whenever and wherever possible, THPB strives to reduce the use of chemical fertilizers to avoid accidental pollution of waterways by using its own oil-palm by products such as POME and EFB as substitutes.

THPB engages the external services as a professional consultant to closely monitor its operations and activities for continued adherence to environmental legislations.

Alam Sekitar

THPB amat prihatin terhadap isu-isu pemeliharaan alam sekitar memandangkan sumber pendapatan utama THPB adalah bergantung kepada alam sekitar yang terpelihara. Sebagai tambahan, di dalam usaha untuk memenuhi segala keperluan perundangan tempatan dan juga Negara yang berkaitan dengan alam sekitar, THPB juga mengamalkan teknik pembakaran sifar bagi proses tanaman baru dan penanaman semula yang telah dijalankan. THPB juga berusaha untuk mengurangkan penggunaan baja kimia yang berlebihan bagi mengelakkan pencemaran punca air di sungai-sungai yang berdekatan dengan mengitar semula bahan-bahan buangan sawit seperti POME dan EFB sebagai pengganti.



Community

THPB believes that by being a responsible and caring organization, the importance of the public and community should be incorporated in the organization agenda. In line with the history and objectives of our majority shareholder LTH, THPB realizes the significance of the Muslim community in contributing toward the success story of LTH. As such, as a means of giving back to the community that has birthed its existence, THPB makes annual zakat contribution (tithes) to State Baitul-Mals so that they in turn can redistribute it to the needy and those deserving of financial assistance. In Year 2007, the total zakat payment of RM1,755,670.16 has been given away to State Government in Terengganu, Pahang, Negeri Sembilan and Johor.

THPB melantik khidmat penasihat profesional luaran untuk memantau secara teliti setiap operasi serta aktiviti yang dijalankan untuk mematuhi segala perundangan yang berkaitan dengan pemeliharaan alam sekitar.

Komuniti

THPB yakin bahawa sebagai organisasi yang prihatin dan bertanggungjawab, kepentingan umum dan masyarakat haruslah disepadukan dalam agenda organisasi. Sejalan dengan sejarah dan matlamat pemegang saham utamanya, LTH, THPB menyedari akan kepentingan masyarakat yang beragama Islam di dalam menyumbang dan menjanakan kejayaannya sehingga hari ini. Oleh itu, sebagai salah satu usaha untuk menyumbang kembali kepada masyarakat, THPB menetapkan pembayaran zakat tahunan kepada Baitulmal negeri untuk diagih-agihkan kepada mereka yang memerlukan bantuan. Pada Tahun 2007, jumlah zakat sebanyak RM1,755,670.16 telah pun dibayar kepada Kerajaan Negeri di Terengganu, Pahang, Negeri Sembilan dan Johor.

In early January 2007, many places in the country experiences bad floods including areas surrounding our estates. THPB has immediately formed a Voluntary Team under the flag of LTH to assist the floods victims. THPB also rendered financial assistance to schools and villagers that has been badly affected by the flood.

Other aspects of CSR that THPB's look into is the welfare of the employee's children at school. In relation to that, THPB has donated few IT equipment to Sekolah Menengah Kebangsaan LKTP, Belitong, Kluang, Johor.

THPB has also contributed a 'Van Jenazah' to the Muslim community in Terengganu and participated in the Wakaf Al'Quran Programs for Muslims in Kampuchea which was organized by Dewan Amal Islam hadhari (DAMAI) on July 2007.

As to respond to the issue of the unemployed graduate, THPB, being as one of the GLC, (Government Linked Company) has taken an initiative by introducing a Management Trainee Program, whereby the selected unemployed graduates have been given the opportunity to undergo 6 months intensive training within the organization. They are exposed to the training such as plantation

Pada awal tahun 2007, banyak tempat di dalam negara telah mengalami banjir yang teruk termasuklah kawasan-kawasan di sekitar ladang-ladang THPB. THPB telah membentuk satu Pasukan Sukarelawan untuk membantu mangsa banjir. Selain daripada itu, THPB juga telah menghulurkan bantuan kewangan kepada sekolah-sekolah dan penduduk kampung yang terjejas kehidupannya akibat banjir tersebut.

Selain itu, aspek CSR yang diambilkira oleh THPB ialah soal kebajikan anak-anak anggota di sekolah. Sehubungan dengan itu, THPB telah menyumbang beberapa peralatan IT kepada Sekolah Menengah Kebangsaan LKTP, Belitong, Kluang, Johor.

Di samping itu, THPB juga telah memberi sumbangan dalam bentuk sebuah van jenazah kepada komuniti Muslim di Terengganu dan mengambil bahagian dalam Program Wakaf Al Qur'an untuk Muslim di Kampuchea yang dianjurkan oleh Dewan Amal Islam Hadhari (DAMAI) dalam bulan Julai 2007.

Sebagai menyahut kepada isu Graduan Menganggur, THPB sebagai sebuah Syarikat Berkaitan Kerajaan (GLC) telah mengambil beberapa inisiatif dengan memperkenalkan Program Pelatih Pengurusan, di mana graduan menganggur yang terpilih akan diberi peluang untuk

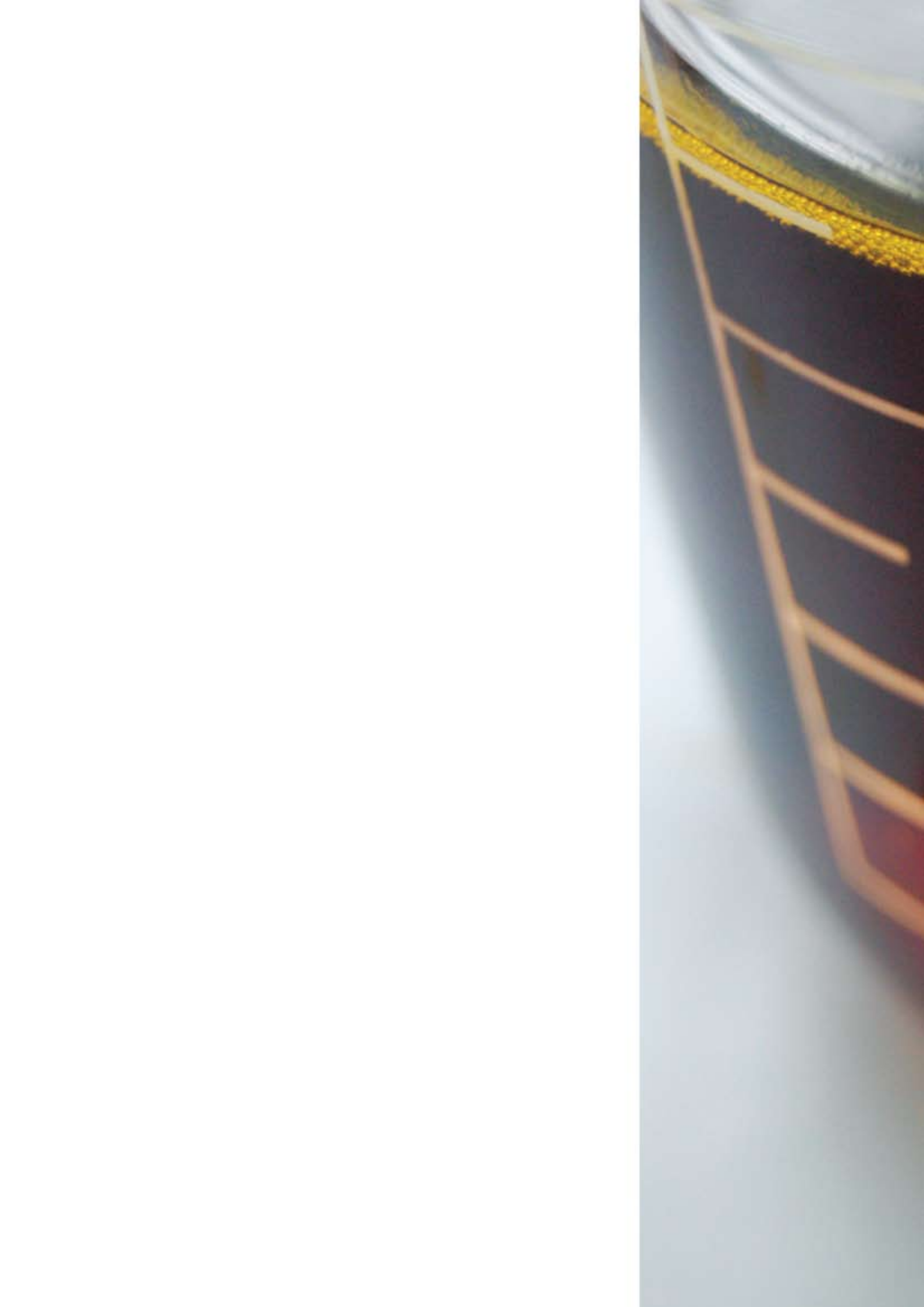


operation, administration, engineering and finance. The first batch of Management Trainee Program had completed been completed in September 2007, and the total of 14 graduates were absorbed as THPB's employee.

In responding to the national agenda that is to promote the Bumiputra Entrepreneurs Development, THPB also providing the opportunity to the capable bumiputra entrepreneur and in year 2007, total of 25 Bumiputra Entrepreneurs were awarded with jobs and contracts.

menjalani latihan intensif selama 6 bulan di dalam organisasi. Mereka didedahkan kepada latihan seperti operasi perladangan, pentadbiran, kejuruteraan dan kewangan. Kumpulan Program Pelatih Pengurusan yang pertama telah ditamatkan dengan jayanya pada September 2007, dan sejumlah 14 siswa telah diambil sebagai pekerja THPB.

Sebagai memenuhi aspirasi agenda nasional untuk mempromosikan Pembangunan Usahawan Bumiputera, THPB juga menyediakan peluang untuk usahawan Bumiputera yang berkebolehan di mana dalam tahun 2007, seramai 25 usahawan Bumiputera telah diberikan kerja-kerja dan kontrak.



A close-up, low-angle shot of a car's speedometer. The needle is positioned at the 400 mark. The speedometer face is dark with white markings and numbers. A yellow ring is visible at the top of the gauge. The background is dark and out of focus.

400

300

CONSOLIDATED FINANCIAL STATEMENT

200

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TH Plantations Berhad
(Company No. 12696-M)
(Incorporated in Malaysia)
and its subsidiaries

**Financial statements for the year
ended 31 December 2007**

TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

and its subsidiaries

Directors' report for the year ended 31 December 2007

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2007.

Principal activities

The Company is principally engaged in investment holding, cultivation of oil palm, processing of fresh fruit bunches ("FFB"), marketing of crude palm oil ("CPO"), palm kernel ("PK") and FFB and provision of management services. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

Profit attributable to:
Shareholders of the Company
Minority interest

	Group RM'000	Company RM'000
	61,251 (63)	64,240 -
	61,188	64,240

Reserves and provision

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

Dividend

Since the end of the previous financial year, the Company paid a final ordinary dividend payment of 12.50 sen per share less tax at 27% for the year ended 31 December 2006 totalling RM 17,893,577 on 6 June 2007.

The final ordinary dividend recommended by the Directors in respect of the year ended 31 December 2007 is 21.1 sen per share less tax at 26% totaling RM30,594,000.

CONSOLIDATED FINANCIAL STATEMENTS

Company No. 12696-M

Directors of the Company

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

Tan Sri Datuk Dr. Yusof bin Basiran
Dato' Che Abdullah @ Rashidi bin Che Omar
Datuk Dr. Abdul Samad bin Haji Alias
Datuk Azizan bin Abd Rahman
Datuk Ismee bin Ismail
Dato' Wan Zakaria bin Abd Rahman
Md. Yusof bin Hussin
Syed Hood bin Syed Edros

Directors' interests

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

	Number of ordinary shares of RM 0.50 each			
	At 1.1.2007	Bought	Sold	At 31.12.2007
Tan Sri Datuk Dr. Yusof bin Basiran				
- own	2,000	-	-	2,000
- others*	29,000	-	-	29,000
Datuk Dr. Abdul Samad bin Haji Alias				
- own	12,000	19,500	-	31,500
Dato' Wan Zakaria bin Abd Rahman				
- own	2,000	-	-	2,000

* Refer to shareholding by spouse to Tan Sri Datuk Dr. Yusof bin Basiran. In accordance with Section 134(12)(c) of the Companies Act, 1965, the interests and deemed interests of the spouse in the shares of the Company and of its related companies (other than wholly-owned subsidiaries) shall be treated as the interests of Tan Sri Datuk Dr. Yusof bin Basiran.

By virtue of their interests in the shares of the Company, the above Directors are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 31 December 2007 had any interest in the ordinary shares of the Company and of its related companies during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statement) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

Issue of shares

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

Other statutory information

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

Company No. 12696-M

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

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

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

In the opinion of the Directors, the results of the operations of the Group and of the Company for the year ended 31 December 2007 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

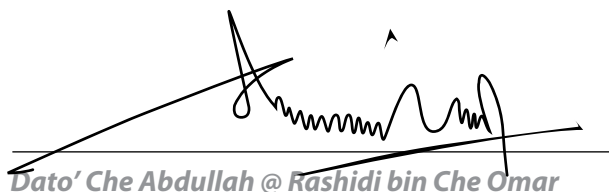
Auditors

The auditors, Messrs KPMG Desa Megat & Co., have indicated their willingness to accept re-appointment.

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



Tan Sri Datuk Dr. Yusof bin Basiran



Dato' Che Abdullah @ Rashidi bin Che Omar

Kuala Lumpur,

Date: 21 March 2008

TH Plantations Berhad

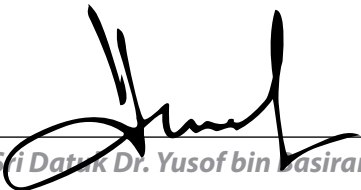
(Company No. 12696-M)
(Incorporated in Malaysia)

and its subsidiaries

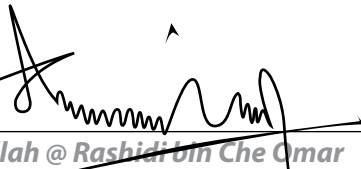
**Statement by Directors pursuant to
Section 169(15) of the Companies Act, 1965**

In the opinion of the Directors, the financial statements set out on pages 76 to 109 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2007 and of the results of their operations and cash flows for the year ended on that date.

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



Tan Sri Dato' Dr. Yusof bin Yusof



Dato' Che Abdullah @ Rashidi bin Che Omar

Kuala Lumpur,

Date: 21 March 2008

TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

and its subsidiaries

**Statutory declaration pursuant to
Section 169(16) of the Companies Act, 1965**

I, **Mohamed Azman Shah bin Ishak**, the officer primarily responsible for the financial management of TH Plantations Berhad, do solemnly and sincerely declare that the financial statements set out on pages 76 to 109 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur in the Federal Territory on 21 March 2008.



Mohamed Azman Shah bin Ishak

Report of the auditors to the members of TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 76 to 109. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of:
- i) the state of affairs of the Group and of the Company at 31 December 2007 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.



KPMG Desa Megat & Co.

Firm Number: AF 0759
Chartered Accountants



Johan Idris

Partner
Approval Number: 2585/10/08(J)

Kuala Lumpur,

Date: 21 March 2008

CONSOLIDATED FINANCIAL STATEMENTS

TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

and its subsidiaries

Balance sheets at 31 December 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000 Restated	2007 RM'000	2006 RM'000 Restated
Assets					
Property plant and equipment	3	71,496	69,814	48,937	45,627
Plantation development expenditure	4	62,185	7,095	6,735	6,337
Prepaid lease payments	5	92,457	36,940	4,105	4,162
Investments in subsidiaries	6	-	-	95,508	64,919
Investment in associate	7	-	599	-	385
Other investment		599	-	599	-
Total non-current assets		226,737	114,448	155,884	121,430
Inventories	8	13,152	3,326	5,580	2,357
Receivables, deposits and prepayments	9	53,626	45,750	84,965	42,748
Cash and cash equivalents	10	38,636	39,681	34,396	32,594
Total current assets		105,414	88,757	124,941	77,699
Total assets		332,151	203,205	280,825	199,129
Equity					
Share capital	11	98,047	98,047	98,047	98,047
Share premium	11	-	-	-	-
Retained earnings		103,111	59,753	108,009	61,662
Total equity attributable to shareholders of the Company		201,158	157,800	206,056	159,709
Minority interest		7,603	-	-	-
Total equity		208,761	157,800	206,056	159,709
Liabilities					
Deferred tax liabilities	12	33,395	18,967	6,566	7,060
Loans and borrowings	13	13,760	-	-	-
Total non-current liabilities		47,155	18,967	6,566	7,060
Payables and accruals	14	50,337	24,480	42,577	30,402
Loans and borrowings	13	21,200	-	21,200	-
Current tax liabilities		4,624	1,958	4,352	1,958
Dividend payable		74	-	74	-
Total current liabilities		76,235	26,438	68,203	32,360
Total liabilities		123,390	45,405	74,769	39,420
Total equity and liabilities		332,151	203,205	280,825	199,129

The notes on pages 81 to 109 form an integral part of these financial statements.

TH Plantations Berhad

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Income statements for the year ended 31 December 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue	15	175,587	120,683	165,509	109,937
Cost of sales		(87,581)	(70,208)	(73,401)	(56,556)
Gross profit		88,006	50,475	92,108	53,381
Administrative expenses		(21,271)	(14,738)	(20,853)	(14,643)
Other expenses		(4,303)	(1,616)	(3,989)	(1,495)
Zakat expense		(1,183)	(1,092)	(910)	(961)
Other income		20,806	14,095	20,120	13,996
Operating profit	16	82,055	47,124	86,476	50,278
Share of profit from short term Islamic deposits		479	825	928	630
Finance cost		-	-	(593)	-
Share of profit after tax of equity accounted associates		-	49	-	-
Profit before tax		82,534	47,998	86,811	50,908
Tax expense	18	(21,346)	(12,338)	(22,571)	(13,437)
Profit for the year		61,188	35,660	64,240	37,471
Attributable to :					
Shareholders of the Company		61,251	35,660	64,240	37,471
Minority interest		(63)	-	-	-
		61,188	35,660	64,240	37,471
Basic and diluted earnings per ordinary share (sen)	19	31.24	18.19		

The notes on pages 81 to 109 form an integral part of these financial statements.

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Statement of changes in equity for the year ended 31 December 2007

/-----Attributable to shareholders of the Company-----/

/-----Non-distributable-----/ Distributable

Group	Note	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
At 1 January 2006		98,047	2,000	24,093	124,140	-	124,140
Profit for the year		-	-	35,660	35,660	-	35,660
Listing expenditure	11	-	(2,000)	-	(2,000)	-	(2,000)
At 31 December 2006/ 1 January 2007		98,047	-	59,753	157,800	-	157,800
Dividends to shareholders	20	-	-	(17,893)	(17,893)	-	(17,893)
Acquisition of subsidiaries	24	-	-	-	-	7,636	7,636
Incorporation of subsidiary	24	-	-	-	-	30	30
Profit for the year		-	-	61,251	61,251	(63)	61,188
At 31 December 2007		98,047	-	103,111	201,158	7,603	208,761

/-----Non-distributable-----/ Distributable

Company	Note	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2006		98,047	2,000	24,191	124,238
Profit for the year		-	-	37,471	37,471
Listing expenditure	11	-	(2,000)	-	(2,000)
At 31 December 2006/ 1 January 2007		98,047	-	61,662	159,709
Profit for the year		-	-	64,240	64,240
Dividends to shareholders	20	-	-	(17,893)	(17,893)
At 31 December 2007		98,047	-	108,009	206,056

The notes on pages 81 to 109 form an integral part of these financial statements.

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Cash flow statements for the year ended 31 December 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000 Restated	2007 RM'000	2006 RM'000 Restated
Cash flows from operating activities					
Profit before tax		82,534	47,998	86,811	50,908
Adjustments for:					
Allowance for diminution in value of other investment	16	355	-	141	-
Amortisation of prepaid lease payment	16	1,389	588	53	53
Bad debt written off	16	11	-	11	-
Depreciation of property, plant and equipment	16	8,757	8,618	5,664	5,560
Dividend income	15	-	-	(15,138)	(8,750)
Finance cost		-	-	593	-
Gain on disposal of prepaid lease payments	16	(705)	-	(28)	-
Gain on disposal of property, plant and equipment	16	(589)	-	(589)	-
Property, plant and equipment written off	16	364	222	340	174
Share of profit from short term Islamic deposits		(479)	(825)	(928)	(630)
Share of profit of equity accounted associates		-	(49)	-	-
Zakat expense		1,183	1,092	910	961
Operating profit before changes in working capital		92,820	57,644	77,840	48,276
<i>Changes in working capital:</i>					
Inventories		(9,034)	(656)	(3,223)	(285)
Payables and accruals		9,478	(1,470)	4,965	4,191
Receivables, deposits and prepayments		(4,941)	(7,651)	(25,180)	(7,117)
Cash generated from operations		88,323	47,867	54,402	45,065
Finance cost paid		-	-	(593)	-
Share of profit from short term Islamic deposits received		424	717	335	522
Tax paid		(17,682)	(13,635)	(14,942)	(10,959)
Tax refund		-	1,865	-	1,865
Zakat paid		(1,029)	-	(745)	-
Net cash from operating activities		70,036	36,814	38,457	36,493
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(9,535)	(6,310)	(7,988)	(4,968)
Acquisition of subsidiaries	24	(30,496)	-	(30,519)	-
Investment in subsidiary		-	-	(70)	-
Decrease/(increase) in deposits pledged		115	(112)	115	(112)
Dividends received	(ii)	-	-	-	12,575
Plantation development expenditure		(35,393)	(3,251)	(1,729)	(2,743)
Increase in short term investment		(355)	-	(355)	-
Proceeds from disposal of property, plant and equipment		593	-	593	-
Proceeds from disposal of prepaid lease payments		725	-	33	-
Net cash (used in)/generated from investing activities		(74,346)	(9,673)	(39,920)	4,752

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Cash flow statements for the year ended 31 December 2007 (continued)

	Note	Group		Company	
		2007 RM'000	2006 RM'000 Restated	2007 RM'000	2006 RM'000 Restated
Cash flows from financing activities					
Loan drawdown		21,200	-	21,200	-
Dividend paid to shareholders of the Company		(17,820)	(31,049)	(17,820)	(31,049)
Net cash generated from/(used in) financing activities		3,380	(31,049)	3,380	(31,049)
Net (decrease)/increase in cash and cash equivalents					
Cash and cash equivalents at 1 January	(i)	37,977	41,885	30,890	20,694
Cash and cash equivalents at 31 December	(i)	37,047	37,977	32,807	30,890

(i) Cash and cash equivalents

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

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deposits with licensed banks	10	5,714	19,204	1,744	19,204
Cash and bank balances	10	32,922	20,477	32,652	13,390
Less: Deposits pledged	10	(1,589)	(1,704)	(1,589)	(1,704)
		37,047	37,977	32,807	30,890

(ii) Plantation development expenditure

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Addition of plantation development expenditure	4	(37,478)	(3,251)	(1,729)	(2,743)
Depreciation of property, plant and equipment	4	64	-	-	-
Amortisation of prepaid lease payments	4	219	-	-	-
Borrowing cost capitalised	4	1,802	-	-	-
		(35,393)	(3,251)	(1,729)	(2,743)

The notes on pages 81 to 109 form an integral part of these financial statements.

TH Plantations Berhad

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Notes to the financial statements

TH Plantations Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of the Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company are as follows:

Principal place of business / Registered office

Tingkat 26, Bangunan TH Selborn
153, Jalan Tun Razak
50400 Kuala Lumpur

The consolidated financial statements as at and for the year ended 31 December 2007 comprise the Company and its subsidiaries (together referred to as the Group). The financial statements of the Company as at and for the year ended 31 December 2007 do not include other entities.

The Company is principally engaged in investment holding, cultivation of oil palm, processing of FFB, marketing of CPO, PK and FFB and provision of management services, while the other Group entities are primarily involved in cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.

The immediate holding corporation is Lembaga Tabung Haji, a statutory body established under the Tabung Haji Act 1995 (Act 535).

The financial statements were approved by the Board of Directors on 21 March 2008

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board (MASB), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The MASB has also issued the following Financial Reporting Standards (FRS) and Interpretations that are effective for annual periods beginning after 1 January 2007, and that have not been applied in preparing these financial statements:

CONSOLIDATED FINANCIAL STATEMENTS

Company No. 12696-M

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

FRSs / Interpretations	Effective date
FRS 107, <i>Cash Flow Statements</i>	1 July 2007
FRS 111, <i>Construction Contracts</i>	1 July 2007
FRS 112, <i>Income Taxes</i>	1 July 2007
FRS 118, <i>Revenue</i>	1 July 2007
FRS 120, <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	1 July 2007
Amendment to FRS 121, <i>The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation</i>	1 July 2007
FRS 134, <i>Interim Financial Reporting</i>	1 July 2007
FRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 July 2007
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	To be announced
IC Interpretation 7, <i>Applying the Restatement Approach under FRS 129, Financial Reporting in Hyperinflationary Economies</i>	1 July 2007
IC Interpretation 8, <i>Scope of FRS 2</i>	1 July 2007

The Group and the Company will apply the rest of the abovementioned FRSs and Interpretations for the annual period beginning 1 January 2008 except for FRS 139, *Financial Instruments: Recognition and Measurement* which the effective date has yet to be announced.

The impact of applying FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed by virtue of the exemption given in FRS 139.103AB.

The adoption of the other FRSs and Interpretations are not expected to have any material impact on the financial statements of the Group and the Company.

The Group and the Company have applied FRS 117, *Leases* and FRS 124, *Related Party Disclosures* which are effective for annual period beginning 1 January 2007. The adoptions of these standards are not expected to have any material impact on the financial statements of the Group and the Company other than reclassifications and further disclosures.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

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

1. Basis of preparation (continued)**(d) Use of estimates and judgements**

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

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

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements by the Company, unless otherwise stated.

Certain comparative amounts have been represented to conform to the current year's presentation (see Note 25).

(a) Basis of consolidation**(i) Subsidiaries**

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

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

Investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(ii) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Associates are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the profit or loss of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in associates are stated in the Company's balance sheet at cost less any impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iii) Changes in Group composition

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

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

2. Significant accounting policies (continued)

(iii) Changes in Group composition (continued)

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

(iv) Minority interest

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

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

(v) Transactions eliminated on consolidation

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

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Property, plant and equipment

(i) Recognition and measurement

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

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

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and the difference is charged to income statement as "other income" or "other operating expenses" respectively.

(ii) Subsequent costs

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

The net book value of replaced parts will be charged to the income statement.

2. Significant accounting policies (continued)

(iii) Depreciation

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

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

• Buildings	25 years
• Estates	25 years
• Plant, machinery and equipments	10 years
• Motor vehicles	5 years
• Computer equipments	3 years

Estates consist of plantation development expenditure and are depreciated over 25 years, based on estimated annual production yield table.

The depreciable amount is determined after deducting the residual value.

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

(c) Prepaid lease payments

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

The Group and the Company had previously classified a lease of land as finance lease and had recognised the amount of prepaid lease payments as property within its property, plant and equipment. The Group and the Company treats such a lease as an operating lease with an unamortised carrying amount classified as prepaid lease payments in accordance with transitional provisions in FRS 117.67A.

The prepaid lease payments are amortised over the lease term of 60-99 years.

(d) Operating lease

Other leases are operating leases and the leased assets are not recognised on the Group's balance sheet.

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

(e) Intangible assets

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

With the adoption of FRS 3 beginning 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

2. Significant accounting policies (continued)

(e) Intangible assets (continued)

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

(f) Plantation development expenditure

All expenditures relating to development of oil palm estates will be classified under plantation development expenditure. This cost will be amortised when the expenditure is reclassified to property, plant and equipment when the estate matures.

All expenditure relating to planting and maintenance of sentang trees will be classified under plantation development expenditure. The cost will be expensed off to income statement once the trees are felled.

(g) Inventories

Finished goods are measured at lower of cost and net realisable value (fair value less cost to sell) . The cost of finished goods is determined based on weighted average cost. The cost of finished goods comprises costs of estates expenditure and other direct costs such as mill costs, processing costs and transportation costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Stores are stated at cost. The cost of inventory is based on supplier's invoices.

Nurseries are stated at cost. This cost relates to nursery maintenance costs.

(h) Receivables

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

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

Receivables are not held for the purpose of trading.

(i) Impairment of assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill or intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

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

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

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

2. **Significant accounting policies (continued)**

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balance and deposit with banks which have an insignificant risk of change in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of pledged deposits.

(k) Loans and borrowings

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

(l) Payables

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

(m) Revenue recognition

(i) Goods sold

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

(ii) Dividend income

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

(n) Management fees

Management fee income is recognised upon services rendered.

(o) Share of profit from short term Islamic deposits

Share of profit from short term Islamic deposits are recognised as it accrues, using the effective yield method.

(p) Employee benefits

Short term employee benefits

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

The Company's contribution to the Employee's Provident Fund is charged to the income statements in the year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

2. Significant accounting policies (continued)

(q) Borrowing cost

All borrowing costs are recognised in the income statements using the effective yield method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred. Borrowing costs are being incurred on activities that are necessary to prepare the asset for its intended use or sales are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(r) Tax expense

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

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

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

Deferred tax liability is recognised for all taxable temporary differences.

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

Additional taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(s) Earnings per share

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

(t) Zakat expense

Zakat expense is recognised when the Group and the Company have a current zakat obligation as a result of a zakat assessment and an outflow of resources embodying economic benefits will be required to satisfy the zakat obligation. The amount of zakat assessed shall be recognised as an expense in the period in which it is incurred.

Zakat expense is calculated by multiplying zakat rate with zakat base. The rate of zakat expense, as determined by National Fatwa Council, is 2.5% of zakat base. Zakat base is the net adjusted amount of zakat assets and liabilities used for or derived from business activities.

The Group and the Company applies adjusted working capital method in determining the zakat base. The adjusted working capital method calculates zakat base as net current assets, adjusted for items that do not meet the conditions for zakat assets and liabilities.

TH Plantations Berhad

 (Company No. 12696-M)
 (Incorporated in Malaysia)

and its subsidiaries

3. Property, plant and equipment

	Note	Estates	Long Term Leasehold lands	Buildings	Plant, machinery and equipments	Computers equipments	Motor vehicles	Work-in progress	Total
Group		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost At									
1 January 2006									
As previously reported		79,522	40,366	33,577	39,723	3,569	9,389	2,341	208,487
- Effect of adopting FRS 117	5	-	(40,366)	-	-	-	-	-	(40,366)
At 1 January 2006, restated		79,522	-	33,577	39,723	3,569	9,389	2,341	168,121
Additions		-	-	680	1,205	119	785	3,521	6,310
Transfer from plantation development expenditure	4	1,997	-	-	-	-	-	-	1,997
Transfers		-	-	247	10	-	-	(257)	-
Written off		(4,509)	-	(357)	(465)	(14)	(365)	-	(5,710)
At 31 December 2006/ 1 January 2007		77,010	-	34,147	40,473	3,674	9,809	5,605	170,718
Acquisition of subsidiaries	24	-	-	-	2	4	-	-	6
Additions		-	-	977	1,441	598	1,082	5,437	9,535
Transfer from plantation development expenditure	4	1,330	-	-	-	-	-	-	1,330
Transfers		-	-	965	(282)	257	298	(1,238)	-
Disposal		(101)	-	-	-	-	-	-	(101)
Written off		-	-	(373)	(1,836)	(32)	(285)	-	(2,526)
At 31 December 2007		78,239	-	35,716	39,798	4,501	10,904	9,804	178,962
Accumulated depreciation									
At 1 January 2006									
As previously reported		45,870	2,838	16,853	25,808	2,250	6,993	-	100,612
- Effect of adopting FRS 117	5	-	(2,838)	-	-	-	-	-	(2,838)
At 1 January 2006, restated		45,870	-	16,853	25,808	2,250	6,993	-	97,774
Depreciation for the year	(i)	3,766	-	1,231	1,972	723	926	-	8,618
Written off		(4,509)	-	(193)	(409)	(12)	(365)	-	(5,488)
At 31 December 2006/ 1 January 2007		45,127	-	17,891	27,371	2,961	7,554	-	100,904
Acquisition of subsidiaries	24, (i)	-	-	-	-	2	-	-	2
Depreciation for the year	(i)	3,785	-	1,293	1,988	558	1,195	-	8,819
Written off		-	-	(252)	(1,594)	(31)	(285)	-	(2,162)
Disposal		(97)	-	-	-	-	-	-	(97)
At 31 December 2007		48,815	-	18,932	27,765	3,490	8,464	-	107,466
Carrying amounts									
At 1 January 2006, restated		33,652	-	16,724	13,915	1,319	2,396	2,341	70,347
At 31 December 2006/ 1 January 2007, restated		31,883	-	16,256	13,102	713	2,255	5,605	69,814
At 31 December 2007		29,424	-	16,784	12,033	1,011	2,440	9,804	71,496

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3. Property, plant and equipment (continued)

Company	Note	Estates	Long Term Leasehold lands	Buildings	Plant, machinery and equipments	Computers equipments	Motor vehicles	Work-in progress	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost At 1 January 2006									
As previously reported		52,485	5,207	26,895	30,507	3,450	7,789	2,248	128,581
- Effect of adopting FRS 117	5	-	(5,207)	-	-	-	-	-	(5,207)
At 1 January 2006, restated		52,485	-	26,895	30,507	3,450	7,789	2,248	123,374
Additions		-	-	555	1,059	92	539	2,723	4,968
Transfer from plantation development expenditure	4	1,997	-	-	-	-	-	-	1,997
Transfers		-	-	-	-	-	(77)	-	(77)
Written off		-	-	(357)	(397)	(14)	(334)	-	(1,102)
At 31 December 2006/ 1 January 2007		54,482	-	27,093	31,169	3,528	7,917	4,971	129,160
Additions		-	-	486	1,335	540	565	5,062	7,988
Transfer from plantation development expenditure	4	1,330	-	-	-	-	-	-	1,330
Transfers		-	-	438	-	257	-	(695)	-
Disposal		(101)	-	-	-	-	-	-	(101)
Written off		-	-	(307)	(1,799)	(26)	(270)	-	(2,402)
At 31 December 2007		55,711	-	27,710	30,705	4,299	8,212	9,338	135,975
Accumulated depreciation At 1 January 2006									
As previously reported		31,436	992	15,527	24,005	2,187	5,822	-	79,969
- Effect of adopting FRS 117	5	-	(992)	-	-	-	-	-	(992)
At 1 January 2006, restated		31,436	-	15,527	24,005	2,187	5,822	-	78,977
Depreciation for the year	16	2,076	-	946	1,102	689	747	-	5,560
Disposal		-	-	-	-	-	(77)	-	(77)
Written off		-	-	(193)	(388)	(12)	(334)	-	(927)
At 31 December 2006/ 1 January 2007		33,512	-	16,280	24,719	2,864	6,158	-	83,533
Depreciation for the year	16	2,154	-	970	1,205	521	814	-	5,664
Disposal		(97)	-	-	-	-	-	-	(97)
Written off		-	-	(208)	(1,559)	(25)	(270)	-	(2,062)
At 31 December 2007		35,569	-	17,042	24,365	3,360	6,702	-	87,038
Carrying amounts At 1 January 2006, restated		21,049	-	11,368	6,502	1,263	1,967	2,248	44,397
At 31 December 2006/ 1 January 2007, restated		20,970	-	10,813	6,450	664	1,759	4,971	45,627
At 31 December 2007		20,142	-	10,668	6,340	939	1,510	9,338	48,937

3. Property, plant and equipment

(i) Breakdown of depreciation charge for the year, are as follows:

	Note	Group	
		2007 RM'000	2006 RM'000
Income statement*	16	8,757	8,618
Plantation development expenditure	4	64	-
		8,821	8,618

* Included in Group depreciation for the year is RM 2,000 (2006 : Nil) depreciation charged from the acquisition of subsidiaries (see Note 24)

4. Plantation development expenditure

/-----Total-----/					
	Note	Sentang RM'000	Oil Palm RM'000	2007 RM'000	2006 RM'000
Group					
At 1 January		589	6,506	7,095	5,841
Acquisition of subsidiaries	24	-	18,942	18,942	-
Additions during the year		28	37,450	37,478	3,251
		617	62,898	63,515	9,092
Less: Transfer to property, plant and equipment	3	-	(1,330)	(1,330)	(1,997)
At 31 December		617	61,568	62,185	7,095

/-----Total-----/					
	Note	Sentang RM'000	Oil Palm RM'000	2007 RM'000	2006 RM'000
Company					
At 1 January		332	6,004	6,336	5,591
Additions during the year		19	1,710	1,729	2,743
		351	7,714	8,065	8,334
Less: Transfer to property plant and equipment	3	-	(1,330)	(1,330)	(1,997)
At 31 December		351	6,384	6,735	6,337

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4. Plantation development expenditure (continued)

Included in additions during the year are as follows:

	Note	Group	
		2007 RM'000	2006 RM'000
Depreciation of property, plant and equipment	3	64	-
Amortisation of prepaid lease payments	5	219	-
Personnel expenses:			
- Wages, salaries and others		335	-
- Contribution to Employee Provident Fund		56	-
Borrowing cost capitalised		1,802	-
		1,802	-

5. Prepaid lease payments

Group	Note	Leasehold land
		Unexpired period more than 50 years RM'000
Cost		
At 1 January 2006		-
Effect of adopting FRS 117	3	40,366
At 1 January 2006, restated / At 31 December 2006 / 1 January 2007		40,366
Acquisition of subsidiaries	24	57,145
Disposals		(30)
At 31 December 2007		97,481
Amortisation		
At 1 January 2006		-
Effect of adopting FRS 117	3	2,838
At 1 January 2006, restated		2,838
Amortisation for the year	(i)	588
At 31 December 2006 / 1 January 2007		3,426
Amortisation for the year	(i)	1,608
Disposals		(10)
At 31 December 2007		5,024
Carrying amounts		
At 1 January 2006, restated		37,528
At 31 December 2006/1 January 2007		36,940
At 31 December 2007		92,457

5. Prepaid lease payments (continued)

		Leasehold land	
		Note	Unexpired period more than 50 years
			RM'000
Company			
Cost			
At 1 January 2006			
Effect of adopting FRS 117		3	5,207
At 1 January 2006, restated /			5,207
At 31 December 2006 / 1 January 2007			5,202
Disposals			(5)
At 31 December 2007			5,202
Amortisation			
At 1 January 2006			
Effect of adopting FRS 117		3	992
At 1 January 2006, restated			992
Amortisation for the year		16	53
At 31 December 2006 / 1 January 2007			1,045
Amortisation for the year		16	53
Disposals			(1)
At 31 December 2007			1,097
Carrying amounts			
At 1 January 2006, restated			
			4,215
At 31 December 2006/ 1 January 2007			
			4,162
At 31 December 2007			
			4,105

(i) Breakdown of amortisation charge for the year, are as follows:

	Group		
	Note	2007	2006
		RM'000	RM'000
Income statement	16	1,389	588
Plantation development expenditure	4	219	-
		1,608	588

Security

At 31 December 2007, Group's leasehold land with a carrying amount of RM4,655,835 (2006 – RM6,267,800) are subject to a registered debenture to secure bank loans (see Note 13).

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6. Investments in subsidiaries

	Company	
	2007 RM'000	2006 RM'000
At cost		
Unquoted shares	95,508	64,919

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

	Effective ownership interest		Principal activities
	2007	2006	
TH Peladang Sdn. Bhd.	100.00%	100.00%	Cultivation of oil palm and selling of FFB.
Ladang Bangka Ulu Sdn. Bhd.	100.00%	100.00%	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
Zecon Plantation Sdn. Bhd.	100.00%	-	Investment holding company.
THP-YT Plantation Sdn. Bhd.	70.00%	-	Cultivation of oil palm and selling of FFB.
Subsidiary of Zecon Plantation Sdn. Bhd.			
THP Saribas Sdn. Bhd. (formerly known as Kenyalang Resources Sdn. Bhd.)	80.00%	-	Cultivation of oil palm and selling of FFB.

7. Investment in associate

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At cost:				
Unquoted shares	-	1,825	-	1,825
Share of post acquisition reserves	-	(1,226)	-	-
Less : Allowance for diminution in value	-	-	-	(1,440)
	-	599	-	385

7. Investment in associate (continued)

The details of the associated company are as follows:

Name of associate	Country of incorporation	Principal activities	Effective ownership interest	
			2007 %	2006 %
Kilang Sawit Panji Alam Sdn. Bhd.	Malaysia	Processing of FFB and marketing of CPO and PK	24.01*	24.01

	Revenues (100%) RM'000	Profit / (Loss) (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
2007				
Kilang Sawit Panji Alam Sdn. Bhd.	-	-	-	-
2006				
Kilang Sawit Panji Alam Sdn. Bhd.	56,368	203	11,579	9,228

* On 1 March 2007, the Group ceased to have significant influence in Kilang Sawit Panji Alam Sdn. Bhd. (KISPA) when two of its representative resigned from the board of directors of KISPA. Accordingly, the investment in associate is now accounted for as other investment.

8. Inventories

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At cost:				
Finished goods	6,222	2,523	4,912	1,757
Stores	788	592	512	451
Nurseries	6,142	211	156	149
	13,152	3,326	5,580	2,357

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9. Receivables, deposits and prepayments

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade					
Trade receivables		28,820	14,384	25,868	11,624
Non trade					
Amount due from subsidiaries	a	-	-	35,706	1,594
Amount due from related companies	b	15,795	20,148	15,795	20,148
Tax recoverable	c	1,214	1,778	272	337
Other receivables		4,935	7,211	4,548	6,897
Deposits		569	526	483	480
Prepayments		2,293	1,703	2,293	1,668
		24,806	31,366	59,097	31,124
		53,626	45,750	84,965	42,748

Note a : The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Note b : The amounts due from related companies are unsecured, interest-free and repayable on demand.

Note c : Tax recoverable is subject to agreement by the Inland Revenue Board.

10. Cash and cash equivalents

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deposits placed with licensed banks	5,714	19,204	1,744	19,204
Cash and bank balances	32,922	20,477	32,652	13,390
	38,636	39,681	34,396	32,594

Deposits which are placed with licensed banks for Group and Company have profit margins ranging between 3.00% to 3.55% (2006 – 2.70% to 3.00%)

Deposits placed with licensed banks pledged for a bank facility

Included in the deposits placed with licensed banks for Group and Company are RM1,589,000 (2006 - RM1,703,851) pledged for a bank guarantee issued to a third party.

11. Share capital and reserves

Share capital

	Group and Company			
	Amount 2007 RM'000	Number of shares 2007 '000	Amount 2006 RM'000	Number of shares 2006 '000
Authorised: Ordinary shares of RM0.50 each	100,000	200,000	100,000	200,000
Issued and fully paid: Ordinary shares of RM0.50 each	98,047	196,094	98,047	196,094

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

Share Premium

	Group and Company	
	2007 RM'000	2006 RM'000
At 1 January	-	2,000
Listing expenditure	-	(2,000)
At 31 December	-	-

Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its distributable reserves at 31 December 2007 if paid out as dividends.

The Malaysian Budget 2008 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2007 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

12. Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	2007 RM'000	2006 RM'000
Group		
Property, plant and equipment	(33,395)	(18,967)
Company		
Property, plant and equipment	(6,566)	(7,060)

Unrecognised deferred tax assets

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

	Group	
	2007 RM'000	2006 RM'000
Deductible temporary differences	2	-
Unutilised tax loss carry-forwards	6,018	-
	6,020	-

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12. Deferred tax liabilities (continued)

Movement in temporary differences during the year

	At 1.1.2006 RM'000	Recognised in income statement (Note 18) RM'000	At 31.12.2006 RM'000	Recognised in income statement (Note 18) RM'000	Acquired in business combination (Note 24) RM'000	At 31.12.2007 RM'000
Group						
Property, plant and equipment	(20,119)	1,152	(18,967)	1,142	(15,570)	(33,395)
Company						
Property, plant and equipment	(7,722)	662	(7,060)	494	-	(6,566)

13. Loans and borrowings

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Non-current				
Secured				
Bai Bithaman Ajil term loan	13,760	-	-	-
Current				
Unsecured				
Revolving credit	21,200	-	21,200	-
	34,960	-	21,200	-

Security

The Bai Bithaman Ajil term loan is secured over prepaid lease payment (leasehold land) with a carrying amount of RM4,655,835 (2006 – RM6,267,800) (see Note 5).

Significant covenants

The Bai Bithaman Ajil term loan is subject to the fulfilment of the following significant covenants:

- Not to change in its existing shareholders or their respective shareholdings and/ or its directors and/ or its management line-up without prior consent of the bank.
- To increase paid up capital in line with the progress of plantation project with the ratio of borrowings/paid up capital of 4:1.

Terms and debt repayment schedule

	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	Over 5 years RM'000
Group				
2007				
Secured				
Bai Bithaman Ajil term loan	2016	13,760	-	13,760
Unsecured				
Revolving credit	2008	21,200	21,200	-
		34,960	21,200	13,760

13. Loans and borrowings (continued)

Terms and debt repayment schedule (continued)

	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	Over 5 years RM'000
Group				
2006				
Secured				
Bai Bithaman Ajil term loan	-	-	-	-
Company				
2007				
Unsecured				
Revolving credit	2008	21,200	21,200	-
2006				
Unsecured				
Revolving credit	-	-	-	-

14. Payables and accruals

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade					
Trade payables		11,653	2,928	3,212	2,409
Amount due to subsidiaries	a	-	-	2,461	2,540
		11,653	2,928	5,673	4,949
Non-trade					
Amount due to holding company	b	95	2,743	95	2,743
Amount due to subsidiaries	c	-	-	7,416	5,324
Amount due to related companies	d	16,445	11,412	16,445	11,412
Other payables		17,398	6,712	10,260	5,627
Accrued expenses		4,746	685	2,688	347
		38,684	21,552	36,904	25,453
		50,337	24,480	42,577	30,402

Note a : The trade payables due to subsidiaries are subject to the normal trade terms.

Note b : The amount due to holding company is unsecured, interest free and repayable on demand.

Note c : The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

Note d : The amounts due to related companies are unsecured, interest free and repayable on demand

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15. Revenue

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Sales of goods	175,587	120,683	150,371	101,187
Dividends	-	-	15,138	8,750
	175,587	120,683	165,509	109,937

16. Operating profit

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Operating profit is arrived at after charging :					
Auditors' remuneration:					
- statutory audit		136	95	80	60
- other services		276	138	276	138
Allowances for diminution in value of other investment					
		355	-	141	-
Amortisation of prepaid lease payments	5	1,389	588	53	53
Bad debts written off		11	-	11	-
Depreciation of property, plant and equipment	3	8,757	8,618	5,664	5,560
Personnel expenses :					
- Wages, salaries and others		31,248	27,434	26,487	23,048
- Contribution to Employee Provident Fund		2,800	2,147	2,546	1,928
Property, plant and equipment written off		364	222	340	174
Rental of premise		1,213	1,213	1,213	1,213
Rental of land		2,083	2,000	2,083	2,000
and after crediting :					
Gain on disposal of prepaid lease payments		705	-	28	-
Gain on disposal of property, plant and equipment		589	-	589	-
Management fee income from related companies		18,711	13,358	18,711	13,358
Rental income		5	4	4	2

17. Key management personnel compensation

The key management personnel compensations are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Directors				
- Fees	569	176	372	162
- Remuneration	646	600	646	600
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	26	23	26	23
	1,241	799	1,044	785
Other key management personnel:				
- Short-term employee benefits	1,014	812	1,014	812
	2,255	1,611	2,058	1,597

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

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18. Tax expense

Recognised in the income statement

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Current tax expense					
Malaysia					
- current year		23,809	13,939	24,497	14,421
- prior years		(1,321)	(449)	(1,432)	(322)
Total current tax recognised in the income statement		22,488	13,490	23,065	14,099
Deferred tax expense					
- current year		(688)	(580)	(189)	(347)
- prior year		(35)	6	(53)	(53)
- effect of change in tax rate*		(419)	(578)	(252)	(262)
Total deferred tax recognised in the income statement	12	(1,142)	(1,152)	(494)	(662)
Total tax expense		21,346	12,338	22,571	13,437
Reconciliation of effective tax expense					
Profit before tax		82,534	47,998	86,811	50,908
Tax calculated using Malaysian tax rate of 27% (2006 – 28%)		22,284	13,439	23,439	14,254
Effect of changes in tax rate*		(419)	(578)	(252)	(262)
Effect of deferred tax not recognised		1,565	-	-	-
Non-deductible expenses		897	(80)	869	(180)
Losses not available for set-off		(1,625)	-	-	-
Under/(over) provided in prior years					
- tax expense		(1,321)	(449)	(1,432)	(322)
- deferred tax		(35)	6	(53)	(53)
		21,346	12,338	22,571	13,437

* With effect from year of assessment 2007, corporate tax rate is at 27%. The Malaysian Budget 2008 also announced the reduction of corporate tax rate to 26% with effect from year of assessment 2008 and to 25% with effect from year of assessment 2009 respectively. Consequently deferred tax assets and liabilities are measured using these tax rates.

19. Earnings per share

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2007 was based on the profit attributable to ordinary share holders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2007 RM'000	2006 RM'000
Profit for the year attributable to shareholders	61,251	35,660
Weighted average number of ordinary shares at 31 December	196,094	196,094
Basic and diluted earnings per share (sen)	31.24	18.19

20. Dividends

There is no interim dividend declared in 2007.

Dividends recognised in the current year by the Company are:

	Sen per share	Total amount RM'000	Date of payment
2006 Final ordinary	12.5	17,893	6 June 2007

After the balance sheet date the following dividends were proposed by the Directors. These dividends will be recognised in subsequent financial reports upon approval by the shareholders.

	Sen per share	Total amount RM'000
2007 Final ordinary	21.1	30,594

21. Financial instruments

Exposure to credit, profit rate and liquidity risks arises in the normal course of the Group's business.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Profit rate risk

The Group's exposure to market risk for changes in profit rate relates to deposits with financial institutions and bank borrowings.

Liquidity risk

The Group manages its operating cash flows and maintains sufficient levels of cash and cash equivalents to meet its working capital requirements.

Fair values

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, other payables and accruals, approximate fair values due to the relatively short term nature of these financial instruments.

CONSOLIDATED FINANCIAL STATEMENTS

Company No. 12696-M

21. Financial instruments (continued)

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the balance sheets, are as follows.

	Note	2007		2006	
		Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group and Company Financial assets					
Other investment					
Unquoted company		599	*	-	-
Group Financial liabilities					
Bai Bithaman Ajil term loan - <i>secured</i>	13	13,760	13,760	-	-

* It is not practical to estimate the fair value of the Group's and Company's investments in unquoted company because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

Effective share of profit rates and repricing analysis

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

	Average effective share of Note %	Profit rate RM'000	Total RM'000	Less than 1 year RM'000	More than five years RM'000
2007					
Group					
Financial asset					
Deposits placed with licensed banks	10	3.40	5,714	5,714	-
Financial liabilities					
Bai Bithaman Ajil term loan - <i>secured</i>	13	5.26	13,760	-	13,760
Revolving credit - <i>unsecured</i>	13	4.30	21,200	21,200	-
			34,960	21,200	13,760
Company					
Financial asset					
Deposits placed with licensed bank	10	3.38	1,744	1,744	-
Financial liability					
Revolving credit - <i>unsecured</i>	13	4.30	21,200	21,200	-
2006					
Group and Company					
Financial asset					
Deposits placed with licensed banks	10	3.24	19,204	19,204	-

22. Capital and other commitments

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Investment in subsidiary				
– THP-YT Plantation Sdn. Bhd				
<i>Approved but not contracted for</i>	-	-	25,900	-
Plant and equipment				
<i>Contracted but not provided for and payable:</i>				
Within one year	1,189	5,168	1,189	4,970
<i>Approved but not contracted for:</i>				
Within one year	17,690	5,318	8,686	4,277
Plantation development expenditure				
<i>Contracted but not provided for and payable:</i>				
Within one year	27,973	365	-	365
More than one year and no later than 5 years	1,764	-	-	-
<i>Approved but not contracted for:</i>				
Within one year	23,902	1,458	2,385	1,090
More than one year and no later than 5 years	18,028	-	-	-
	90,546	12,309	38,160	10,702

23. Related parties

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

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

CONSOLIDATED FINANCIAL STATEMENTS

Company No. 12696-M

23. Related parties (continued)

The significant related party transactions of the Group and the Company, other than key management personnel compensation, are as follows:

	Transactions amount for the year ended 31 December RM'000	Balance outstanding at 31 December RM'000
Group 2007		
Holding corporation Expenses		
Rental of premise	1,213	-
Rental of land	2,083	1,352
Related companies Income		
Management fees income	18,171	18,171
Expenses		
Purchase of fertiliser	7,045	1,246
Palm oil mill upgrading	3,763	-
2006		
Holding corporation Expenses		
Rental of premise	1,213	-
Rental of land	2,000	4,000
Associated company Revenue		
Sales of FFB	4,659	-
Related companies Income		
Management fees	13,358	13,358
Expenses		
Purchase of fertiliser	8,200	1,001
Palm oil mill upgrading	491	-

23. Related parties (continued)

	Transactions amount for the year ended 31 December RM'000	Balance outstanding at 31 December RM'000
Company 2007		
Holding corporation Expenses		
Rental of premise	1,213	-
Rental of land	2,083	1,352
Related companies Income		
Management fees	18,711	18,711
Expenses		
Purchase of fertiliser	4,607	889
Palm oil mill upgrading	3,763	-
<hr style="border-top: 1px dashed black;"/>		
2006		
Holding corporation Expenses		
Rental of premise	1,213	-
Rental of land	2,000	4,000
Subsidiaries Revenue		
Dividend income	8,750	-
Expenses		
Purchase of FFB	1,126	1,126
Associated company Revenue		
Sales of FFB	1,441	1,441
Related companies Income		
Management fees	13,358	13,358
Expenses		
Purchase of fertiliser	6,389	663
Palm oil mill upgrading	491	-
<hr style="border-top: 1px dashed black;"/>		

The terms and conditions for the above transactions are based on normal trade terms. All the amounts outstanding are unsecured and expected to be settled with cash. No allowances for doubtful debts were made during the year.

CONSOLIDATED FINANCIAL STATEMENTS

Company No. 12696-M

24. Acquisition and incorporation of subsidiaries

a) Acquisition of subsidiaries

On 22 March 2007, the Company acquired all the shares in Zecon Plantation Sdn. Bhd. ("Zecon") for RM30,519,200 satisfied in cash. Zecon and its subsidiary ("Zecon Group") is principally involved in investment holding and cultivation of oil palm. As at 31 December 2007, Zecon Group contribution is not material to the consolidated net profit.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Note	Pre-acquisition carrying amounts RM'000	Fair value adjustments RM'000	Recognised values on acquisition RM'000
Property, plant and equipment	3	4	-	4
Prepaid lease payments	5	12,974	44,171	57,145
Plantation development expenditure	4	3,224	15,718	18,942
Inventories		793	-	793
Receivables, deposits and prepayments		2,607	-	2,607
Cash and cash equivalents		23	-	23
Loans and borrowings		(13,760)	-	(13,760)
Payables and accruals		(12,029)	-	(12,029)
Deferred tax liabilities	12	-	(15,570)	(15,570)
Net identifiable assets and liabilities		(6,164)	44,319	38,155
Minority interest				(7,636)
Group's share of net assets / Consideration paid, satisfied in cash				30,519
Cash acquired				(23)
Net cash outflow				30,496

24. Acquisition and incorporation of subsidiaries (continued)

b) Incorporation of subsidiary

On 3 April 2007 the Company entered into a Joint Venture (JV) Agreement with Yayasan Terengganu (YT) to jointly develop and cultivate an oil palm plantation at Mukim Merang and Mukim Caluk, both in the district of Setiu, Terengganu measuring approximately 2,594 hectares. The Company would inject cash progressively into the JV company to an amount of RM25,900,000 constituting 70% of its shareholding whilst YT's contribution of 30% shall be by way of land injection into the JV company. The JV company, THP-YT Plantation Sdn. Bhd. had been incorporated on 23 May 2007.

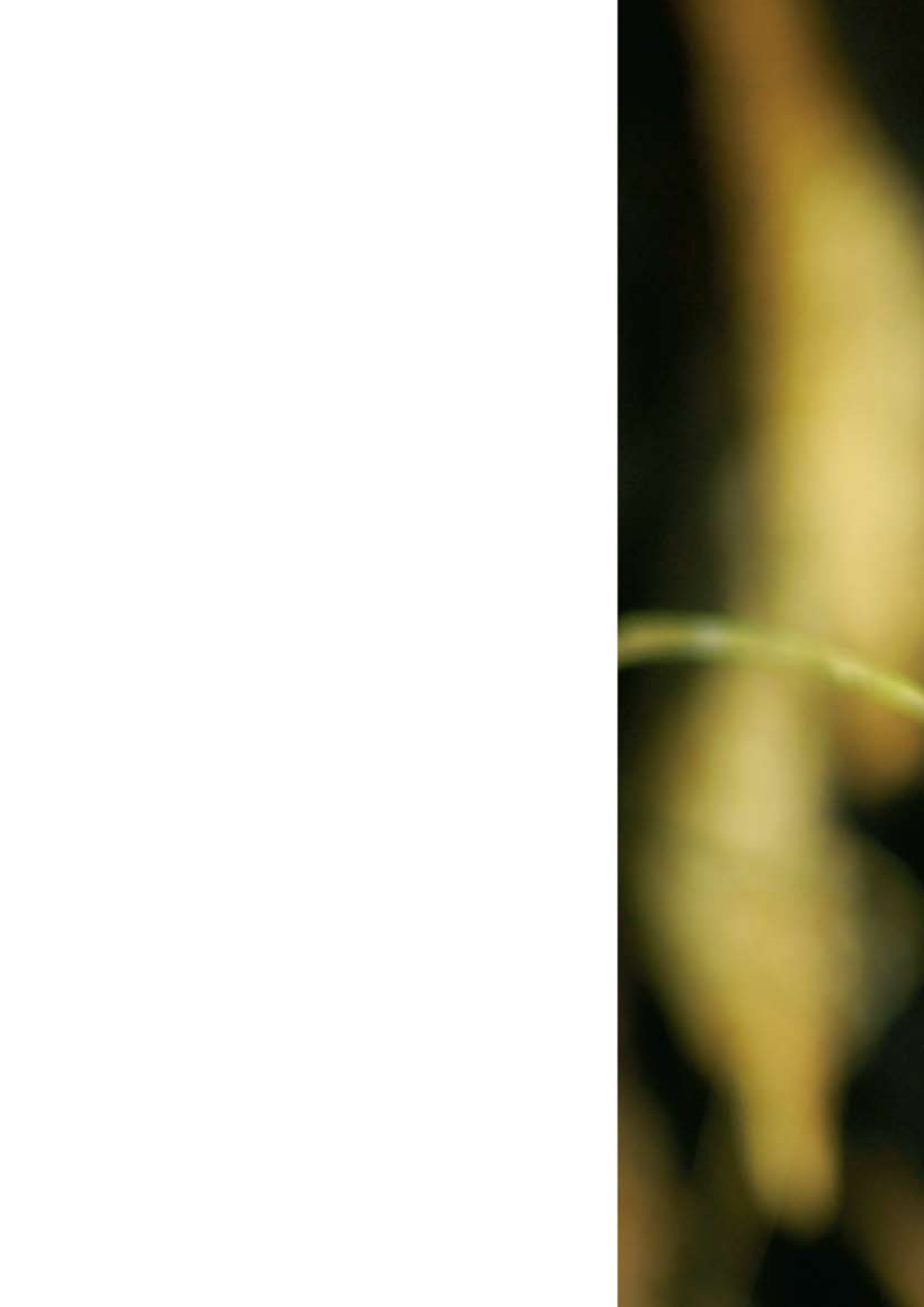
25. Comparatives figures

The following comparative figures have been reclassified as a result of compliance of FRS 117, *Leases*.

	Group		Company	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Balance Sheet				
Property, plant and equipment	69,814	106,754	45,627	49,789
Prepaid lease payments	36,940	-	4,162	-
=====				
Cash flow statement - operating activities				
Depreciation of property, plant and equipment	7,958	8,100	5,560	5,613
Amortisation of prepaid lease payments	142	-	53	-
=====				

26. Segmental information

The Group operates principally in plantation industry and predominantly in Malaysia and therefore segmental reporting is not applicable.



A close-up photograph of a green plant stem with several sharp, light-colored thorns. A large, vibrant green leaf is partially visible on the right side of the frame. The background is dark and out of focus.

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS As at 18 March 2008

SHAREHOLDINGS STRUCTURE

Authorised share capital	:	RM100,000,000.00
Issued and paid-up capital	:	RM98,047,000.00
Class of shares	:	Ordinary Shares of RM0.50 each
Voting rights by show of hand	:	One vote for every member
Voting rights by poll	:	One vote for every share held

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
1 to 99	7	0.09	100	0.00
100 to 1,000	4,069	48.98	3,762,600	1.92
1,001 to 10,000	3,849	46.33	12,459,992	6.36
10,001 to 100,000	303	3.65	8,827,828	4.50
100,001 to less than 5% of issued shares	78	0.94	53,243,480	27.15
5% and above of issued shares	1	0.01	117,800,000	60.07
TOTAL	8,307	100.00	196,094,000	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Ordinary Shares Held			
		Direct	%	Indirect	%
1.	Tan Sri Datuk Dr. Yusof Bin Basiran	2,000	0.00	-	0.00
2.	Dato' Che Abdullah @ Rashidi Bin Che Omar	-	0.00	-	0.00
3.	Datuk Dr. Abdul Samad Bin Haji Alias	41,500	0.02	-	0.00
4.	Datuk Azizan Bin Abd Rahman	-	0.00	-	0.00
5.	Datuk Ismee Bin Ismail	-	0.00	-	0.00
6.	Dato' Haji Wan Zakaria Bin Abd Rahman	2,000	0.00	-	0.00
7.	Md. Yusof Bin Hussin	-	0.00	-	0.00
8.	Syed Hood Bin Syed Edros	-	0.00	-	0.00

SUBSTANTIAL SHAREHOLDERS

No. of Ordinary Shares Held

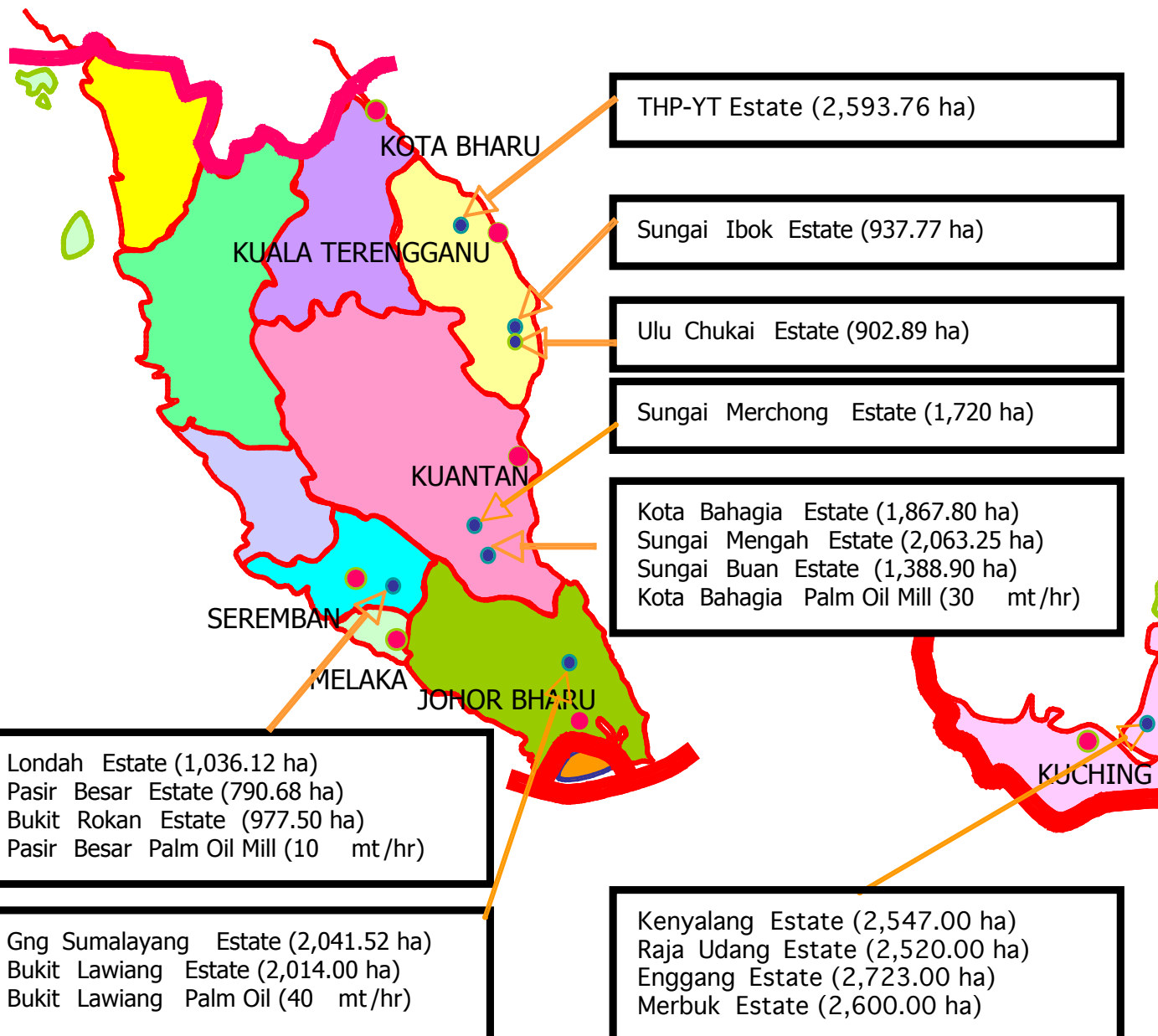
No.	Name of Substantial Shareholders	Direct	%	Indirect	%
1.	Lembaga Tabung Haji	117,800,000	60.07	-	-

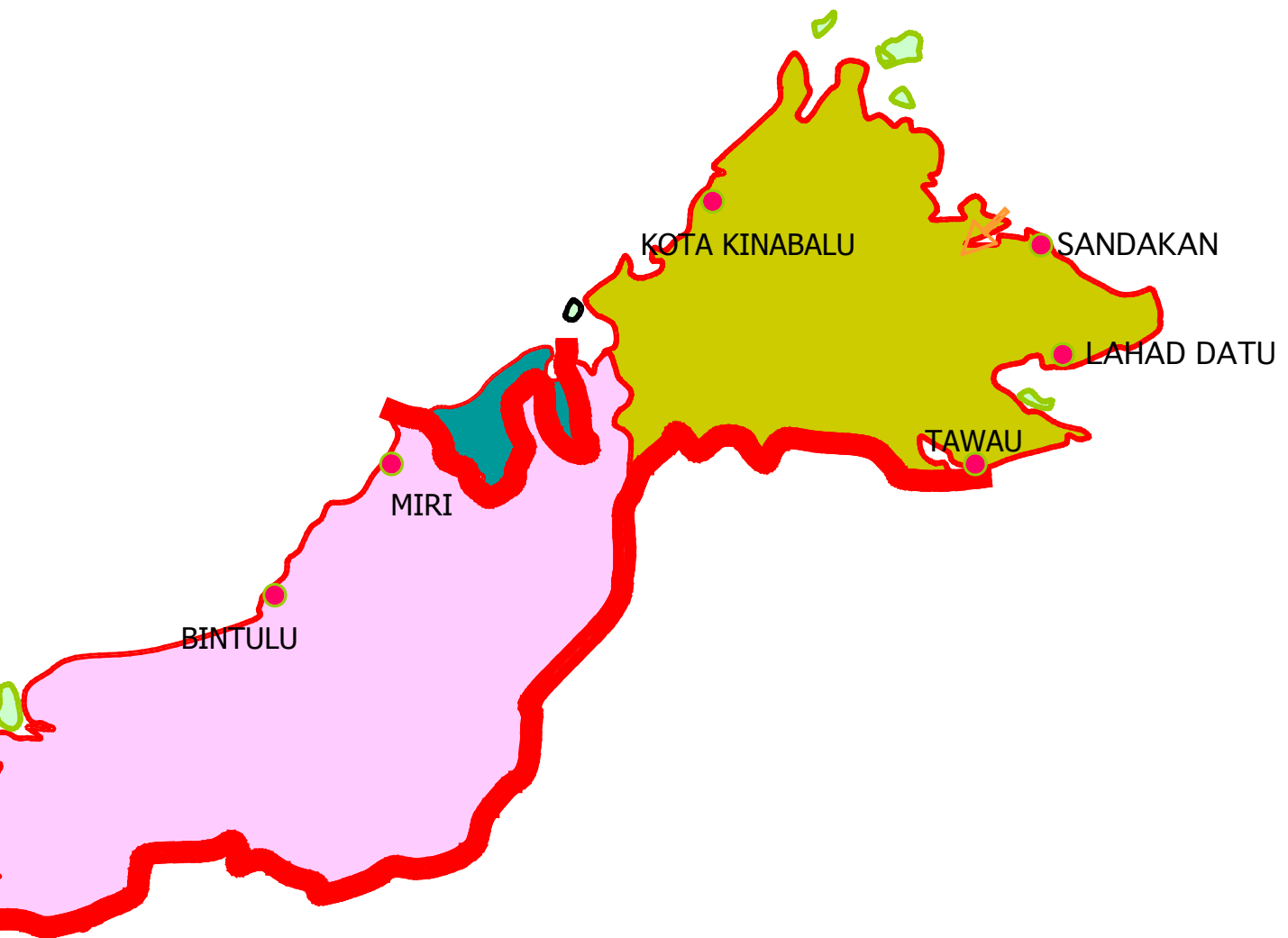
TOP THIRTY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
1.	Lembaga Tabung Haji	117,800,000	60.07
2.	AIBB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yayasan Pok dan Kassim	5,384,300	2.75
3.	Amanah Raya Nominees (Tempatan) Sdn Bhd Public Islamic Opportunities Fund	3,937,500	2.00
4.	Citigroup Nominees (Asing) Sdn Bhd Exempt an for American International Assurance Company Limited	3,164,000	1.61
5.	Employees Provident Fund Board	2,716,600	1.39
6.	Pertubuhan Peladang Negeri Terengganu	2,445,956	1.25
7.	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Wawasan 2020	2,415,700	1.23
8.	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Didik	2,383,500	1.22
9.	Universal Trustee (Malaysia) Berhad CIMB-Principal Small Cap Fund 2	1,666,900	0.85
10.	Affin Nominees (Tempatan) Sdn Bhd Affin Fund Management Sdn Bhd for Majlis Ugama Islam Dan Adat Resam Melayu Pahang	1,609,400	0.82
11.	AMSEC Nominees (Tempatan) Sdn Bhd Assar Asset Management Sdn Bhd for Tabung Baitulmal Sarawak (Majlis Islam Sarawak)	1,500,000	0.76
12.	Amanah Raya Nominees (Tempatan) Sdn Bhd Dana Islamiah Affin	1,091,600	0.56
13.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (Malaysia) Trustee Berhad for Amanah Saham Sarawak	1,035,000	0.53
14.	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Nasional 2	1,032,900	0.53
15.	Majlis Agama Islam Dan Adat Melayu Perak Darul Ridzuan	1,000,000	0.51
16.	Amin Baitulmal Johor	1,000,000	0.51
17.	Majlis Agama Islam Wilayah Persekutuan	1,000,000	0.51
18.	Mayban Nominees (Tempatan) Sdn Bhd Amanahraya-JMF Asset Management Sdn Bhd for Majlis Agama Islam Negeri Sembilan	1,000,000	0.51

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
19.	Yayasan Islam Perlis	1,000,000	0.51
20.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd for Employees Provident Fund	919,900	0.47
21.	Universal Trustee (Malaysia) Berhad CIMB Islamic Small Cap Fund	792,100	0.40
22.	Amanah Raya Nominees (Tempatan) Sdn Bhd Affin Islamic Equity Fund	765,100	0.39
23.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Maakl Al-Faid	745,000	0.38
24.	Amanah Raya Nominees (Tempatan) Sdn Bhd Sekim Amanah Saham Nasional	717,200	0.37
25.	CIMB Aviva Assurance Berhad As Beneficial Owner	630,800	0.32
26.	CIMB Trustee Berhad Amanah Saham Darul Iman	618,800	0.32
27.	RHB Nominees (Tempatan) Sdn Bhd RHB Investment Management Sdn Bhd for Kumpulan Wang Simpanan Pekerja	616,400	0.31
28.	Majlis Agama Islam Melaka	500,000	0.25
29.	See Hong Cheen @ See Hong Chen	487,000	0.25
30.	Amanah Raya Nominees (Tempatan) Sdn Bhd ASM Premier Fund	475,500"	0.24
	TOTAL	160,451,156	81.82

PLANTATIONS LOCATION MAP









PROPERTIES OWNED BY THE GROUP

PROPERTIES OWNED BY THE GROUP

The details of the properties of our Group as at 31 december 2007 are as follows:

Registered Owner/ Lessee	Estate	Title/ Location	Approximate Age of Building (Years)	Tenure/ Expiry of Lease
THP ¹	LKB	Lot No. PT 306– Mukim of Keratong, District of Rompin, Pahang	N/a	99 years leasehold expiring on 03.02.2073
THP ¹	LKB	Lot No. PT 288– Mukim of Keratong, District of Rompin, Pahang	N/a	99 years leasehold expiring on 29.09.2071
THP ¹	LKB	Lot No. PT 289– Mukim of Keratong, District of Rompin, Pahang	N/a	99 years leasehold expiring on 29.09.2071
THP ¹	KSKB	Part of Lot No. PT 289– Mukim of Keratong, District of Rompin, Pahang	14-30	99 years leasehold expiring on 29.09.2071
THP ¹	Ladang Sungai Mengah	Lot No. PT 452– Mukim of Keratong, District of Rompin, Pahang	N/a	99 years leasehold expiring on 13.07.2093
THP ¹	Ladang Sungai Mengah	Lot No. PT 305– Mukim of Keratong, District of Rompin, Pahang	N/a	99 years leasehold expiring on 03.02.2073
THP ¹	Ladang Sungai Mengah	Lot No. PT 2549– Mukim of Keratong, District of Rompin, Pahang	N/a	99 years leasehold expiring on 20.08.2090
THP ²	Ladang Sungai Merchong	Lot No. PT 3031 – Mukim of Keratong, District of Rompin, Pahang	N/a	99 years leasehold expiring on 19.06.2085
THP ²	Ladang Sungai Buan	Lot No. PT 2297 – Mukim of Keratong, District of Rompin, Pahang	N/a	99 years leasehold expiring on 09.07.2093
THP ²	Ladang Ulu Chukai	Lot No. 2413 – Mukim of Hulu Cukai, District of Kemaman, Terengganu	N/a	60 years leasehold expiring on 10.11.2051
THP ²	Ladang Ulu Chukai	Lot No. 2414 – Mukim of Hulu Cukai, District of Kemaman, Terengganu	N/a	60 years leasehold expiring on 10.11.2051

PROPERTIES OWNED BY THE GROUP

Description/ Existing Use	Land Area (Ha)	Endorsements/ Encumbrances	Date Of Aquisition	Net Book Value As at 31 December 2007 RM
Oil palm plantation	980.80	Nil	4 February 1974	9,301,077
Oil palm plantation	182.70	Nil	30 September 1972	
Oil palm plantation	694.54	Nil		
Palm Oil Mill~	9.804^	Nil		8,861,298
Oil palm plantation	877.00	Nil	14 July 1994	9,633,970
Oil palm plantation	987.95	Nil	4 February 1974	
Oil palm plantation	198.30	Nil	21 August 1991	
Oil palm plantation	1,720.00	Nil	20 June 1986	1,433,021
Oil palm plantation	1,388.90	Nil	10 July 1994	2,261,403
Oil palm plantation	588.89	Nil	11 November 1991	821,885
Oil palm plantation	314.00	Nil		

PROPERTIES OWNED BY THE GROUP

The details of the properties of our Group as at 31 december 2007 are as follows (continued)

Registered Owner/ Lessee	Estate	Title/ Location	Approximate Age of Building (Years)	Tenure/ Expiry of Lease
THP ²	Ladang Gunung Sumalayang	Lot No. PTD 4743 – Mukim of Rengam, District of Kluang, Johor	N/a	99 years leasehold expiring on 26.10.2091
THP ²	Ladang Gunung Sumalayang	Lot No. PTD 4744 – Mukim of Rengam, District of Kluang, Johor	N/a	99 years leasehold expiring on 26.10.2091
THP ²	Ladang Gunung Sumalayang	Lot No. PTD 4745 – Mukim of Rengam, District of Kluang, Johor	N/a	99 years leasehold expiring on 26.10.2091
THP ²	Ladang Gunung Sumalayang	Lot No. PTD 4746 – Mukim of Rengam, District of Kluang, Johor	N/a	99 years leasehold expiring on 26.10.2091
THP ²	Ladang Gunung Sumalayang / Bkt. Lawiang	Part of Lot No. PTD 4747 – Mukim of Rengam, District of Kluang, Johor	N/a	99 years leasehold expiring on 26.10.2091
THP ²	Ladang Gunung Sumalayang / Bkt. Lawiang	Part of Lot No. PTD 4748 – Mukim of Rengam, District of Kluang, Johor	N/a	99 years leasehold expiring on 26.10.2091
THP ²	Ladang Gunung Sumalayang / Bkt. Lawiang	Part of Lot No. PTD 4749 – Mukim of Rengam, District of Kluang, Johor	N/a	99 years leasehold expiring on 26.10.2091
THP ²	Ladang Bukit Lawiang	Lot No. PTD 4750 – Mukim of Rengam, District of Kluang, Johor	N/a	99 years leasehold expiring on 26.10.2091
THP ²	Ladang Bukit Lawiang	Lot No. PTD 4751 – Mukim of Rengam, District of Kluang, Johor	N/a	99 years leasehold expiring on 26.10.2091
THP ²	Ladang Bukit Lawiang	Lot No. PTD 4752 – Mukim of Rengam, District of Kluang, Johor	N/a	99 years leasehold expiring on 26.10.2091
THP ²	KSBL	Part of Lot No. PTD 4747 – Mukim of Rengam, District of Kluang, Johor	12-16	99 years leasehold expiring on 26.10.2091

PROPERTIES OWNED BY THE GROUP

Description/ Existing Use	Land Area (Ha)	Endorsements/ Encumbrances	Date Of Aquisition	Net Book Value As at 31 December 2007 RM
Oil palm plantation	165.20	Nil	27 Oktober 1992	6,474,232
Oil palm plantation	136.90	Nil		
Oil palm plantation	570.41	Nil		
Oil palm plantation	1,033.02	Nil		
Oil palm plantation	330.494	Nil		
Oil palm plantation	163.00	Nil		
Oil palm plantation	139.00	Nil		
Oil palm plantation	506.31	Nil		
Oil palm plantation	925.02	Nil		
Oil palm plantation	86.07	Nil		
Palm Oil Mill~	10.00^	Nil		

PROPERTIES OWNED BY THE GROUP

The details of the properties of our Group as at 31 december 2007 are as follows (continued)

Registered Owner/ Lessee	Estate	Title/ Location	Approximate Age of Building (Years)	Tenure/ Expiry of Lease
LBU	Ladang Pasir Besar	Lot No. PT 3918 – Mukim of Gemas, District of Tampin, Negeri Sembilan	N/a	99 years leasehold expiring on 14.10.2091
LBU	Ladang Pasir Besar	Lot No. PT 3919 – Mukim of Gemas, District of Tampin, Negeri Sembilan	N/a	99 years leasehold expiring on 14.10.2091
LBU	Ladang Londah	Lot No. PT 2400 – Mukim of Gemas, District of Tampin, Negeri Sembilan	N/a	99 years leasehold expiring on 19.09.2088
LBU	Ladang Londah	Lot No. PT 4080 – Mukim of Gemas, District of Tampin, Negeri Sembilan	N/a	99 years leasehold expiring on 07.08.2093
LBU	Ladang Londah	Lot No. PT 3479 – Mukim of Gemas, District of Tampin, Negeri Sembilan	N/a	99 years leasehold expiring on 25.04.2090
LBU	Ladang Londah	Lot No. PT 3480 – Mukim of Gemas, District of Tampin, Negeri Sembilan	N/a	99 years leasehold expiring on 25.04.2090
LBU	Ladang Bukit Rokan	Lot No. PT 3965 – Mukim of Gemas, District of Tampin, Negeri Sembilan	N/a	99 years leasehold expiring on 30.03.2092
LBU	Ladang Bukit Rokan	Lot No. PT 4231 – Mukim of Gemencheh, District of Tampin, Negeri Sembilan	N/a	99 years leasehold expiring on 09.11.2090
LBU	KSPB	Part of Lot No. PT 3919 – Mukim of Gemas, District of Tampin, Negeri Sembilan	1	99 years leasehold expiring on 14.10.2091

PROPERTIES OWNED BY THE GROUP

Description/ Existing Use	Land Area (Ha)	Endorsements/ Encumbrances	Date Of Aquisition	Net Book Value As at 31 December 2007 RM
Oil palm plantation	59.44	This land is under a Malay Reservation area	15 October 1992	10,800,374
Oil palm plantation	726.24	Nil	14 October 1992	
Oil palm plantation	926.69	Nil	19 September 1989	
Oil palm plantation	20.61	Nil	8 August 1994	
Oil palm plantation	3.48	Nil	26 April 1991	
Oil palm plantation	85.34	Nil	26 April 1991	
Oil palm plantation	325.02	Nil	30 March 1993	6,530,789
Oil palm plantation	652.48	Nil	9 November 1991	
Palm Oil Mill~	5.00^	Nil		8,453,904

PROPERTIES OWNED BY THE GROUP

The details of the properties of our Group as at 31 december 2007 are as follows (continued)

Registered Owner/ Lessee	Estate	Title/ Location	Approximate Age of Building (Years)	Tenure/ Expiry of Lease
THPE3	Ladang Sungai Ibok	Lot No. PT 345 (P) – Mukim of Hulu Cukai, District of Kemaman, Terengganu	N/a	60 years leasehold expiring on 19.10.2042
THPE3	Ladang Sungai Ibok	Lot No. PT 342 (P) – Mukim of Hulu Cukai, District of Kemaman, Terengganu	N/a	60 years leasehold expiring on 19.10.2042
THPE3	Ladang Sungai Ibok	Lot No. PT 341 (P) – Mukim of Hulu Cukai, District of Kemaman, Terengganu	N/a	60 years leasehold expiring on 19.10.2042
THPE3	Ladang Sungai Ibok	Lot No. PT 369 (P) – Mukim of Hulu Cukai, District of Kemaman, Terengganu	N/a	60 years leasehold expiring on 16.06.2052
YT5	Ladang THP-YT	Lot No. PT 3489 – Mukim of Merang District of Setiu, Terengganu	N/a	60 years leasehold expiring on 22.12.2064
YT5	Ladang THP-YT	Lot No. PT 9792 – Mukim of Caluk District of Setiu, Terengganu	N/a	60 years leasehold expiring on 22.12.2064
YT5	Ladang THP-YT	Lot No. PT 9793 – Mukim of Caluk District of Setiu, Terengganu	N/a	60 years leasehold expiring on 22.12.2064
KRSB6	Ladang Kenyalang Ladang Raja Udang	Lot No. 1 Block 3 – Sablur Land District, Sri Aman Division, Sarawak	N/a	60 years leasehold expiring on 19.03.2060
KRSB6	Ladang Enggang	Lot No. 3 Block 16 – Awik-Krian Land District, Sri Aman Division, Sarawak	N/a	60 years leasehold expiring on 19.03.2060
KRSB6	Ladang Enggang (partly) Ladang Merbok (partly)	Lot No. 410 Block 18 – Awik-Krian Land District, Sri Aman Division, Sarawak	N/a	60 years leasehold expiring on 19.03.2060
KRSB6	Ladang Merbok(partly)	Lot No. 121 Block 19 – Kalaka Land District, Sri Aman Division, Sarawak	N/a	60 years leasehold expiring on 19.03.2060

Notes:

Registered under the ownership of Lembaga Tabung Haji.

Registered under the ownership of Perbadanan Ladang-Ladang Tabung Haji Sdn Bhd (the former name of TH Plantations Berhad).

Registered under the ownership of Syarikat Peladang LUTH Sdn Bhd (the former name of TH Peladang Sdn Bhd).

Mill sites are part of the respective sites.

Registered under the ownership of Lembaga Pemegang Amanah Yayasan Terengganu..

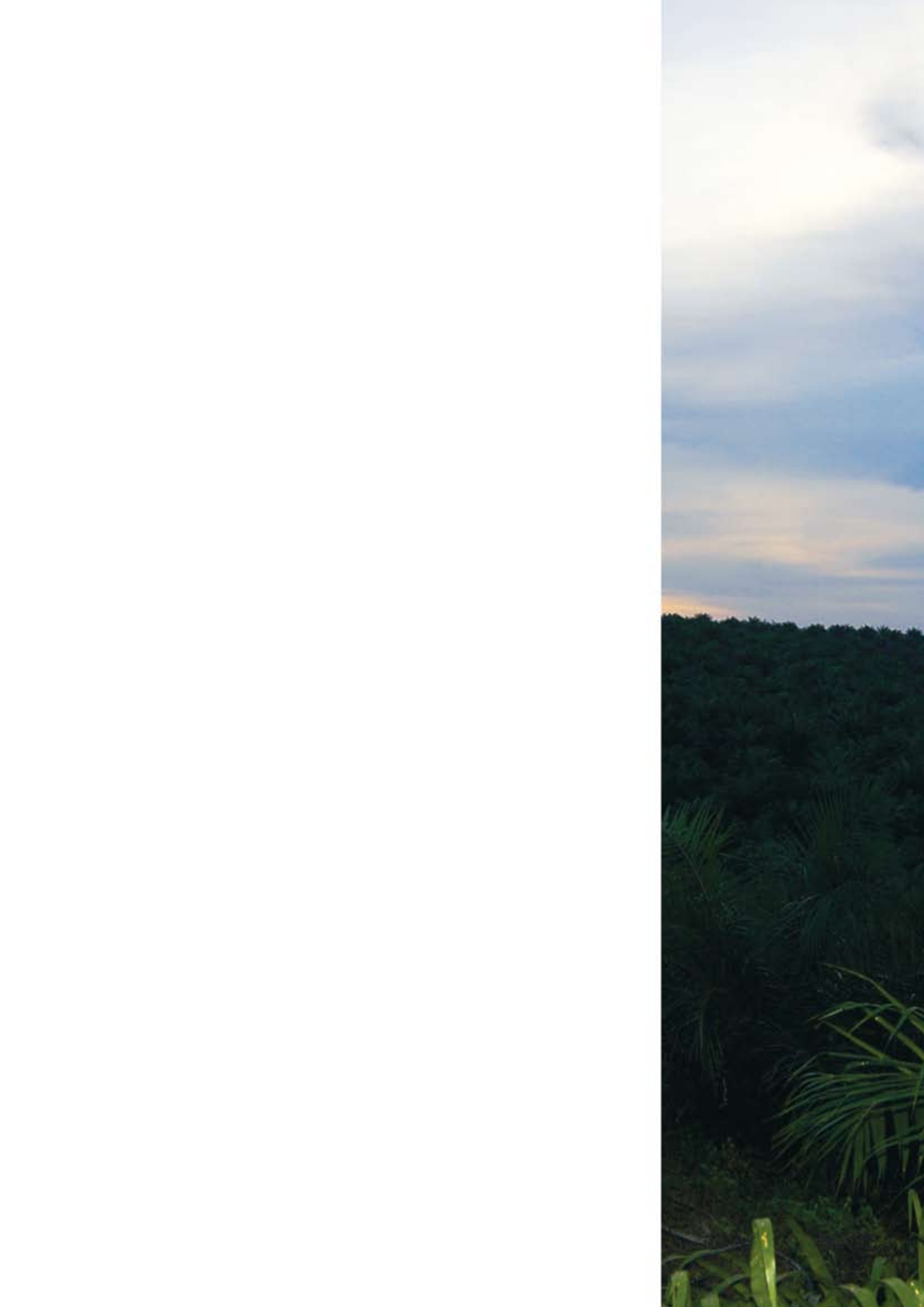
Registered under the ownership of Kenyalang Resources Sdn Bhd.

^ The built-up area of KSKB, KSBL and KSPB are 29,400 square metres, 30,000 square metres and 15,000 square metres respectively.

~ The production capacity of KSKB, KSBL and KSPB are 30 MT/Hr, 40 MT/Hr and 10 MT/Hr respectively.

PROPERTIES OWNED BY THE GROUP

Description/ Existing Use	Land Area (Ha)	Endorsements/ Encumbrances	Date Of Aquisition	Net Book Value As at 31 December 2007 RM
Oil palm plantation	132.66	Nil	17 June 1992	2,245,683
Oil palm plantation	299.61	Nil	20 October 1982	
Oil palm plantation	433.37	Nil	17 June 1992	
Oil palm plantation	72.13	Nil		
Oil palm plantation	1,837.68	Nil	23 December 2004	126,723
Oil palm plantation	652.4	Nil	23 December 2004	
Oil palm plantation	103.68	Nil	23 December 2004	
Oil palm plantation	5,000.0	Nil	20 March 2000	10,239,802
Oil palm plantation	1,270.0	Charge to Bank Pertanian Malaysia Berhad	20 March 2000	
Oil palm plantation	2,600.0	Charge to Bank Pertanian Malaysia Berhad	20 March 2000	
Oil palm plantation	1,520.0	Charge to Bank Pertanian Malaysia Berhad	20 March 2000	





CORPORATE DIRECTORY

TH PLANTATIONS BERHAD

- 1. Ladang Kota Bahagia**
Peti Surat 19
26700 Muadzam Shah
Pahang
Tel : 09 – 4524826 Fax : 09 – 4524821
Pengurus : Abdul Wahab b. Rashid
- 2. Ladang Sungai Mengah**
Peti Surat 21
26700 Muadzam Shah
Pahang
Tel : 09 – 4524979 Fax : 09 – 4524979
Pengurus : Asmadi b. Jani
- 3. Ladang Sungai Buan**
Peti Surat 18
26700 Muadzam Shah
Pahang
Tel : 09 – 4524996 Fax : 09 – 4524995
Pengurus : Tuah b. Nawari
- 4. Ladang Sungai Merchong**
Peti Surat 4
26700 Muadzam Shah
Pahang
Tel : 09 – 4530807 Fax : 09 – 4530804
Pengurus : Mohd Maznan b. Aris
- 5. Ladang Bukit Lawiang**
Karung Berkunci 522
86009 Kluang
Johor
Tel : 07 – 7863063 Fax : 07 – 7864271
Pengurus : Mukhtar b Yusof
- 6. Ladang Gunung Sumalayang**
Karung Berkunci 535
86009 Kluang
Johor
Tel : 07 – 7863444 Fax : 07 – 7864606
Pengurus : Ghazali b Limat
- 7. Ladang Sungai Ibok/ Ladang Ulu Chukai**
Peti Surat 2
24107 Kijal, Kemaman
Terengganu
Tel : 09 – 8676543 Fax : 09 – 8676336
Pengurus : Faizal b Zulkifli
- 8. Ladang Londah/ Ladang Pasir Besar**
Peti Surat 28
73400 Gemas
Negeri Sembilan
Tel : 07 – 9484701 Fax : 07 – 9484700
Pengurus : Hamidun b Hamzah
- 9. Ladang Bukit Rokan**
Peti Surat 28
73400 Gemas
Negeri Sembilan
Tel : 019 – 2397479 Fax : 019 – 2647610
Pengurus : Muhamad Sakri b Idris
- 10. Kilang Sawit Kota Bahagia**
Peti Surat 20
26700 Muadzam Shah
Pahang
Tel : 09 – 4524936 Fax : 09 – 4524828
Pengurus : Adnan b Ariffin
- 11. Kilang Sawit Bukit Lawiang**
Peti Surat 114
86007 Kluang
Johor
Tel : 07 – 7864540 Fax : 07 – 7864540
Pengurus : Abd Samad b Shafie
- 12. Kilang Sawit Ladang Pasir Besar**
Peti Surat 30
73400 Gemas
Negeri Sembilan
Tel : 019 – 2677 479 Fax : 019 – 2647479
Pengurus : Kamaruddin b Salleh
- 13. Ladang THP -YT**
205 Kampung Pengkalan Atap
Batu Rakit
21020 Kuala Terengganu
Terengganu
Tel : 09 – 6693260 Fax : 09 – 6693254
Pengurus : Mohamad Zuzari b Abd Aziz
- 14. Ladang Kenyalang**
8 Jalan Feeder Pusa
Ground Floor, New Shophouse
Pusa Bazaar
94950 Pusa
Sarawak
Tel : 083 – 466773 Fax : 083 – 465081
Pengurus : Mohammad Shukri b. Othman
- 15. Ladang Raja Udang**
8 Jalan Feeder Pusa
Ground Floor, New Shophouse
Pusa Bazaar
94950 Pusa
Sarawak
Tel : 083 – 466361 Fax : 083 – 465081
Pengurus : Rozali b. Md. Desa
- 16. Ladang Enggang**
8 Jalan Feeder Pusa
Ground Floor, New Shophouse
Pusa Bazaar
94950 Pusa
Sarawak
Tel : 083 – 466361 Fax : 083 – 465081
Pengurus : Merzuki b Draup

TH PLANTATIONS BERHAD

(Company No. 12696-M)
(Incorporated in Malaysia)

Number of Shares Held	
-----------------------	--

Thirty-Fourth Annual General Meeting Form of Proxy

I/We, _____ of _____
being a member of TH Plantations Berhad hereby appoint _____
of _____ or failing him/her _____
of _____ or

failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Thirty-Fourth Annual General Meeting of the Company to be held at Pacific Ballroom, Level 2, Best Western Premier Seri Pacific Kuala Lumpur (Formerly known as Pan Pacific Hotel, Kuala Lumpur) Jalan Putra, 50746 Kuala Lumpur on Tuesday, 13 May 2008 at 10.00 a.m. and at any adjournment thereof.

My/our proxy(ies) is/are to vote as indicated below :-

RESOLUTION NO.	ORDINARY BUSINESS	FOR	AGAINST
Ordinary Resolution 1	To receive the Audited Financial Statements and Directors' and Auditors' Reports		
Ordinary Resolution 2	To approve a first and final dividend of 21.1 sen per share less tax at 26%		
Ordinary Resolution 3	To approve the increase in Directors' fees		
Ordinary Resolution 4	To re-elect Datuk Azizan Bin Abd Rahman as Director		
Ordinary Resolution 5	To re-elect Dato' Haji Wan Zakaria Bin Abd Rahman as Director		
Ordinary Resolution 6	To re-elect Syed Hood Bin Syed Edros as Director		
Ordinary Resolution 7	To re-appoint Messrs KPMG Desa Megat & Co. as the Company's Auditors		
	SPECIAL BUSINESS		
Ordinary Resolution 8	To authorise the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 9	To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

(Please indicate with a "✓" how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.)

Dated this _____
(Signature/Common Seal of Shareholder)

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy/proxies to attend and vote on his/her behalf. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. A member is entitled to appoint not more than two (2) proxies to attend and vote at the Meeting. Where a member appoints two (2) proxies, the appointment shall not be valid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. Each proxy appointed, shall represent a minimum of one hundred (100) shares.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if such appointer is a corporation, either under its Common Seal or the hand of its attorney.
4. The instrument appointing a proxy must be deposited at the Company's registered office at Tingkat 26, Bangunan TH Selborn, 153, Jalan Tun Razak, 50400 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the Meeting or adjourned meeting.



THE COMPANY SECRETARY
TH PLANTATIONS BERHAD
TINGKAT 26 BANGUNAN TH SELBORN,
153 JALAN TUN RAZAK
54000 KUALA LUMPUR MALAYSIA

URL : [www • thplantations • com • my](http://www.thplantations.com.my)

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NOTICE OF ANNUAL GENERAL MEETING

TH PLANTATIONS BERHAD

(Company No. 12696-M)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the Thirty-Fourth Annual General Meeting of the Company will be held at Pacific Ballroom, Level 2, Best Western Premier Seri Pacific Kuala Lumpur (Formerly known as Pan Pacific Hotel, Kuala Lumpur) Jalan Putra, 50746 Kuala Lumpur on Tuesday, 13 May 2008 at 10.00 a.m. for the following purposes :-

AGENDA

As Ordinary Business

- | | |
|--|---------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2007 and the Reports of Directors and Auditors thereon. | <i>Resolution 1</i> |
| 2. To declare a first and final dividend of 21.1 sen per share less tax at 26% for the financial year ended 31 December 2007. | <i>Resolution 2</i> |
| 3. To approve the increase in Directors' fees for the financial year ended 31 December 2007. | <i>Resolution 3</i> |
| 4. To re-elect the following Directors retiring pursuant to Article 84 of the Company's Articles of Association:- | |
| a) Datuk Azizan Bin Abd Rahman | <i>Resolution 4</i> |
| b) Dato' Haji Wan Zakaria Bin Abd Rahman | <i>Resolution 5</i> |
| c) Syed Hood Bin Syed Edros | <i>Resolution 6</i> |
| 5. To re-appoint Messrs KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Board of Directors to fix their remuneration for the ensuing year. | <i>Resolution 7</i> |

As Special Business

To consider and if thought fit, to pass with or without modifications, the following resolutions:-

- | | |
|--|---------------------|
| 6. Ordinary Resolution | |
| • Authority for Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965 | <i>Resolution 8</i> |
| <p>"THAT pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being, and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."</p> | |
| 7. Ordinary Resolution | |
| • Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature | <i>Resolution 9</i> |
| <p>"THAT subject always to the Listing Requirements of the Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.4.1 of the Circular to Shareholders ("Circular") dated 21 April 2008 provided that such transactions are undertaken in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interests of the minority share holders of the Company.</p> | |

THAT approval be and is hereby given to the Company and/or its subsidiaries to enter into additional recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.4.2 of the Circular dated 21 April 2008.

THAT the mandate granted shall continue to be in force until :

- a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
- b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- c) revoked or varied by a resolution passed by the Company's shareholders in a general meeting whichever is the earliest.

AND THAT the Directors of the Company be and are hereby authorised to take all steps and to do all such acts and deeds as they may consider expedient or necessary to give effect to the mandate."

Any Other Business

8. To transact any other business for which due notice shall have been given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

Notice Of Dividend Entitlement And Payment Date

NOTICE IS HEREBY GIVEN THAT the First and Final Dividend of 21.1 sen per share less tax at 26% in respect of the financial year ended 31 December 2007 if approved by the shareholders at the Thirty-Fourth Annual General Meeting, will be paid on 27 May 2008 to Depositors whose names appear in the Records of Depositors at the close of business on 16 May 2008.

A Depositors shall qualify for entitlement to the dividend only in respect of :-

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 16 May 2008 in respect of ordinary transfers; and
- (b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By order of the Board

ALIATUN BINTI MAHMUD (LS 0008841)

Company Secretary

Kuala Lumpur

Date : 21 April 2008

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy/proxies to

NOTICE OF ANNUAL GENERAL MEETING

attend and vote on his/her behalf. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. A member is entitled to appoint not more than two (2) proxies to attend and vote at the Meeting. Where a member appoints two (2) proxies, the appointment shall not be valid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. Each proxy appointed, shall represent a minimum of one hundred (100) shares.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if such appointer is a corporation, either under its Common Seal or the hand of its attorney.
4. The instrument appointing a proxy must be deposited at the Company's registered office at Tingkat 26, Bangunan TH Selborn, 153, Jalan Tun Razak, 50400 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the Meeting or adjourned meeting.
5. Explanatory notes on Special Business:-

(a) Ordinary Resolution 8

Authority for Directors to Allot Shares

To avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is proposed that the Directors be empowered to issue and allot shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

(b) Ordinary Resolution 9

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature ("the Proposed Mandates")

For further information on the Proposed Mandates, shareholders are advised to refer to the Circular to Shareholders dated 21 April 2008 which was circulated with the Annual Report 2007.

STATEMENT ACCOMPANYING NOTICE OF THIRTY-FOURTH ANNUAL GENERAL MEETING

1. The profiles of the Directors who are standing for re-election are set out on pages 32 and 39 of the Annual Report.
2. The details of the Directors' shareholdings in the Company are set out on pages 70 of the Annual Report.
3. None of the Company's Directors hold any interests in the Company's subsidiaries.





CHAIRMAN'S STATEMENT

Tan Sri Datuk Dr. Yusof bin Basiran



Assalammualaikum Warahmatullah hi Wabarakatuh

On behalf of the Board of Directors of TH Plantations Berhad ("THPB"), it is my pleasure to present the Annual Report incorporating the Audited Financial Statements of the Company and its subsidiaries ("Group") for the year ended 31 December 2007.

Financial Performance

For the financial year ended 31 December 2007, I am proud to announce that the Group posted a profit after tax of RM61.2 million from revenue of RM175.6 million as compared to a profit after tax of RM35.7 million from revenue of RM120.7 million the previous year. Corresponding to the higher profits, the earnings per share increased to 31.55 sen as compared with 18.19 sen in year 2006.

This significant improvement of Group's revenue by 45% was largely due to higher selling price of crude palm oil ("CPO") and palm kernel ("PK") which averaged at RM2,387 per metric tones ("MT") and RM1,422 per MT respectively in year 2007. (2006: CPO price of RM1,502 per MT and PK price of RM896 per MT).

Bagi pihak Jemaah Lembaga Pengarah TH Plantations Berhad ("THPB"), saya dengan berbesar hati membentangkan Laporan Tahunan ini yang menggabungkan Penyata Kewangan Beraudit bagi Syarikat dan Anak-anak Syarikatnya ("Kumpulan") bagi tahun berakhir 31 Disember 2007.

Prestasi Kewangan

Bagi tahun kewangan yang berakhir pada 31 Disember 2007, saya dengan sukacitanya memaklumkan bahawa Kumpulan THPB telah mencapai keuntungan selepas cukai sebanyak RM61.2 juta daripada pendapatan sebanyak RM175.6 juta berbanding dengan keuntungan selepas cukai sebanyak RM35.7 juta daripada pendapatan sebanyak RM120.7 juta pada tahun sebelumnya. Berikutan itu, Perolehan Sesaham (EPS) telah meningkat kepada 31.55 sen berbanding dengan 18.19 sen pada tahun 2006.

Faktor utama kenaikan ketara pendapatan Kumpulan THPB sebanyak 45% adalah disebabkan oleh kenaikan harga jualan minyak sawit mentah ("CPO") dan isirung sawit ("PK") yang dicapai iaitu pada purata masing-masing mencecah RM2,387 dan RM1,422 bagi setiap tan metrik ("MT") dalam tahun 2007. (2006: Harga CPO ialah RM1,502 bagi setiap MT dan PK pada harga RM896 bagi setiap MT).



Dividend

In great appreciation for the continuing support by all our shareholders and in line with the Group's dividend policy to distribute dividend of approximately 50% of the Group's annual profit after tax and minority interests (PATAMI), the Board of THPB has recommended for shareholders' approval, a first and final dividend of 21.10 sen per share less 26% tax for the financial year ended 31 December 2007. (2006: 12.50 sen per share less 27% tax).

Operation Review

In 2007, the Group's total plantation land bank is 28,730 hectares ("Ha") of which 17,931 Ha has been fully planted with palms and approximately 81% is in the matured stage. The estates are sited in Pahang, Johor, Negeri Sembilan, Terengganu and Sarawak.

Dividen

Sebagai tanda terima kasih di atas sokongan berterusan dari kesemua pemegang saham dan sejajar dengan polisi dividen Kumpulan THPB untuk mengagihkan dividen pada kadar lebih kurang 50% dari keuntungan selepas cukai dan kepentingan minoriti Kumpulan THPB, Jemaah Lembaga Pengarah telah mengusulkan untuk kelulusan pemegang saham, pengisytiharan dividen pertama dan terakhir sebanyak 21.10 sen setiap saham ditolak cukai sebanyak 26% bagi tahun kewangan berakhir 31 Disember 2007. (2006: 12.50 sen setiap saham ditolak cukai sebanyak 27%).

Ulasan Operasi

Dalam tahun 2007, Kumpulan THPB memiliki tanah perladangan seluas 28,730 hektar ("Ha") di mana 17,931 Ha telah ditanami sepenuhnya dengan tanaman kelapa sawit dengan anggaran 81% daripadanya pada tahap matang. Ladang-ladang tersebut terletak di Pahang, Johor, Negeri Sembilan, Terengganu dan Sarawak.

For the year under review, the Group's production of fresh fruit bunches ("FFB") decreased by 11.1% to 287,136 MT compared with 321,233 MT in 2006. The shortfall was largely contributed by the latent effect of prolonged drought in early 2005 resulting in moisture stress effects on oil palm yields, floods and also the cyclical down trend similarly experienced nationwide.

The Group's three (3) wholly-owned mills located in Johor, Pahang and Negeri Sembilan have a combined FFB processing capacity of 419,000 MT per annum. In 2007, approximately 289,890 MT of FFB were processed from the Group's own plantations and external crop purchases, with a total CPO and PK production of 58,419 MT and 16,337 MT respectively.

The Group is continuously challenged in countering issues pertaining to the escalating costs of production particularly due to rising cost of fertilizers and transportation by embracing best agriculture and milling practices. Among the key initiatives undertaken are the improvement in manuring techniques which enhances the agronomic efficiency and reduces the volume of fertilizers, water management techniques in large scale peat development for optimum growth and production of palms whilst

Bagi tahun dalam ulasan, hasil pengeluaran buah tandan segar ("FFB") telah berkurangan sebanyak 11.1% kepada 287,136 tan metrik berbanding 321,233 tan metrik dalam tahun 2006. Faktor utama kekurangan ini ialah kesan sampingan dari kemarau panjang pada awal 2005 yang mengakibatkan kesan tekanan kelembapan ke atas hasil kelapa sawit, banjir dan juga trend penurunan yang turut dialami oleh keseluruhan industri sawit.

Kumpulan THPB mempunyai tiga (3) buah kilang kelapa sawit di Johor, Pahang dan Negeri Sembilan dengan jumlah kapasiti pemprosesan FFB sebanyak 419,000 MT setahun. Dalam tahun 2007, dianggarkan 289,890 MT FFB telah diproses (daripada FFB yang ditanam sendiri dan juga pembelian luar), dengan pengeluaran CPO dan PK masing-masing sebanyak 58,419 MT dan 16,337 MT.

Kumpulan THPB sentiasa menangani isu-isu berkaitan kos pengeluaran yang kian meningkat, terutamanya yang disebabkan oleh kenaikan kos baja dan pengangkutan dengan mengamalkan amalan perladangan dan pengilangan yang terbaik. Di antara inisiatif-inisiatif penting yang dilakukan ialah penambahbaikan teknik pembajaan yang memantapkan kecekapan agronomik dan mengurangkan kuantiti baja, mengemaskini teknik pengurusan tata air dalam pembangunan perladangan tanah gambut untuk pertumbuhan dan pengeluaran hasil sawit yang optimum, sekaligus mengurangkan kadar pengurangan gambut dan menganjurkan amalan kawalan



minimizing the rate of peat subsidence and advocating integrated pest management practices which ensures early detection or potential outbreaks. Alhamdulillah, I am proud to represent the Group and Team true dedication and focused support in facing these matters.

The Group has also taken a forward thinking move and step towards precision agriculture by developing THPB Management Information System which would integrate geographical information and spatial data into useful information to aid decision making. Leveraging on our experience in managing and developing a contiguous 82,000 Ha oil palm plantations on peat soil in Riau, Indonesia, a peat research station was established in Sarawak to conduct R&D for sustainability of our newly acquired 12,984 Ha of land bank.

Corporate Development Highlights

In line with the Group's objective of positioning itself as a medium size plantation company, the corporate exercises undertaken by the Group in the year under review focused on expansion of land banks.

perosak dan penyakit bersepadu agar pengesanan serangan awal dapat dilaksanakan. Alhamdulillah, dalam mengharungi cabaran ini, saya amat berbangga dapat memimpin dan mewakili suatu pasukan yang berdedikasi serta komited.

Kumpulan THPB juga telah mengambil langkah ke arah amalan pertanian jitu dengan mengembangkan Sistem Pengurusan Maklumat THPB yang menyepadukan maklumat geografi dengan data "spatial" menjadi maklumat yang berguna untuk membantu dalam proses membuat sesuatu keputusan. Berbekalkan pengalaman kami dalam pengurusan dan pembangunan kawasan perladangan kelapa sawit di atas tanah gambut seluas 82,000 Ha di Riau, Indonesia, sebuah stesen penyelidikan gambut telah didirikan di Sarawak untuk menjalankan kajian dan penyelidikan ke atas kemampuan penanaman di atas tanah seluas 12,984 Ha tanah yang baru diperolehi.

Sorotan Pembangunan Korporat

Sejajar dengan objektif Kumpulan THPB untuk memposisikan kedudukannya sebagai sebuah syarikat perladangan bersaiz sederhana, pelaksanaan pembangunan korporat yang dilaksanakan

CHAIRMAN'S STATEMENT

The corporate exercises resulted in an increase of land bank of the Group by 12,984 Ha.

- i. Acquisition of the entire equity interest in Zecon Plantation Sdn. Bhd. from Zecon Engineering Berhad comprising of two (2) Zecon Plantation Sdn. Bhd. RM1.00 Ordinary Shares for a total cash consideration of RM30.52 million on 22 March 2007, and
- ii. Entered into a 70:30 Joint Venture Agreement on 3 April 2007 with Yayasan Terengganu to jointly develop and cultivate a piece of land totalling 2,594 Ha in Terengganu over a period of 2 years.

The Group has also successfully achieved 2 of its 3 Key Performance Indicators i.e. a Return on Equity of 30% against a target of 23% and dividend distribution of 21.10 sen per share less tax at 26% (subject to the shareholders' approval). However, the Group's FFB production fell short by 11.1% to 19.9 MT per Ha from the targeted FFB yield per mature Ha of 22.3 MT per Ha.

oleh Kumpulan THPB dalam tahun yang diulas menjurus kepada penambahan keluasan tanah perladangan. Pelaksanaan pembangunan korporat ini menghasilkan penambahan keluasan tanah perladangan sebanyak 12,984 Ha.

- i. Pembelian keseluruhan kepentingan ekuiti dalam Zecon Plantation Sdn Bhd daripada Zecon Engineering Berhad yang melibatkan dua (2) Saham Biasa Zecon Plantation Sdn Bhd pada RM1.00 sesaham berjumlah RM30.52 juta pada 22 Mac 2007, dan
- ii. Perjanjian Usahasama 70:30 dengan Yayasan Terengganu pada 3 April 2007 untuk membangun dan mengusahakan tanah perladangan seluas 2,594 Ha di Terengganu dalam masa 2 tahun.

Kumpulan THPB juga telah berjaya mencapai 2 dari 3 sasaran Penunjuk Utama Prestasinya, iaitu pencapaian Pulangan Atas Ekuiti sebanyak 30% mengatasi sasaran 23% dan pembayaran dividen sebanyak 21.10 sen sesaham ditolak cukai sebanyak 26% setiap saham (tertakluk kepada kelulusan para pemegang saham). Namun begitu, pengeluaran FFB Kumpulan THPB menurun sebanyak 11.1% kepada 19.9 MT sehektar berbanding sasaran sebanyak 22.3 MT sehektar.



Growth Strategies

Recognizing the importance of business sustainability, the Group conducted a Strategy Articulation Workshop with the main objective of establishing common grounds on the Group's current state, articulating its aspirations and desired future state, identifying pertinent goals, strategies to achieve the goals and clarity in actions to be undertaken and achieved. Consequently, a 5 year strategic plan has been developed to entrench the Group's commitment in its transformation journey in achieving tangible results and attaining greater success.

The utmost fundamental of the Group's growth is aptly driven by land acquisition. The Group is continuously leveraging on its vast experiences to scout for opportunities to expand its land bank. This acquisition strategy would result in a better differentiation of age profile to achieve an optimum yield potential.



Strategi Pembangunan

Menyedari pentingnya kemampuan perniagaan, Kumpulan THPB telah menganjurkan sebuah Bengkel Penjelasan Strategi yang berhasrat untuk mengenalpasti kedudukan semasa Kumpulan THPB, menjelaskan aspirasi-aspirasinya dan halatuju kedudukan masa depan, mengenalpasti matlamat-matlamat penting, strategi untuk mencapai matlamat tersebut dan tindakan-tindakan nyata untuk dilaksanakan. Seterusnya, satu rancangan strategik 5 tahun telah dihasilkan untuk menyemai komitmen Kumpulan THPB dalam perjalanan transformasinya demi mencapai prestasi yang nyata dan kejayaan yang lebih besar.

Paksi utama pembangunan Kumpulan THPB didorong oleh peluasan kawasan tanah perladangan. Kumpulan THPB akan sentiasa menggunakan pengalamannya untuk mengintai peluang untuk menambahkan kawasan tanah perladangannya. Strategi peluasan kawasan tanah perladangan ini akan menghasilkan satu profil umur pokok yang baik bagi mencapai potensi penghasilan yang optimum.

Pada penghujung tahun ini, Kumpulan THPB telah memiliki tanah perladangan seluas 28,730 Ha dan ini merupakan 82% pencapaian dari sasaran pelan strategiknya untuk menggandakan kawasan tanah

As at end of this year, the Group has a total land bank of 28,730 Ha or achieved 82% of its strategic plan of doubling its land bank to 32,000 Ha by 2009 and is on the right path to secure the remaining 3,000 Ha.

The Company is also keen to fortify its role of providing management services as the return from this business activity is significant and would enable us to diversify our revenue base. Currently, the Company is the management agent for Lembaga Tabung Haji's oil palm operations in Malaysia, Indonesia and teak and rubber plantations in Sabah totalling approximately 129,660 Ha, contributing to RM18.7 million in year 2007 (2006: RM13.4 million).

The Group is committed to proactively manage the plantation operations in achieving best quality products. It also strives to deliver expectations of stakeholders, harness the potential of human capital and entrench its commitment towards socio-economic and environmental demands.

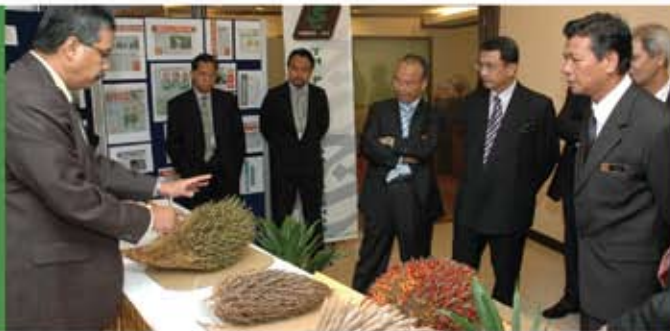
Barring unforeseen circumstances, the Board is therefore of the view that the Group would achieve another year of record earnings in 2008.

perladangannya kepada 32,000 Ha menjelang 2009. Kumpulan THPB berada di landasan yang betul untuk memperolehi baki tanah seluas 3,000 Ha bagi memenuhi matlamat pelan strategiknya.

Syarikat THPB juga cenderung untuk menguatkan peranannya dalam melaksanakan perkhidmatan pengurusan perladangan kerana pulangan dari aktiviti perniagaan ini amat baik dan akan membolehkannya mempelbagaikan sumber pendapatan. Pada masa ini, Syarikat THPB merupakan ejen pengurusan perladangan operasi kelapa sawit di Malaysia dan Indonesia dan ladang ladang jati dan getah di Sabah milik Lembaga Tabung Haji diatas tanah seluas 129,660 Ha. Sumbangan yang diperolehi dari yuran perkhidmatan pengurusan perladangan pada tahun 2007 ialah sebanyak RM18.7 juta. (2006: RM13.4 juta).

Kumpulan THPB komited untuk menguruskan operasi perladangan dan pengilangan secara proaktif untuk menghasilkan produk yang bermutu tinggi. Ia juga tekun berusaha menepati hasrat pemegang saham, mengembangkan potensi modal insan dan menanamkan komitmennya terhadap keperluan-keperluan sosio ekonomi dan persekitaran.

Jika tiada aral, Jemaah Lembaga Pengarah dengan ini berpendapat yang Kumpulan THPB akan mencatat satu lagi rekod pendapatan bagi tahun 2008.



Sustainability of "Pembangunan Ummah"

The Group, prioritizes its role as a caring Islamic entity, is continuously engaged in its commitment and dedication in Corporate Responsibility (CR) programme as it recognizes the importance of sustainability of business in an environmentally and socially responsible manner. Taking into account the impact of our operations on society and understanding the dire consequences of global warming, the tagline of "Kesesnambungan Pembangunan Ummah" portrays our commitment to environment, communities, employees and shareholders.

The Group is truly committed to the principles of sustainable development while meeting the primary business objective of economic viability by subscribing to the principles and criteria prescribed by the Roundtable on Sustainable Palm Oil.

The Group is devoted in uplifting the local's social economic standing, generating and spurring the socio economic activities within the Group's capacity in terms of giving back to the community. We have developed Bumiputera entrepreneurs and improved



Kesesnambungan Pembangunan Ummah

Sebagai sebuah entiti Islam yang penyayang, Kumpulan THPB sentiasa mengambil bahagian dalam program-program Tanggungjawab Korporat dengan komited dan berdedikasi kerana ia sedar akan pentingnya kesesnambungan perniagaan dengan mengambil berat tentang persekitaran dan tanggungjawab sosial. Dengan mengambil kira kesan operasi kami ke atas masyarakat dan memahami kesan buruk kenaikan suhu global, cogan kata "Kesesnambungan Pembangunan Ummah" melambangkan komitmen kami terhadap persekitaran, komuniti, pekerja dan para pemegang saham.

Kumpulan THPB komited terhadap teras-teras pembangunan mampan dalam mencapai hasrat untuk memenuhi objektif utama perniagaan iaitu kesesnambungan dayamaju ekonomi dengan mengamalkan prinsip dan kriteria seperti yang disyorkan oleh "Roundtable on Sustainable Palm Oil".

Kumpulan THPB tekun dalam usaha untuk menaikkan taraf sosio ekonomi penduduk tempatan serta menjana aktiviti-aktiviti sosio ekonomi di sekitar kawasan projek –projek perladangannya sebagai satu usaha dan tanggungjawabnya untuk memberi balik kepada komuniti. Kami telah membangunkan usahawan-usahawan

infrastructures within the parameter of our plantation areas. We have also supported the government initiative in providing the unemployed undergraduates a platform to gain experience and working exposure by the initiation of the "Program Pelatih Pengurusan".

As managing agent of Lembaga Tabung Haji's plantation, the Group is involved in the development of Native Customary Rights land totaling 1,500 Ha with oil palm plantation in Beladin, Sarawak. There are about 700 natives benefiting from the project and the project will create ample employment opportunities for the locals.

Our mandate to ensure equal opportunities, providing safety and fostering the wellbeing of our employees in the workplace, plays an integral part of our human capital development. We pledge to continuously build a knowledgeable and competent workforce through ongoing development and training, motivate employees' morale and provide an environment where employees are treated fairly and given opportunities and encouragement to develop maximum potential.

The Group believes that good corporate governance is a hallmark and gateway of strong business performance. Thus, we foster a

Bumiputera dan menaiktaraf prasarana di sekitar parameter kawasan perladangan kami. Kami juga telah menyokong inisiatif Kerajaan dengan menyediakan satu platform kepada siswazah menganggur untuk mendapatkan pengalaman dan pendedahan kerja dengan membangunkan Program Pelatih Pengurusan.

Sebagai ejen pengurusan ladang- ladang Lembaga Tabung Haji, Kumpulan THPB terlibat dengan pembangunan tanah "Native Customary Rights" seluas 1,500 Ha sebagai ladang kelapa sawit di Beladin, Sarawak. Lebih kurang 700 rakyat tempatan akan mendapat faedah dari projek tersebut dan projek ini juga akan dapat menghasilkan banyak peluang pekerjaan kepada penduduk tempatan.

Berbekalkan mandat untuk memastikan peluang yang sama rata, menyediakan kawasan persekitaran kerja yang selamat dan menjaga kebajikan pekerja merupakan elemen penting dalam pembangunan modal insan kami. Kami akan terus membangunkan satu pasukan tenaga kerja yang berpengetahuan dan berdaya saing menerusi pembangunan dan latihan , menaikkan semangat pekerja dan menyediakan suasana dimana pekerja dilayan dengan adil dan diberi peluang dan galakan untuk memaksimumkan potensi mereka .

Kumpulan THPB percaya pengurusan amalan korporat yang baik adalah mercu tanda prestasi perniagaan yang kukuh. Oleh itu, kami mengamalkan satu budaya pengurusan korporat dengan



sound corporate governance culture by enhancing good management practices, risk management performance, accountability, transparency and integrity in our practices and policies to maximize shareholders value on a sustainable basis.

Prospects

The global economy is expected to grow at a slower pace in 2008 due to the credit crisis gripping financial markets. But unlike past economic upswings driven by the U.S., Japan and Western Europe, the main engines of growth this time are predicted to be China, India and other emerging economies. Domestically, Malaysian economy is expected to sustain a growth rate of approximately 6% in 2008 backed by the underlying strength in public and private investments. We embrace this stability and support to further continue our vision and mission in achieving our targets accordingly.

The outlook of plantation industry in 2008 is projected to be bullish due to structural changes in global commodities supply and demand pattern. There has been a robust consumption growth for

meneguhkan amalan pengurusan baik, prestasi pengurusan risiko, kebertanggungjawaban, ketelusan dan integriti dalam amalan dan polisi kami demi memaksimumkan nilai pemegang saham dengan mampan.

Prospek Masa hadapan

Ekonomi global dijangka berkembang pada kadar yang lebih perlahan dalam tahun 2008 disebabkan oleh krisis kredit yang melanda pasaran kewangan. Namun, berbeza dengan "upswing" ekonomi masa lalu yang didorong oleh Amerika Syarikat, Jepun dan Eropah Barat, penjana perkembangan kini dijangka didorong oleh China, India dan negara-negara yang sedang membangun. Ekonomi Malaysia dijangka mengekalkan kadar pertumbuhan sekitar 6% pada tahun 2008, yang disokong oleh kekuatan dalaman pelaburan awam dan persendirian. Kestabilan dan keteguhan ini akan membantu kami dalam mencapai visi dan misi kami serta matlamat yang telah digariskan.

Industri perladangan bagi tahun 2008 dijangka akan terus berkembang disebabkan oleh perubahan struktur dalam corak bekalan dan permintaan komoditi dunia. Terdapat pertambahan permintaan yang besar dalam penggunaan tradisi minyak dan lemak untuk kegunaan

traditional uses of edible oils and fats and non-traditional uses amidst tight supply of palm oil. High energy prices and environmental concerns to reduce gas emissions are also strong factors which have led to countries seeking alternative fuel sources, thus translating to greater interest in the non-traditional uses namely biofuel. There has also been increasing demand for traditional markets resulting from population growth and awareness of the trans-fatty acid issues, along with affluence in major markets such as China and India.

Acknowledgements

On behalf of the Board, I would like to extend my sincere gratitude and appreciation to the management team and staff of THPB Group for their unwavering support, commitment, enthusiasm and teamwork during the year. I am proud to be a part of a contributing, intelligent, dedicated, showcasing the new frontier players in the agricultural sector.

I would also like to extend my gratitude and thank the shareholders, associates, government authorities, and all other stakeholders for their continued understanding, support and confidence in the Group.

makanan dan penggunaan bukan tradisi sebagai bio bahan api di sebalik bekalan minyak sawit yang agak meruncing.

Harga tenaga yang tinggi dan kebimbangan tentang persekitaran berikutan isu pemanasan global dan usaha untuk mengurangkan pengeluaran gas rumah hijau merupakan antara faktor utama yang menyebabkan negara-negara di dunia mencari sumber bahan api alternatif. Ini mengakibatkan minat yang lebih besar untuk kegunaan bukan tradisi dalam industri biodiesel. Pertambahan penduduk dan kesedaran yang meningkat mengenai isu berkaitan asid lemak trans dan juga kemewahan di pasaran utama seperti China dan India menyebabkan pasaran tradisi menunjukkan permintaan yang kian bertambah.

Penghargaan

Bagi pihak Jemaah Lembaga Pengarah, saya ingin mengambil kesempatan ini untuk merakamkan penghargaan kepada pihak pengurusan serta warga kerja Kumpulan THPB di atas sokongan mereka yang tidak berbelah bagi, komitmen, dedikasi, usaha dan semangat berpasukan yang ditunjukkan dan ini melambangkan anjakan paradigma untuk terus cemerlang dalam sektor perladangan.

Saya ingin merakamkan penghargaan dan ucapan terima kasih kepada para pemegang saham, rakan-rakan kongsi, pihak berkuasa



To the Board of Directors, my sincerest appreciation for your wise counsel and support in delivering another stellar performance. Alhamdulillah.

Insya-Allah, with the blessing and guidance from Him, we will reach the highest of growth and spread the foliage of earnings as far as He will provide for His mankind in return of our duty and tasks in answering His calling to love the soil and develop it.

kerajaan dan semua para "stakeholders" di atas persefahaman yang berterusan, sokongan dan keyakinan ke atas Kumpulan THPB.

Saya juga ingin merakamkan penghormatan serta ucapan terima kasih kepada semua Jemaah Lembaga Pengarah di atas tunjuk ajar yang bernas dan sokongan yang padu dalam sumbangan mereka ke arah kejayaan yang cemerlang. Alhamdulillah.

Insya-Allah, dengan keredhaan dan keizinanNya, saya yakin kita akan dapat mencapai kecemerlangan dan memanfaatkan limpahanNya. Semoga segala usaha yang kita curahkan dalam berbakti kepada tanah akan mendapat keberkatan dan keredhaanNya

Assalamualaikum Warahmatullahi Wabarakatuh,

Tan Sri Datuk Dr Yusof bin Basiran
Chairman / Pengerusi





CORPORATE INFORMATION

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Datuk
Dr Yusof Bin Basiran
*(Independent
Non-Executive
Chairman)*

Dato' Che Abdullah @
Rashidi Bin Che Omar
(Managing Director)

Datuk Ismee Bin Ismail
*(Non-Independent
Non-Executive
Director)*

Datuk Dr Abdul Samad
Bin Haji Alias
*(Independent
Non-Executive
Director)*

Datuk Azizan
Bin Abd Rahman
*(Independent
Non-Executive
Director)*

Dato' Haji Wan Zakaria
Bin Abd Rahman
*(Independent
Non-Executive Director)*

Md. Yusof Bin Hussin
*(Independent
Non-Executive
Director)*

Syed Hood
Bin Syed Edros
*(Independent
Non-Executive
Director)*

SECRETARY

Aliatun Binti Mahmud
(LS0008841)

AUDIT COMMITTEE

Datuk Dr Abdul Samad
Bin Haji Alias
*(Chairman/Independent
Non-Executive Director)*

Datuk Azizan
Bin Abd Rahman
*(Member/Independent
Non-Executive Director)*

Syed Hood Bin Syed Edros
*(Member/Independent
Non-Executive Director)*

AUDITORS

KPMG Desa Megat & Co
Chartered Accountants

REGISTERED OFFICE

Tingkat 26, Bangunan TH Selborn
153, Jalan Tun Razak
50400 Kuala Lumpur
Tel : 03 - 2687 6666
Fax : 03 - 26810714

SHARE REGISTRARS

Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03 - 2721 2222
Fax : 03 - 2721 2530/2531

PRINCIPAL BANKERS

Bank Islam Malaysia Berhad
CIMB Bank Berhad
Standard Chartered Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad

STOCK SHORT NAME

THPLANT (5112)

PLACE OF INCORPORATION AND DOMICILE

Malaysia





CORPORATE HIGHLIGHTS 2007

CORPORATE HIGHLIGHTS 2007



JANUARI

- 05 Januari 2007 • Pasukan Sukarelawan THPB menyumbang tenaga membantu mangsa banjir di Kluang Johor
- 29 Januari 2007 • Selain daripada bantuan fizikal, bantuan kewangan juga dihulurkan kepada mangsa-mangsa banjir di persekitaran Kompleks Kota Bahagia, Keratong, Pahang.



MAC

- 01 Mac 2007 • *Pelancaran Program Pelatih Pengurusan Kumpulan Pertama* sebagai inisiatif menyahut seruan kerajaan memberi pekerjaan dan latihan kepada lepasan graduan yang menganggur.
- 13 Mac 2007 • Latihan dan Panduan Audit diberi kepada anggota audit dalaman di THPB oleh syarikat Audit bereputasi, KPMG.



APRIL

- 13 April 2007 • Sumbangan set komputer Sekolah Menengah Kebangsaan Belitong, Kluang, Johor dalam usaha membantu anak-anak anggota THP menikmati kemudahan IT.
- 21-24 April 2007 • *'Strategies Articulation Workshop'* di Surabaya adalah usaha dalam memperkasakan halatuju syarikat dan pengkajian semula perancangan dan visi serta misi organisasi.



MEI

- 30-31 Mei 2007 • *Kursus 'Finance for Non Financial Manager'* diberi kepada anggota pengurusan THPB.
- 24 Mei 2007 • *Mesyuarat Agung Tahunan* yang ke-33 telah diadakan di Mahkota Ballroom III, Hotel Istana, Kuala Lumpur.



JUN

- 04-08 Jun 2007 • Aktiviti-aktiviti seperti '*TEAM Building*' Siri 1/2007 adalah antara program yang dijalankan dalam memantapkan modal insan di THPB.
- 26-28 Jun 2007 • Anggota juga diberi pendedahan dalam penggunaan IT seperti *Kursus 'Microsoft Excel'*.



JULAI

Pembangunan rohani juga dititikberatkan dalam program pembangunan modal insan seperti Program Kesedaran Pencetus Perkasa Diri Siri 1 & 2 / 2007.



OGOS

- 9 - 11 Ogos 2007 • Osha & First Aid
- 18 -19 Ogos 2007 • TH Group Plantation Manager's Seminar 2007 at Penang
- 31 Ogos 2007 • Hari Keluarga untuk anggota THP di Kluang, Johor.



SEPTEMBER

- 7 September 2007 • Lawatan Pertama Pengerusi TH YBhg. Tan Sri Abi Musa Asa'ari ke Ibu Pejabat THP.
- 13 September 2007 • Penyerahan Van Jenazah kepada Yayasan Al-Iman, Besut Terengganu sebagai aktiviti CSR bagi THPB.



OKTOBER

30 Oktober 2007

- JAMUAN HARI RAYA THP



DISEMBER

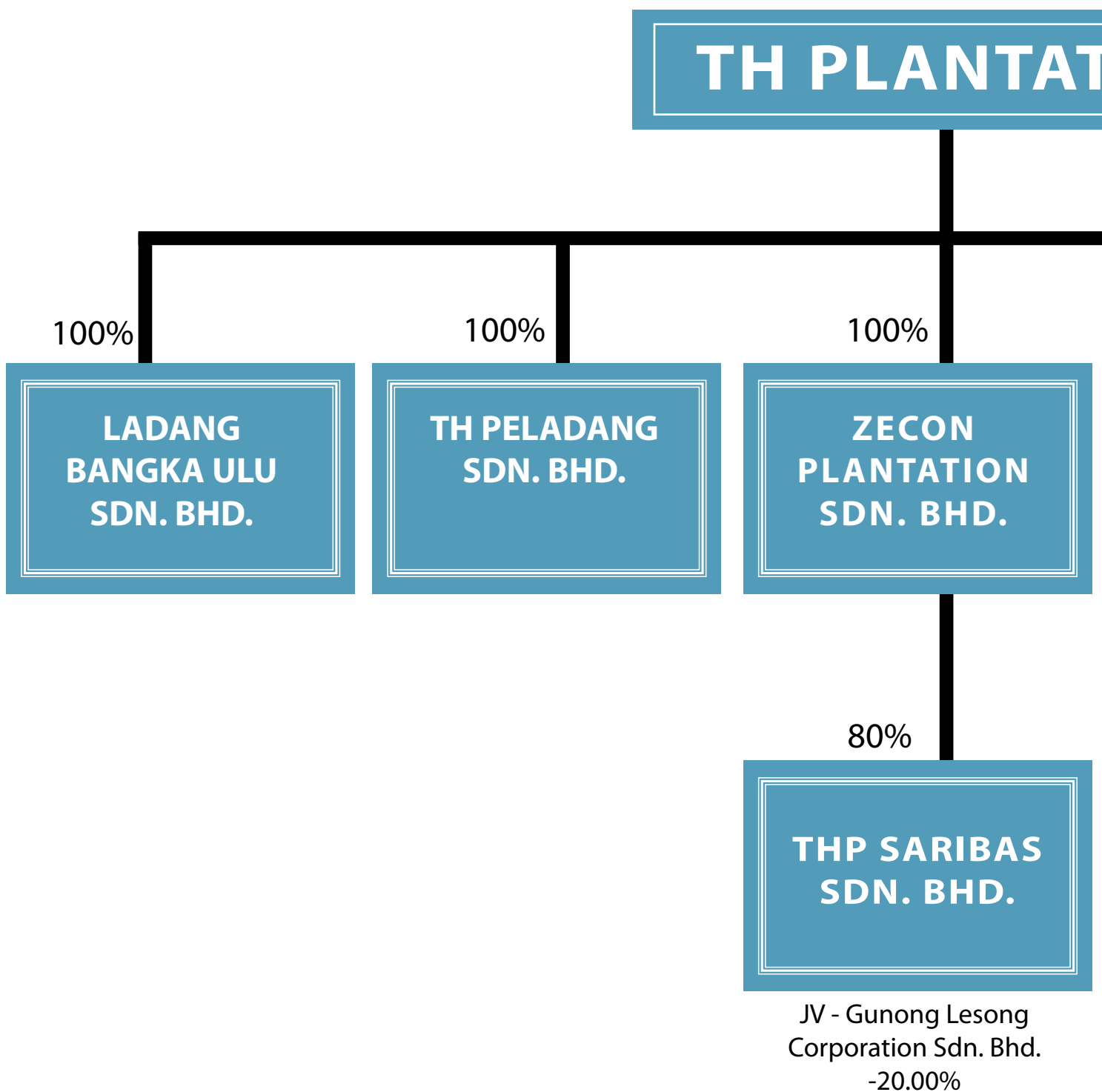
31 Disember 2007

- Majlis Penyerahan Zakat TH Plantation Berhad kepada Pusat Zakat Negeri Sembilan

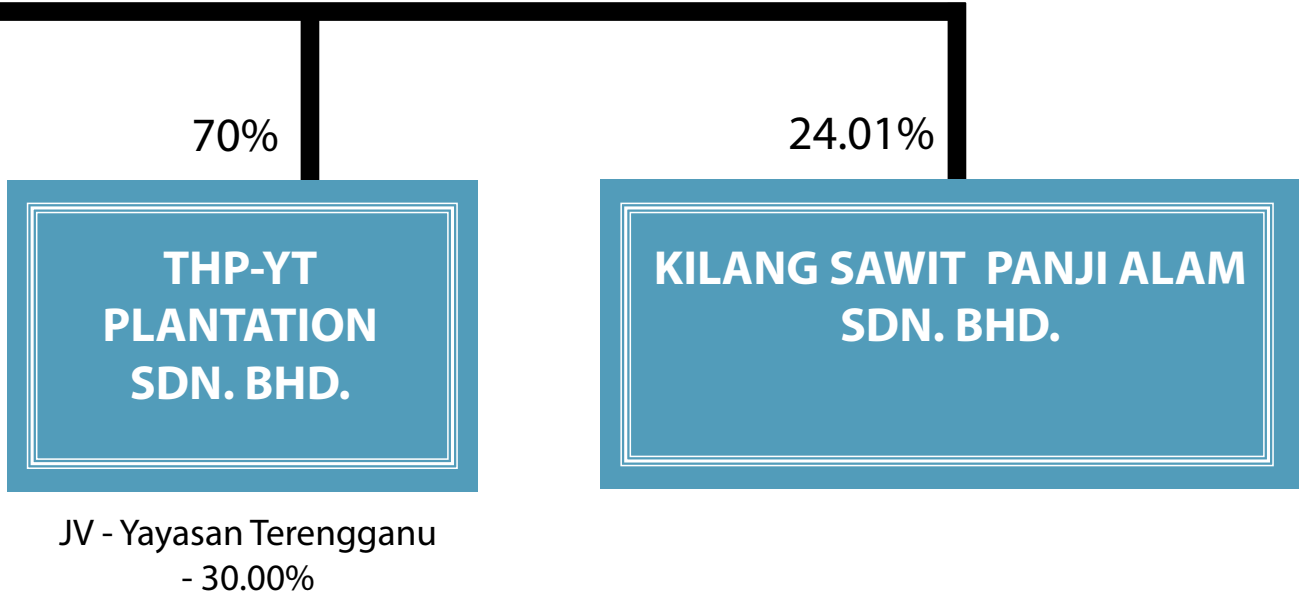


A close-up photograph of a green plant stem with several long, narrow leaves. The stem is the central focus, showing its texture and the way the leaves are attached. The lighting is bright, creating a mix of vibrant green and yellowish-green tones. The background is blurred, emphasizing the plant's structure.

CORPORATE STRUCTURE



CTIONS BERHAD



BOARD OF DIRECTORS' PROFILE





Left to right :

**Dato' Che Abdullah @ Rashidi Bin Che Omar • Md. Yusof Bin Hussin
• Datuk Azizan Bin Abd Rahman • Syed Hood Bin Syed Edros
• Dato' Haji Wan Zakaria Bin Abd Rahman**

Seated Left to right :

Datuk Ismee Bin Ismail • Datuk Dr. Abdul Samad bin Haji Idris • Tan Sri Datuk Dr. Yusof Basiran

Tan Sri Datuk Dr. Yusof Basiran
Chairman



Aged 59, Malaysian, was appointed as an Independent Non-Executive Chairman of the Company on 1 June 2005. He graduated with a Bachelor of Chemical Engineering Degree from the University of Canterbury, New Zealand in 1972. He also studied rubber technology post graduate degree (ANCRT) in the United Kingdom in 1974. He obtained his Masters Degree in Engineering specialising in Industrial Management (M.E) and also Business Administration (MBA) at the Catholic University of Leuven in Belgium in 1976. He completed his Ph.D in Applied Economics and Management Science at the University of Stirling, Scotland in 1986.

He began his career as a Rubber Technologist/Techno-Economist with the Rubber Research Institute/MRRDB and joined Palm Oil Research Institute of Malaysia (PORIM) in 1979. In 1992, he was appointed as Director-General of PORIM, a position he held for 8 years until April 2000. Thereafter, he was appointed as the Director-General of Malaysia Palm Oil Board (MPOB) from 1 May 2000 till 18 January 2006. MPOB is the result of the merger of PORIM and Palm Oil Registration and Licensing Authority (PORLA)..

Currently, he is the Chief Executive Officer of Malaysian Palm Oil Council (MPOC) and sits in the Board of FELDA Holdings Berhad and 2 of its subsidiaries. He is also a Chairman and Director of CB Industrial Product Holding Berhad (CBIPH) and TH Ladang (Sabah & Sarawak) Sdn. Bhd. He is President of Academy of Sciences Malaysia, a fellow member of Malaysian Scientific Association (MSA) and Malaysian Oil Scientists' and Technologists' Association (MOSTA).

He was a member of the National Science and Research Development Council of Malaysia and was involved in the preparation of the National Science Policy II and the National Biofuel Policy. He has received Federal Awards Darjah JOHAN MANGKU NEGARA (J.M.N), Darjah Yang Mulia PANGLIMA JASA NEGARA (P.J.N) and Darjah Kebesaran PANGLIMA SETIA MAHKOTA (P.S.M) for his services.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors. He has no convictions for offences within the past 10 years.

Dato' Che Abdullah @ Rashidi bin Che Omar, aged 59, was appointed to the Board on 1 January 2002. He graduated with a Diploma in Plantation Management from Universiti Teknologi Mara.

He began his career with FELDA as a Cadet Planter in 1968 and left as a Manager. In 1974, he joined Kuala Lumpur Kepong Berhad as an Assistant Manager and left as Senior Manager. In 1989, he joined Austral Enterprise Berhad as a Senior Manager. In 1990, he joined Tradewinds (M) Berhad as a Manager in the Plantation Division and was subsequently promoted to General Manager in 1993. In 1996, he was seconded to Tradewinds Plantation Services Sdn Bhd and promoted to the position of Senior General Manager. In 1999, he became the Executive Director of Tradewinds Plantation Services

Sdn Bhd. In 2002, he joined Lembaga Tabung Haji as its Plantation Director and in 2003, he was appointed as the Managing Director of the Company.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors. He has no convictions for offences within the past 10 years.

Dato' Che Abdullah @ Rashidi Bin Che Omar
Managing Director



Datuk Ismee Bin Ismail
Director



Datuk Ismee bin Ismail, aged 43, was appointed as an Non-Independent Non-Executive Director of the Company on 1 January 2006. He completed the professional stages of CIMA at the London School of Accountancy in 1987 and is an associate member of Chartered Institute of Management Accountants and a member of MIA.

He started his career in 1987 with Arab Malaysian Development Berhad as a Management Accountant. In 1989, he joined the Shell group of companies in Malaysia and had held several positions including as the Head of Forex and Banking of Shell Malaysia Ltd and Group Accountant of Shell Malaysia Trading Sdn Bhd. In 1996, he joined Arab Malaysian Development Bhd as a General Manager. Subsequently in year 1998, he joined Pengurusan Danaharta

Nasional Berhad and was the Chief Accountant/Treasurer. He joined Medical Online (M) Sdn Bhd in 2000 as Senior Vice President. In 2001, he joined Lembaga Tabung Haji ("LTH") as the Senior General Manager (Finance). He served LTH for two (2) years and left in 2003 to join ECM Libra Securities Sdn Bhd as the Chief Executive Officer.

Currently, he is the Group Managing Director and Chief Executive Officer of LTH and sits on the Board of a few subsidiaries of LTH.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors. He has no convictions for offences within the past 10 years.

Datuk Dr Abdul Samad bin Haji Alias, aged 65, was appointed as an Independent Non-Executive Director of the Company on 1 June 2005. He holds a Bachelor Degree in Commerce from the University of Western Australia. He is a Fellow of the Institute of Chartered Accountants, Australia; a member of the Malaysian Institute of Accountants ("MIA") and a member of the Malaysian Institute of Certified Public Accountants ("MICPA").

He was the President of MICPA from 1999 to 2002 and had served as a member of Malaysian Accounting Standards Board and Financial Reporting Foundation. From September 2000 to August 2005, he was the President of MIA. He is also the first Malaysian to be elected to the twenty-two (22) member board of the International Federation of Accountants. Currently, Datuk Dr. Abdul Samad sits

on the Board of Lembaga Tabung Haji, Perbadanan Kemajuan Iktisad Negeri Kelantan, Malaysian Communications and Multimedia Commission, Felda Holdings Berhad and is the Chairman of Malaysian Venture Capital Management Bhd, Malaysia Debt Ventures Bhd and Felda Holdings Bhd; and a Non-Executive Chairman of Ernst & Young, Malaysia.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors. He has no convictions for offences within the past 10 years.

Datuk Dr. Abdul Samad bin Haji Idris
Director



Datuk Azizan Bin Abd Rahman
Director



Datuk Azizan bin Abd Rahman, aged 58, was appointed as an Independent Non-Executive Director of the Company on 1 June 2005. He holds a Bachelor of Arts Degree from University of Malaya. He started his career as a Shipping Executive in Harper Gilfillan (M) Sdn Bhd in 1973. In 1975, he joined MISC Group as a Branch Manager and subsequently became a Marketing Manager of MISC Group's Tanker Division. In 1981, he was attached to Panocean Tankers Ltd Chartering Department in London.

He joined JF Apex Securities Berhad in 1982 as a Director and launched his career in stockbroking and finance. He was an active member of the stockbrokers fraternity and held the post of President of the Association of Stockbroking Companies of Malaysia until he left the industry.

He joined TSH Resources Berhad as the Executive Deputy Chairman in 2001 until 2005 before joining the Eastern & Oriental Berhad Group

Datuk Azizan has since been involved in the restructuring of a few listed companies including MBf Group and Bina Darul Aman Berhad.

Datuk Azizan is currently the Chairman and Business Development Advisor of Eastern & Oriental Berhad. He is also a member of the Investment Panel of Lembaga Tabung Haji and sits on the board of Commerce Asset Ventures Sdn Bhd., MBf Holdings Berhad, Gefung Holdings Berhad, Apex Equity Holdings Bhd, Isyoda Corporation Berhad and Nagamas International Berhad.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors. He has no convictions for offences within the past 10 years.

Dato' Haji Wan Zakaria bin Abd Rahman, aged 63, was appointed as an Independent Non-Executive Director of the Company on 1 June 2005.

He holds an honours degree in Malay Studies from University of Malaya. He began his career as a teacher with the Jabatan Pendidikan in 1966. He was the Administrative Officer of the Terengganu State Government in 1974. From 1978 to 1982, he served as the Political Secretary to the Terengganu Chief Minister and from 1982 to 1995, he was an Executive Committee member of the Terengganu State Government.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors. He has no convictions for offences within the past 10 years.

Dato' Haji Wan Zakaria Bin Abd Rahman
Director



BOARD OF DIRECTORS' PROFILE

Md. Yusof bin Hussin, aged 58, was appointed as an Independent Non-Executive Director of the Company on 1 June 2005. He graduated with a Bachelor of Economics degree from University of Tasmania, Australia in 1973 and was admitted as a member of the MIA in 1977. He is also a Certified Public Accountant with the MICPA since 1978.

Upon graduation, he started his career as an Accountant with Robur Tea Co. Ltd., Australia for one (1) year before joining Coopers & Lybrand Malaysia as an Audit Supervisor in 1975. Subsequently in 1978, he joined Utama Wardley Merchant Bank and was a Senior Manager, Banking when he resigned in 1982. He later joined Harper Gilfillan Group in 1982 as the Group Chief Accountant and subsequently promoted to Director of Corporate and Finance Division. In 1987, he joined Permodalan Nasional Berhad as the General Manager of Corporate Services Division and served the company until 1992. He was the Managing Director of Island & Peninsular Berhad from 1993 to 1999.

Currently, he is a Non-Executive Chairman of TPPT Sdn Bhd (an associated company of Bank Negara Malaysia) and Chairman of Debts Restructuring Committee for small and medium scale industries.

He also holds directorships in UMW Holding Berhad, Glenealy Plantations (Malaya) Berhad, Tebrau Teguh Bhd, Credit Guarantee Corporation Malaysia Berhad, South Johor Investment Corporation Berhad and several private limited companies.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors. He has no convictions for offences within the past 10 years.

Md. Yusof Bin Hussin
Director



Syed Hood Bin Syed Edros
Director



Syed Hood bin Syed Edros, aged 38, was appointed as an Independent Non-Executive Director of the Company on 1 June 2005. He holds an Ijazah Undang-Undang (Kepujian) and Sijil Undang-Undang Pentadbiran from the International Islamic University. Prior to his university education, he obtained the Sijil 4 Thanawi from Kolej Islam Klang and Sijil Kelas Khas from Sekolah Agama Johor.

He began his career as a religious teacher in Sekolah Agama Johor in 1995 and was appointed as a Manager by the Chamber of Commerce and Professional Muslim Malaysia in the same year. From 1994 to 1995, he was the Administration and Diplomatic Officer of the Malaysian Government. In the two (2) subsequent years, he was appointed as the Legal Adviser by the Jabatan Perdana Menteri and

Timbalan Pendakwaraya by the State Government of Johor. He then became the Information Bureau Secretary of UMNO Johor and Special Officer to Dato' Seri Hishammudin Tun Hussein Onn in 1998 and 1999 respectively. On 23 October 1999, he was called to the Malaysian Bar. He was then appointed as the General Manager of Yayasan Gerakbakti Kebangsaan in 2000 before he became an Advocate and Solicitor in 2002. He was a Member of Parliament of Parit Sulong from 2004 - 2008.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors. He has no convictions for offences within the past 10 years.



Second row from left to right:

Maizura Binti Mohamed [General Manager-Corporate Services] •
Marzuki Bin Abd Rahman [Senior General Manager (Group Engineer-Overseas)] • Syed Ali Bin Syed Idrus [General Manager (Planting
Advisor)] • Radin Rosli bin Radin Suhadi [General Manager (Planting Advisor)] •
Mhamod Bin Mokhtar [Senior General Manager (General Administration)]

Seated from left to right :

Aruludin Raj bin Azman Arasu [Deputy General Manager (Operations)], Hassan Fikri Bin Mohamed [Head of Operations (Domestic)]
• Zainal Azwar Bin Zainal Aminuddin [Deputy Managing Director], Ahmad Anuar Bin Sairi [Deputy General Manager (Agronomy)] •
YBhg. Dato' Rashidi Omar [Managing Director]

Left to right :

- Muhamad Ariff bin Ariffin [General Manager (Planting Advisor)]
- Baharuddin Bin Omar [Senior Manager (Quality,Safety & Health)]
- Mohamed Azman Shah Bin Ishak [Senior General Manager (Finance)]
- Ir. Ramli bin Mohd Tahar [General Manager (Group Engineer-Malaysia)],
- Othman Bin Somadi [Deputy General Manager (Marketing)]
- Aliatun Binti Mahmud [General Manager (Legal & Secretarial)]

