

2011

ANNUAL REPORT

GROWTH AND SUSTAINABILITY



THE PLANTATION BRAND COMPANY



Cover Rationale

The cross-section of a flower of the oil palm tree, which the oil is derived from, represents our core business. The palm oil is produced under best and sustainable practices.

The flower of the fruiting signifies our roots which give our human capital values, the staff, optimum protection and strength.

The sideways depicts the sustainable practices that we embrace, setting the right atmosphere for us to become a regional player in the oil palm industry.

Last but not least, the mirror image of the oil palm flower reflects the richness of the fruit's nutrient composition and the balance in its growth and sustainability. All these are indicators of the good insight, sound controls, and governance that we well exemplify at FICP.

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Corporate Responsibility

“Seeds of the best quality
are selected to ensure high
yields.”



Corporate Responsibility

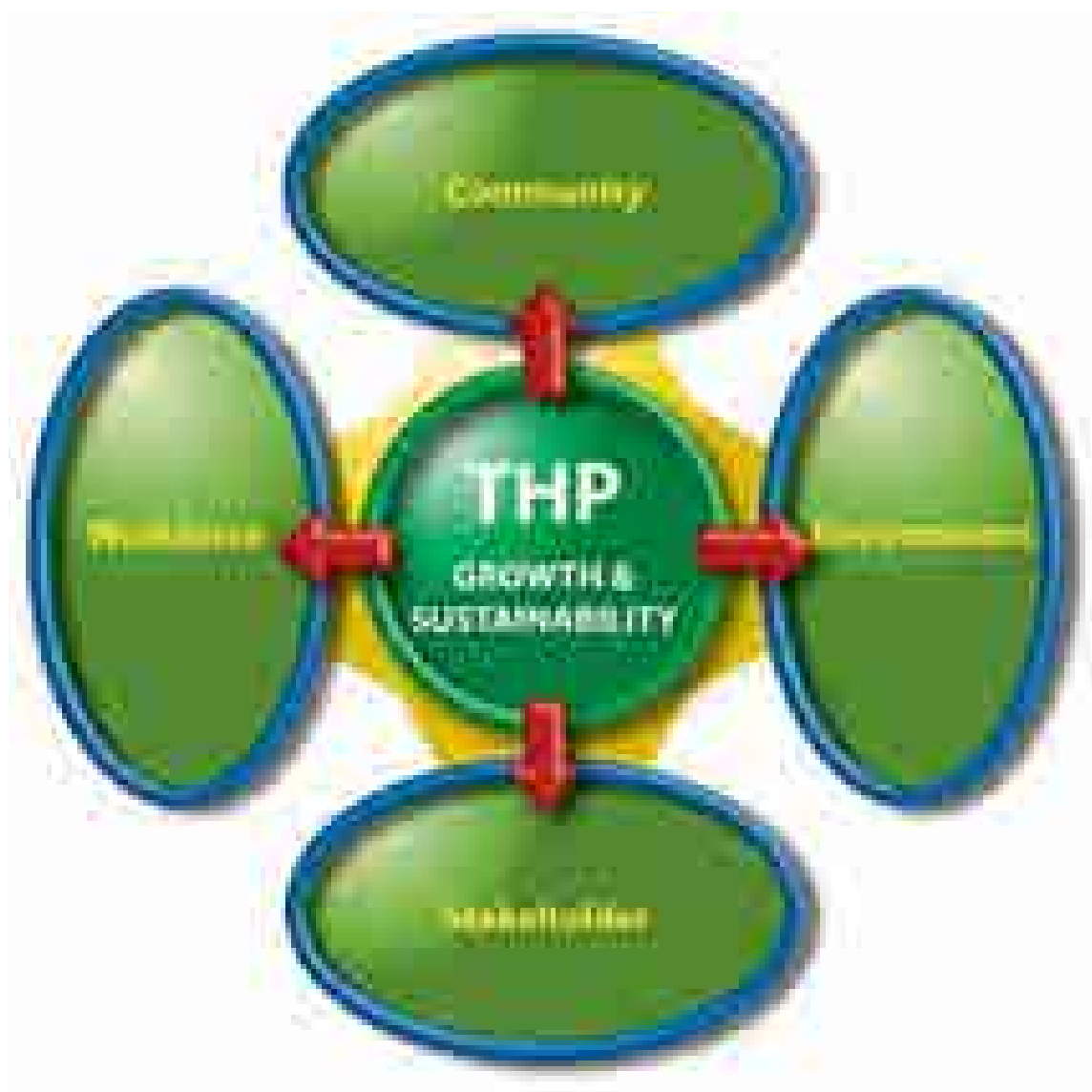
Overview of Corporate Responsibility

While TH Plantations Berhad ("THP") takes firm steps in ensuring sustainable growth in our oil palm plantations, we also strive to maintain our social responsibilities towards our employees and the communities surrounding our plantations. THP believes in touching the lives of the people and at the same time maintaining a healthy and sustainable environment in the pursuit of a steady growth of the business.



Corporate Responsibility

THP has been able to grow and sustain itself based on a set of pillars that guides its business operations. These pillars comprise:





COMMUNITY

Vendor Development Initiative (“VDI”)

The effort for vendor development, which is specifically aimed to develop the local community, has been in practise by THP since it ventured into plantations in the 70s. In order to spur a more significant momentum in realising the nation’s agenda, the VDI was formally implemented when THP ventured into Sarawak. This was in line with the Malaysian Government’s implementation of its Transformation Programmes and the New Economic Model in realising the nation’s agenda. The effort continues as THP has extended the structured VDI to Peninsular Malaysia to attain the following:

- To synergise local economic and social development;
- To provide a significant support system and mentorship to vendors who, in return, will provide high-quality services to support THP’s growth; and
- To nurture local businesses so as to enable the creation of more jobs for the local community.

The VDI proves that THP is not a corporate body that only “takes” and never “gives”. THP and the identified vendors aim for and set out a mutual goal to secure and maintain a common return of interests for both parties. A significant number of vendors have managed to start up businesses and ultimately achieve success in their ventures through smart partnerships with THP.





Corporate Responsibility

Below are the criteria of VDI





Corporate Responsibility

In bidding for jobs, vendors identified by THP will have to possess certain criteria as follows:

- Must be from the local community;
- Able to demonstrate significant ability in starting and completing a project (small to medium scale);
- Show good performance in plantation-related works;
- Possess potentials that can be tapped further by THP; and
- Able to provide full commitment.

From the criteria listed above, these are among the vendors whom THP has successfully identified and developed:



"I am utterly thankful to THP for their support, and I've learnt a lot from THP."

**Haji Mohamad Aspa bin Haji Sulaiman, 64,
FFB transporter in Kota Bahagia,
Pahang**



Fauzi bin Sani, 23, was featured as a young successful entrepreneur in the 2010 Annual Report who received a jump-start from THP. The smart partnership has also established more job opportunities for this young entrepreneur from Pusa, Sarawak, which has enabled him to employ up to 40 local workers.

Haji Mohamad Aspa bin Haji Sulaiman, 64, has been working as a contractor for THP over 30 years. He started as a small time sub-contractor carrying out land development works in Ladang Kota Bahagia. He had fulfilled all the vendor selection criteria and had established an excellent working relationship with THP. Over the years, his business has grown significantly as a result of this smart partnership with THP. Haji Aspa is now the main contractor to transport fresh fruit bunches ("FFB") from the estates to the mills. Haji Aspa is also a well-respected and successful man in his community.



Corporate Responsibility



“I am grateful to be part of THP’s community as we have enjoyed significant development owing to THP’s initiatives”

**Tuan Haji Laini bin Las, 64,
FFB transporter in Pusa, Sarawak**

Tiu Beng Chai, 49

In an effort to develop its plantations and the local community, THP also extended significant opportunities to the non-Bumiputera community. THP has been instrumental in giving Mr. Tiu Beng Chai, 49, from Kluang opportunities to better himself as a business owner. This is due to THP’s practice of transparency and equal opportunity to vendors based on the quality of their works regardless of their race. In his words; “THP is a good paymaster apart from providing equal opportunities. More importantly, I find myself in a positive environment and surrounded by people with good principles in THP. I have spent many years working in various estates but THP has been instrumental in the success of my business as most of my contracts were awarded by them based on their satisfaction with previous jobs they awarded to my company.





Corporate Responsibility

From a Single Seedling to a Successful Family-bond Business

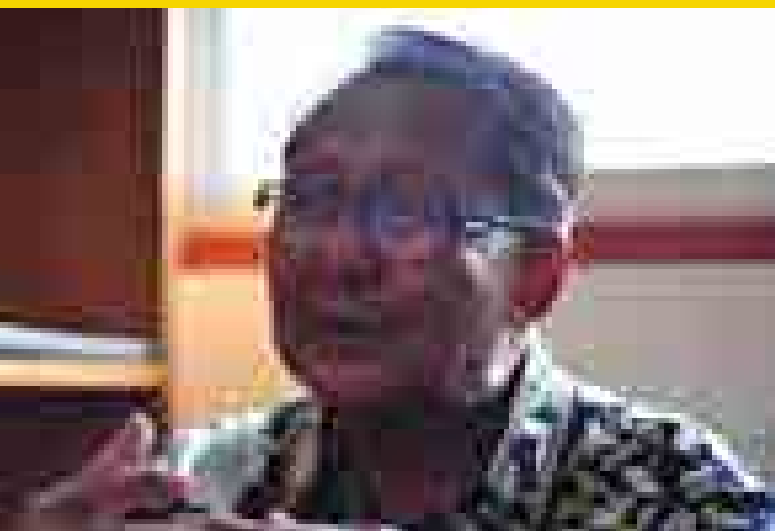
The success of VDI is further evidenced by the development of the flourishing business venture of a father, which in turn encouraged his son, a former banker, to quit his full-time employment and participate in this smart partnership.

What follows is a story of how the father-son relation could be elevated into a successful business venture.

Tuan Haji Muhammad Idris bin Marewangeng, 71

Tuan Haji Idris started his business with THP in 1992 with a grocery store (now managed by his wife) in Ladang Bukit Belian. THP hired Tuan Haji Idris as a sub-contractor for the establishment of oil palm nursery. His contracts is then extended to cover additional jobs such as field maintenance.

Quoting Tuan Haji Idris; "One of the most important reasons I chose to trust and work with THP was because I felt blessed and I hope it would last.



Tuan Haji Edy Nasri bin Muhammad Idris, 47

Tuan Haji Edy is the eldest of Tuan Haji Idris' three children. He followed his father's footsteps to venture into the challenging world of business. Throughout the years of his business endeavours, he asserts; "My father has always enjoyed good relationship with THP. This gives me the confidence to succeed in my own business pursuits."





Corporate Responsibility

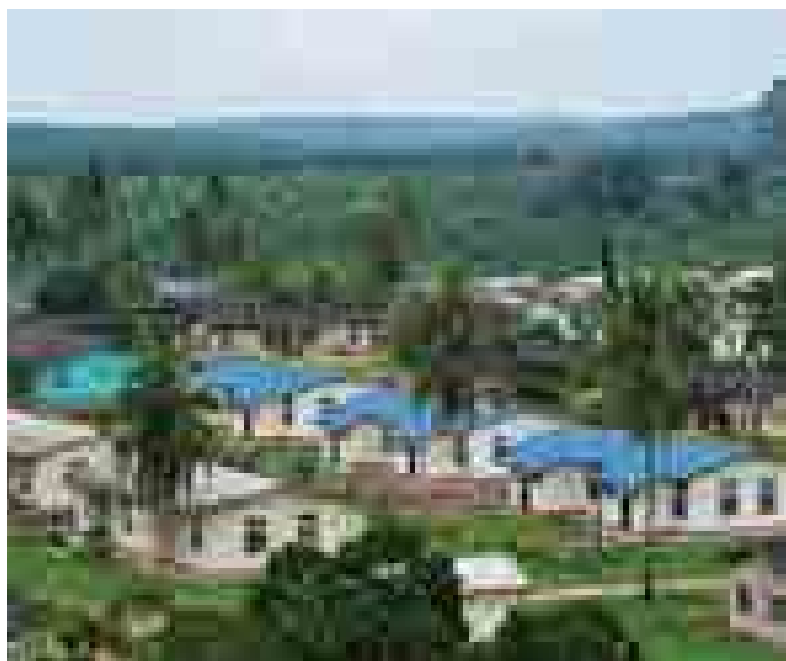
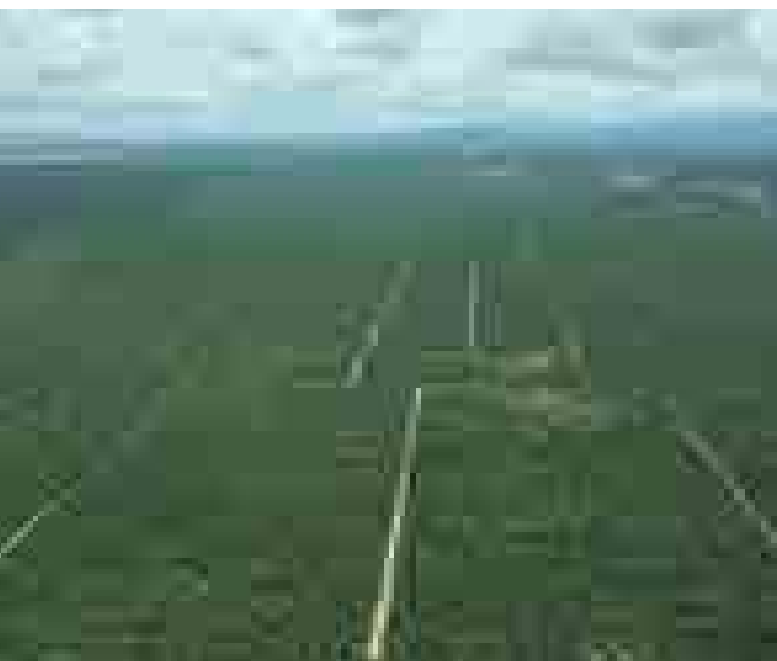
Catalysing Local Economy

THP as a Government Linked Company ("GLC") believes it has a role in supporting the New Economic Model, in which the ultimate aim is to elevate the people's well-being. This is done via equal sharing of benefits derived from the development of its plantation with the local community.

THP provides assistance in terms of financial and expertise, so as not to leave the community's land left undeveloped. This effort started off in Sarawak, whereby a joint venture initiative with the local community enabled the development of their Native Customary Rights (NCR) lands.

This smart partnership allows the land owners to enjoy a sustainable future income and it also provides job and business opportunities to the local community.

Additionally, the existence of THP has helped to enhance the infrastructure within the plantation area with the construction of better roads, availability of treated water and electricity supply and better public amenities such as schools, clinics, and mosque.





Corporate Responsibility

Education

THP believes that the underlying element for a strong and balanced community lies in the enrichment of knowledge. As such, a programme that was initiated by Khazanah Nasional Berhad had set out to improve learning, especially in rural areas. It is at this juncture that THP customised the programme to target schools within the vicinity of the estates aimed to cater for the children of its employees and the community surrounding its plantations.

Promoting Intelligence, Nurturing Talents and Advocating Responsibilities ("PINTAR")

PINTAR programme is maintained because it benefits the children of the plantation employees and the community. Emphasising on English, the PINTAR programme was adopted by THP and was introduced to SRK Ladang Kota Bahagia, in Keratong, Pahang, SRK Bukit Rokan Utara (FELDA) in Gemas, Negeri Sembilan and SMK Bandar T6, in Kluang, Johor.

Among the programmes conducted were Kempen Jaya UPSR, Bengkel Teknik Menjawab Peperiksaan UPSR, motivational programmes for PMR and SPM students and English classes for PMR students.



“The percentage of success among the students has increased this year for all subjects. The passing percentage for last year was 50% and this year it went up to 87%.”

Md Rahimi bin Ibrahim
Principal, SRK Ladang Kota Bahagia



Corporate Responsibility



“Since the introduction of PINTAR, there have been much improvements, the most noticeable being the marked improvement in the usage of English among the students, both written and spoken. The programme has given great impact to the students by creating a new environment for them. Having someone new to teach in a different environment creates a fun and exciting learning experience for the students.”

Tuan Haji Abd Rahman bin Mohd Nor
Principal, SMK Bandar T6

“Without these programmes and guidance from our dedicated teachers, I would not have achieved such outstanding results.

This new learning experience is so much fun. I look forward to come to school every day. Classes are conducted in an interesting manner. The programme has taught me about time management.

My proficiency in English and Mathematics have improved tremendously. Alhamdulillah. Thank you THP!

Joyful Quotes from the Students (8As achievers)





Corporate Responsibility



“The fund as well as the customised workshops and motivational programmes provided by THP have indeed helped the students to achieve better results.”

Abdul Aziz bin Ismail
Teacher, SMK Bandar T6

“We were really fortunate to be able to engage the best teachers with the best teaching practices in their respective specialisation of subjects. It is also inspirational to see that a giant corporation such as THP lending a helping hand by funding the school in preparing a conducive learning environment to the students.”

Manisah Annuar
Teacher, SMK Bandar T6



“This programme has given the students exposure to the outside world. With talks presented by quality speakers, it has broadened the students' perspectives.”

Syed Ahmad Bakhri Syed Abdullah
Teacher, SRK Ladang Kota Bahagia

“PINTAR has proven to be successful for everyone. Teachers are encouraged to be creative in their teaching methods. Due to the students' interactions among friends, they have shown tremendous improvement in their social skills. Their confidence level in English, both written and spoken, has increased.”

Syamsina Mustafa
Teacher, SRK Ladang Kota Bahagia





Corporate Responsibility

Amal Al-Insaniyah (Donation)

As a responsible corporate entity, THP is indeed conscientious of its role within the plantation community and in fulfilling fardu kifayah by prioritising the community's welfare. Among the efforts carried out were:

- Handing over of "van jenazah" to Masjid Kota Bahagia
- A mock cheque presentation for the Sahabat Korporat programme





Corporate Responsibility

WORKFORCE

A Company that Cares

In order to attract and retain best talent, a competitive remuneration package for its employees is maintained. THP Group also grants an Employee Share Option Scheme ("ESOS") with an objective of retaining and rewarding employees, at the same time to inculcate a sense of belonging.

THP has been practicing the payment of one month bonus to assist our employees with the Aidilfitri's preparation.

We have also introduced the Program Bantuan Hari Raya for estate workers. We rewarded cash and gifts valued at RM100 to all the estate and mill workers, including the foreign workers, in conjunction with the Aidilfitri celebration.





Corporate Responsibility

An important aspect in the smooth running of a company is the reliability and efficiency of its employees. To ensure that its employees' well-being is taken care of, THP provides care and support, rewarding them and acknowledging their good work, and allowing mutual growth. THP provides such an atmosphere in its workplace as evidenced by the low turnover rate as follows:

Low Employee Turnover Rate

2011 - 3.9%

Long Serving Employees

10 to 20 Years - 151 staff - 21%

Over 20 Years - 90 staff - 12%

These numbers demonstrate the satisfaction employees derive from working at THP and that they are duly recognised for the efforts that they have put in towards the growth and its sustainability. This is mirrored in THP's human resource practices.



“Taking care of the welfare while building relationships among the people and making them feel happy, comfortable and secure to work in THP.”





Corporate Responsibility

Employee Welfare

Occupational Safety and Health

THP complies with the requirements of the Occupational Safety and Health Act, ensuring that their employees are working under conducive and safe environment. The safety and health initiative is constantly reviewed by the Health Safety and Environmental Audits.

Attractive Benefits

Apart from the highly competitive remuneration package, employees are provided with medical benefits and insurance coverage which includes family members and children up to the age of 23.

On top of these incentives, there are additional benefits, such as leave passage which is provided for an employee who has served the Company for each ten years of service. For permanent employees who have reached their retirement age, cash equivalent to a return economy class ticket for two to Mecca is given.



Program Bantuan Hari Raya

For estate workers, a new programme known as Program Bantuan Hari Raya was introduced in 2011. The announcement by the CEO, YBhg. Dato Zainal Azwar Zainal Aminuddin was made on 22 August 2011 at Ladang Kota Bahagia, Keratong, Pahang, a week before Hari Raya Aidilfitri. The objective of this programme was to show appreciation to THP's estate workers for their loyalty and hard work.





Corporate Responsibility



Recognition of Employees' Children's Achievement in Learning ("RECAL")

As part of THP family, the employees' children's achievements in education are also acknowledged and duly rewarded through the RECAL (Recognition for Employees' Children in Learning) programme. The programme rewards each student with a cash token.

Training and Development

THP recognised that continuous training and development of its employees are paramount in strengthening the foundation of its business. THP not only emphasise on the building of knowledge and skills but also believes in strengthening the faith and spiritual aspects of its employees. Thus, numerous programmes such as the weekly recitation of the Holy Quran, religious talks, Duha and Hajat Prayers are held aimed at making the employees perform better at their workplace.

External training programmes which emphasise on faith and spiritual development conducted annually and known as "Kesedaran Pencetus Perkasa Diri", is made compulsory for each employee to attend.



To enhance skills and knowledge, training programme conducted internally or by external parties are scheduled depending on each individual's needs. Among the internal training programmes introduced in THP is the Cadet Planters Programme. It is a graduate training programme developed by THP to train graduates for a career in THP as junior planters. This has created a pool of future planters to cater for THP's expansion drive.





Corporate Responsibility

Other training programmes also include the Incorporated Society of Planters Training, safety and health training, computer soft skills, the Yield Improvement Programme, Back to Basics and programmes in crop husbandry.

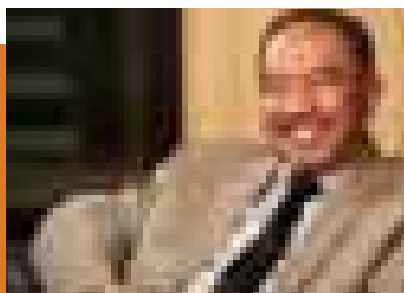
To ensure continuity and sustainability of its operations, THP acknowledged the importance of succession planning. Employees who are identified as having great potentials to become future leaders of THP are carefully selected and trained in managerial skills.





Corporate Responsibility

Voices of the Workforce . . . Long Serving Employees

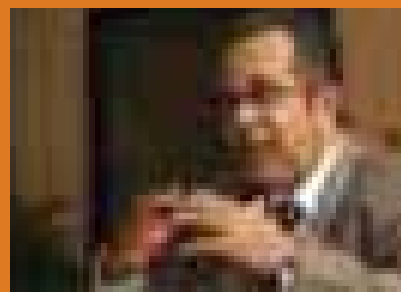


**Hassan Fikri bin Mohamad, 54,
Chief Operations Officer (Overseas),
32 years of service with THP.**

"THP is a visionary company founded on the principles of prudent management, trustworthy stewardship and good governance sustained by a strong audit process to gain investor and public confidence. The Company also provides opportunities for us to leverage our knowledge, skills and experience to offer positive and constructive contributions to the company. Its corporate policy of inclusiveness has encouraged staff participation in the company's management process and social responsibility. Let me acknowledge the opportunity to witness the phenomenal growth of the Company in tandem with my own career development and advancement. Finally, I am grateful for the guidance and mentoring by the Chairman, Board of Directors and the Chief Executive Officer who have wisely nurtured THP and made it grow from strength to strength."

"I wanted to assist and contribute to the development of THP and the Ummah. I wanted THP, as well as my fellow Muslims, to excel and become a successful and respected Islamic organisation with plantations being its core business. Working here has been a wholly joyful experience."

**Muhamad Ariff bin Haji Ariffin, 56,
General Manager (Planting Advisor),
29 years of service with THP**

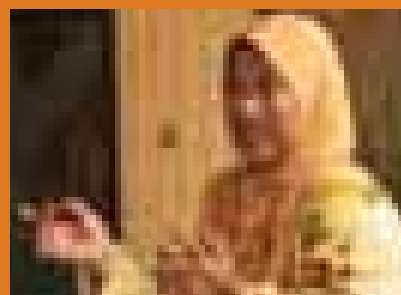


"I am more than happy to work with THP because everyone has the opportunity to develop, even without a degree. Promotion is based on performance and in THP, there is no backstabbing. We thrive on good teamwork and through a common KPI, there is a set target for everyone – 1 target for all, ensuring maximum productivity."

**Adnan bin Ariffin, 48,
Senior Manager,
20 years of service with THP**

"I have seen the growth of THP from only having 6 employees during the time when we were in Jalan Ipoh, all the way to its current Headquarters in the Menara TH Selborn. I've stayed with this company because of the benefits and the ability to save for my future through a good EPF system, annual bonus as well as employers and Heads of departments who are considerate and understanding towards the needs of their workers. The Company takes great care of their employees' welfare and provides accordingly."

**Foziah binti Md Jonit, 51,
Special Grade Clerk (Human Resource),
31 years of service with THP**



"I was drawn to THP because its name commends it as an established and trusted organisation. The company had placed such trust in my capabilities that I have been able to flourish and received the Excellent Service Award. There is such a good working environment in THP and the benefits you reap are not merely in the number of ringgit you accumulate, but also from contributing to the development of the community. I am very much in gratitude to THP's management and it is my hope that THP remains an exceptional institution as it continues to shine. I am prepared to give 110% and more for THP."

**Kurdus bin Tam, 51,
Began as an Accounts Clerk (Grade 3) and is now
the Manager (Finance),
29 years of service with THP**

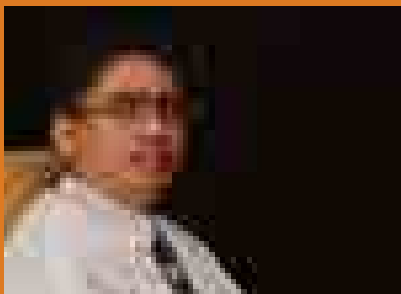


Corporate Responsibility

Voices of the Workforce . . . Career Advancement

"THP is an organisation that makes you feel secured. They've put their trust in me to carry out my job and they have rewarded me for my contributions."

*Mukhtar bin Haji Yusof, 54,
Began as a Field Conductor and is now
the Manager of Ladang Kenyalang,
30 years of service with THP*

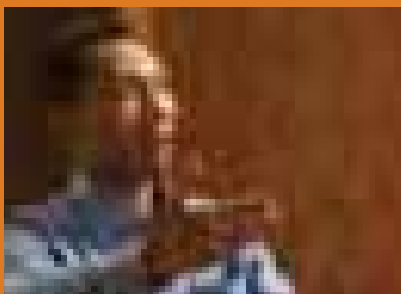


"I am very proud to be working with THP because THP is the best place for me to work in. Besides that, THP has also significantly altered the life of my family. Thank you very much THP."

*Tuan Lokman bin Tuan Ismail, 38,
Began as a driver and is now
the Assistant Manager – Insurance,
15 years of service with THP*

"I hope that the next generation will be able to see the success in THP as the people in this Company have helped me become who I am today. They have given me shelter, education on how to be a good planter and acknowledged my contributions."

*Usran Mohd Zin, age 50,
Began as a Field Conductor and is now
the Manager of Ladang Bukit Belian,
26 years of service with THP*



"Alhamdulillah, I have become one of THP employees who have served and will continue to serve until retirement. I will strive to work harder in order to promote THP, which includes all other employees, investors and depositors of Tabung Haji. Insya-Allah, I hope that one day, THP will be known not only in Asia, but throughout the entire world."

*Mohd Yusof bin Nawang, 48,
Began as an office boy and is now
the Special Grade Clerk (Training),
29 years of service with THP*

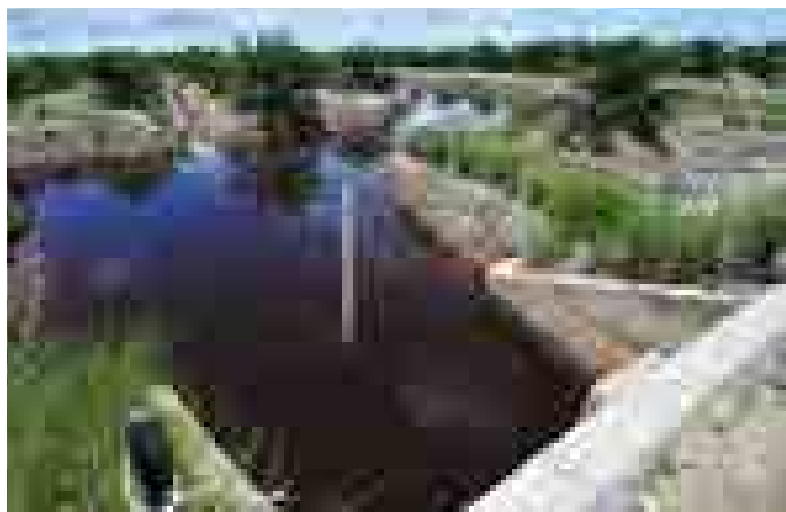
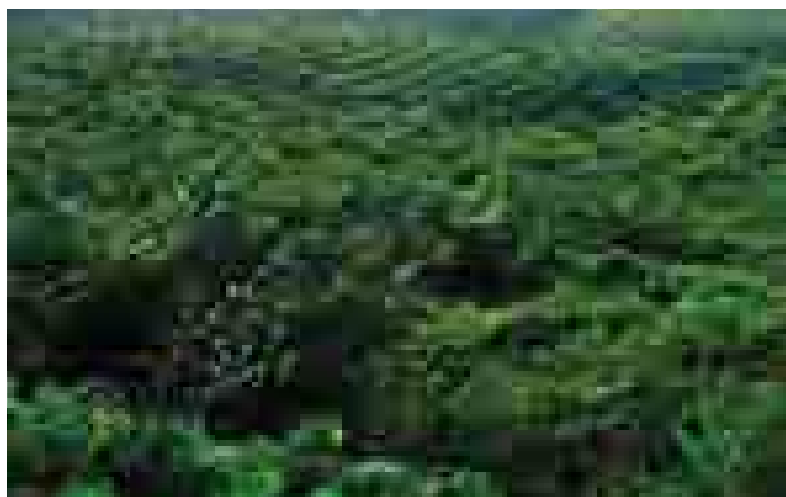


ENVIRONMENT

As reported last year, the management team is taking steps to minimise the impact of oil palm development on the environment which include the practice of zero burning, and use of cover crop *Mucuna bracteata* that is leguminous. It helps with palm growth, cools the soil, and reduces erosion. The mulch recycles the nutrients. Soil conservation includes stacking of fronds along the contours, our terraces reduce run-off, and along the rivers the reserves are being maintained while water-gates regulate the flow of water in the drains.

Improvements in plantations management continue to be adopted, including biological control of pests such as using barn owls to keep down the rat population, and we grow beneficial plants which are hosts to predators of insect pests.

THP look for ways to improve on fertiliser application as the health of the palms can be directly related to higher yield while vigorous growth will make them better at carbon sequestration. Together with fertiliser, water holds the key to good growth. Work has started to find ways to conserve water even more than in the past, such as trapping rainwater and using it during the dry season. For the mills our efforts continue on the management of waste. The shell and fibre are fed to the boilers as fuel to

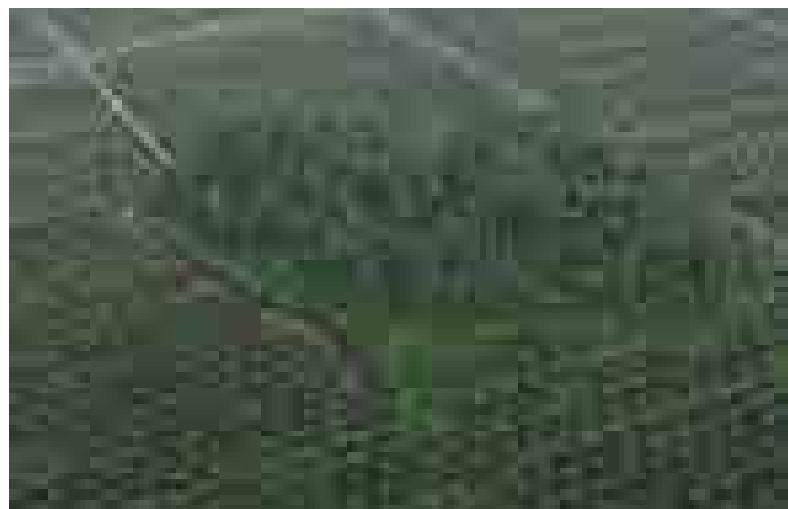
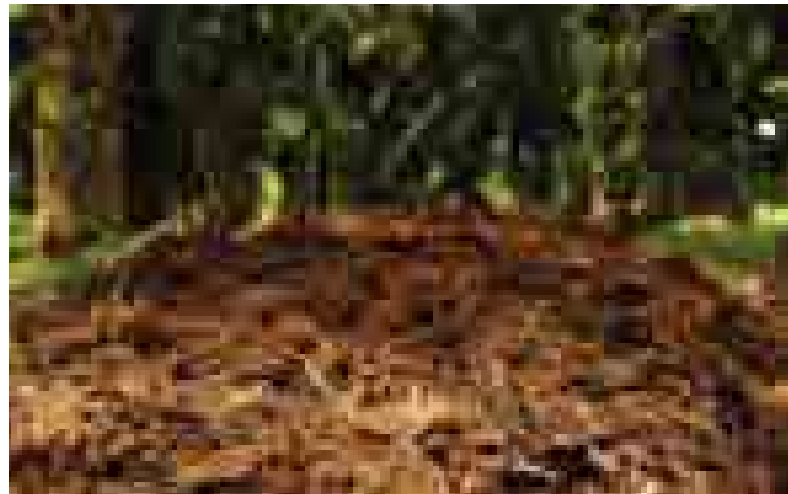




Corporate Responsibility

generate steam and power. The empty bunches are used for mulching. To some extent they reduce the need for inorganic fertiliser.

THP plans to be in step with any new requirements that may be set for the industry. Our efforts include the creation of Agronomy & Innovation Department headed by a Agronomy & Innovation Director who was recruited during the year. Part of his task is to strengthen the research team which will also provide ideas that THP can use on environmental matters.





STAKEHOLDERS

Business Ethics and Values

THP's Business Ethics and Values are built on the basis of fair and transparent business dealings. Emulating the Muslims' pillars of faith, THP believes in practicing "amanah" and transparency in all transactions.

THP constantly strives towards enhancing and raising a high standard of stakeholders' governance. This component is fundamental in fulfilling its responsibility towards protecting and enhancing the shareholders' value and financial performance of THP Group and ultimately in increasing its business sustainability. Such concerted effort is methodically reflected in three elements:



Corporate Governance

In a distinctive synergy, THP Board of Directors ("Board") maintains a professional and transparent relationship with the management. The Board is furnished with information in regards to the running of THP Group's operations through various financial and operational monthly and quarterly reports prepared by the management.

Details on THP Group's Corporate Governance practice are elaborated under the Statement on Corporate Governance on pages 82 to 104 of this Annual Report.

Procurement System

THP has a structured and established procurement system and policy on awarding tenders to reliable and qualified vendors. The aim of this system is to obtain services and materials economically, without compromising quality.



Corporate Responsibility

Throughout the procurement and tender-awarding processes, THP incorporates various internal control measures to ensure that the processes are fair and transparent, depending on authority limits set by the Board and having established two tender committees, headed by an independent non-executive director.

Investor Relations

THP is committed in providing succinct and accurate information in a timely manner to our shareholders, potential investors, investing communities and the public. The Company has adopted the Investor Relations ("IR") Policy approved by the Board.

THP's Annual General Meeting remains the vital channel for dialogue with shareholders. The shareholders are encouraged to participate by posing queries in relation to THP's operations. Besides that, information is disseminated through annual reports, quarterly announcements to Bursa Malaysia and analyst briefings. In addition, THP also maintains a corporate website www.thplantations.my to better serve stakeholders and attend to any questions in relation to its business and operations by getting in touch with the designated contact persons.



Notice of Annual General Meeting

“In its effort to promote zero wastage, THP introduces the tray system, an alternative to the polybag in the pre-nursery stage, which is not only durable and easy to handle, but also recyclable. This tray system also allows ease of filling, stacking and transplanting into the main nursery.”



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Eighth Annual General Meeting of TH Plantations Berhad ("THP" or "the Company") will be held at the Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Wednesday, 25 April 2012 at 10:00 a.m. for the following purposes:

Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 December 2011 and the Reports of Directors and Auditors thereon. **Resolution 1**
2. To approve a First and Final Single Tier Dividend of 12.50 sen per ordinary share for the year ended 31 December 2011. **Resolution 2**
3. To approve the payment of Directors' Fees of RM580,500 for the year ended 31 December 2011. **Resolution 3**
4. To re-elect the following Directors who retire by rotation in accordance with Article 84 of the Company's Articles of Association:
 - 4.1 Tan Sri Datuk Dr Abdul Samad bin Haji Alias **Resolution 4**
 - 4.2 Dato' Paduka Ismee bin Haji Ismail **Resolution 5**
 - 4.3 Dato' Zainal Azwar bin Zainal Aminuddin **Resolution 6**
5. To re-elect Dato' Amran bin Mat Nor as Director who retires in accordance with Article 89 of the Company's Articles of Association. **Resolution 7**
6. To re-appoint Messrs KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Resolution 8**



Notice of Annual General Meeting

Special Business

To consider and if deemed fit, to pass with or without modifications, the following Ordinary Resolution:

7. **Proposed Renewal of Existing 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** Resolution 9

"THAT, subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given, for the renewal of the existing Shareholders' Mandate for the Company and/or its Subsidiaries to enter into recurrent related party transactions of a revenue or trading in nature as set out in Section 2.4.1 of the Circular to Shareholders dated 3 April 2012 with the related parties described therein provided such transactions are necessary for the Group's day to day operations, carried out in the normal course of business, at arm's length, on normal commercial terms, not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders;

THAT a new Shareholders' Mandate be and is hereby granted for the Company and/or its Subsidiaries to enter into additional recurrent related party transactions of a revenue or trading in nature as set out in Section 2.4.2 of the Circular to Shareholders dated 3 April 2012 with the related parties described therein provided such transactions are necessary for the Group's day to day operations, carried out in the normal course of business, at arm's length, on normal commercial terms, not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders;

AND THAT such approval granted shall commence immediately upon passing of this Resolution until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forth-coming AGM at which such mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;



Notice of Annual General Meeting

- (ii) the expiration of the period within which the next AGM of the Company after the forth-coming AGM is required to be held pursuant to Section 143(1) of the Companies Act 1965, (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act 1965); or

- (iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earliest.

AND the Directors of the Company and/or its subsidiaries be and are hereby authorised to do all such acts and things as they may consider expedient or necessary to give effect to the transactions as authorised by this Resolution."

Any Other Business

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

Notice of Dividend Entitlement and Book Closure

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the Thirty-Eighth Annual General Meeting of the Company, a First and Final Single Tier Dividend of 12.50 sen per ordinary share for the year ended 31 December 2011 will be paid on 9 May 2012 to shareholders whose names appear in the Record of Depositors at the close of business on 4 May 2012.

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

- (i) Shares transferred into the Depositor's Securities Account before 4:00 p.m. on 4 May 2012 in respect of ordinary transfers; and
- (ii) 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 (LS0008841)

WAN NURUL HIDAYAH BINTI WAN YUSOFF (LS0008555)

Company Secretaries

Kuala Lumpur

Date: 3 April 2012



Notice of Annual General Meeting

NOTES:

1. A member entitled to attend and vote at the meeting, is entitled to appoint not more than two (2) 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)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two (2) proxies, the appointment shall not be valid unless he/she specifies of his/her shareholdings to be represented by each proxy. Each proxy appointed, shall represent a minimum of 100 shares. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy in respect of each securities account he/she holds with ordinary shares of the Company standing to the credit of the said securities account.
3. The instrument in appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised by the corporation.
4. The instrument in appointing a proxy shall be deposited at the Company's Registered Office at Tingkat 23, Bangunan TH Selborn, 153, Jalan Tun Razak, 50400 Kuala Lumpur in not less than 48 hours before the time set for holding the Meeting or at any adjournment thereof.



Notice of Annual General Meeting

Explanatory Notes on Special Business:

- **Proposed Renewal of Existing 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 Ordinary Resolution No. 9, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue and trading nature with the mandated related parties provided that such transactions are necessary for the Group's day-to-day operations, carried out in the normal course of business, at arm's length, on commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders. Shareholders are advised to refer to the Circular to Shareholders dated 3 April 2012 for more information.

STATEMENT ACCOMPANYING THE NOTICE OF THE THIRTY-EIGHTH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Details of Directors seeking re-election or re-appointment as mentioned in the Notice of the Thirty-Eighth Annual General Meeting are set out in their profiles which appear in the Directors' Profile on pages 70, 71, 72 and 77 of this Annual Report.

The details of any interest in the securities of the Company or its subsidiaries (if any) held by the said Directors are stated on page 224 of this Annual Report.



“The root is a vital organ since it absorbs water and nutrients for the plant. The root ball formation is improved through the use of the tray system in the pre-nursery.”

Chairman's Statement

TAN SRI DATUK DR YUSOF BIN BASIRAN
Independent Non-Executive Chairman



Dear Shareholders,

Assalamualaikum Warahmatullahi Wabarakatuh

On behalf of the Board of Directors, it gives me great pleasure to present the Annual Report incorporating the Audited Financial Statements of TH Plantations Berhad and its subsidiaries ("THP Group") for the financial year ended 31 December 2011.

Business Environment

The year 2011 witnessed a slowdown in the global economy as major advanced nations posted a lower growth mainly due to slow financial sector reforms along with high fiscal deficits and debts besides grappling with high unemployment rate. Nevertheless, the emerging and developing nations continued to register robust growth attributed by expanding domestic demand and accommodative monetary policies initiated by the governments. In the local front, the Malaysian economy remained resilient and registered a growth

of 5.1%, steered by the remarkable progress of the Government's initiative programs and supported by both the expenditures of the private and public sector.

The local plantation industry remained buoyant and recorded a remarkable performance in 2011. Based on the Malaysian Palm Oil Board ("MPOB") statistics, the Crude Palm Oil ("CPO") production recorded its highest at 18.9 million metric tonnes ("MT"), an increase of 11.3% (2010:17.0 million MT). The national average of the Fresh Fruit Bunches ("FFB") production per hectare ("Ha") increased by 9.2% from 18.0 MT recorded in 2010 to 19.7 MT. The increase was mainly due to the recovery in the FFB yield after experiencing two years of declining yield in 2009 and 2010. Additionally, the improved weather conditions as well as more areas coming into peak production also contributed to the increase in production. The export earnings from palm oil and palm products heightened by 34.5% from RM59.8 billion to RM80.4 billion due to higher export prices. The export volume of oil palm products increased by 5.2% to 24.3 million MT in 2011 compared to 23.1 million MT in 2010 with China remaining as the largest importer for the tenth consecutive year, followed by the European Union, Pakistan, India, USA, Egypt and Japan. MPOB stated that higher palm oil production and imports have contributed to the increase in the closing stocks for 2011



Chairman's Statement

at 2.1 million MT, which rose by 27.4% as compared to 1.6 million MT in 2010. Supported by positive sentiments related to world supply tightness of vegetable oil on the back of the bullish market conditions, the average CPO price recorded its highest price of RM3,219 per MT in 2011, an increase by 19.2% compared to RM2,701 per MT in 2010. The highest monthly average CPO price during the year was recorded in February at RM3,811 per MT, whilst the lowest average was in October at RM2,839 per MT.

Financial Performance

Amidst the challenging economic landscape, I am proud to announce that THP Group was able to leverage on our strengths and relentless focus to deliver another year of commendable profits. In line with this, THP Group's revenue improved by 18.8% to RM434.8 million this year as compared to RM366.0 million in 2010. The increase was mainly due to significantly higher commodity prices for CPO and palm kernel ("PK") at an average of RM3,096 per MT and RM2,187 per MT, respectively, despite lower sales volumes of CPO (2010: CPO price of RM2,617 per MT and PK price of RM1,773 per MT).

SCORECARD

Revenue
RM434.8 million

Profit After Tax
RM149.8 million

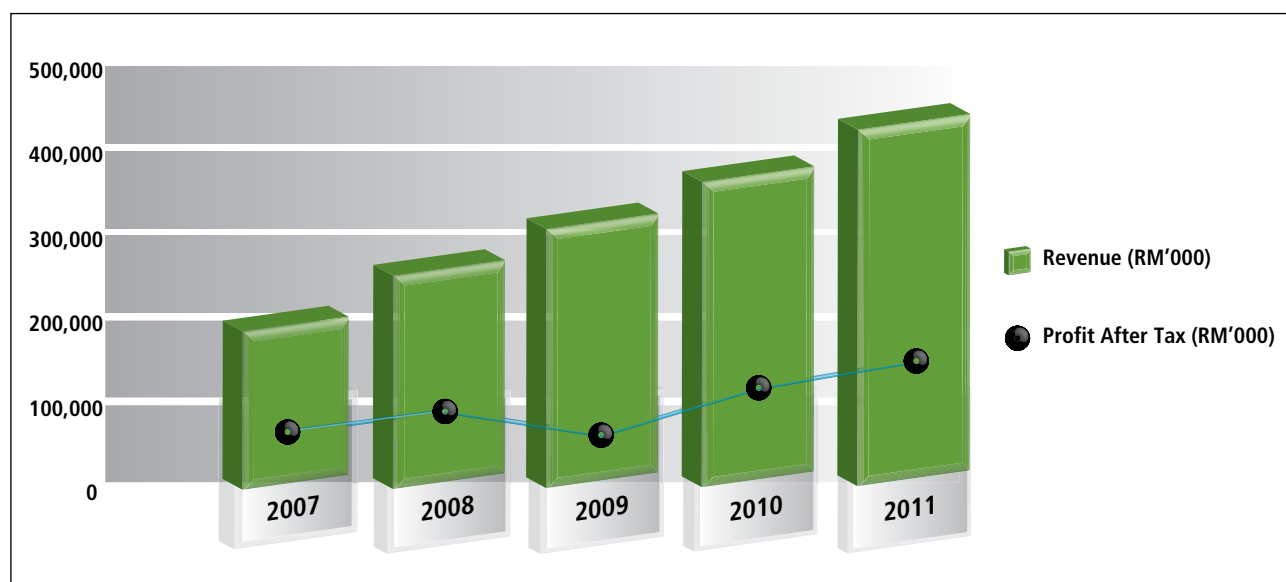
Total Assets
RM1.2 billion

Market Capitalisation
RM1.1 billion

The management fees contributed RM25.8 million to the revenue, an increase of 7.4% from RM24.1 million in 2010.

THP Group's profit after tax ("PAT") for 2011 reached RM149.8 million, improved by 38.1% as compared to RM108.4 million in 2010 due to lower effective tax rate of 18% than statutory rate as a result of higher deferred tax asset recognised this year. Correspondingly, we achieved higher earnings per share of 24.52 sen from 18.32 sen registered last year. In 2011, THP Group also paid a windfall profit tax amounting to RM6.6 million and the special gratuitous payment commencing September 2011 of RM200 per month to the plantation workers totalling RM2.2 million.

REVENUE AND PROFIT AFTER TAX





Chairman's Statement

As at the end of 2011, our balance sheet recorded an expansion of 21.6% in shareholders' funds to RM624.0 million and an increase in cash & cash equivalents to RM167.2 million (2010: RM513.4 million and RM130.6 million, respectively).

Dividend

We pride ourselves in sustaining TH Plantations Berhad's ("THP") commitment to our esteemed shareholders by rewarding them with fruitful returns in the form of dividend. For the financial year ended 31 December 2011, the Board of THP recommended a first and final single tier dividend of 12.50 sen per share, subject to shareholders' approval during the Annual General Meeting of THP. (2010: 12.50 sen per share less 25% tax).

This marks the sixth consecutive year of dividend payouts since THP was listed in 2006 and the payout is in line with our dividend policy of distributing approximately 50% of our annual profit after tax and minority interests ("PATAMI").

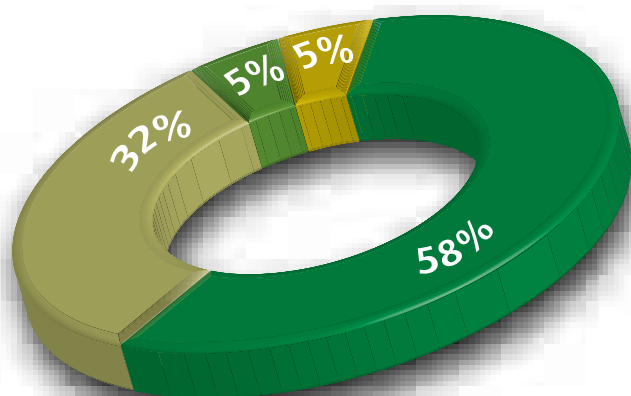
Operational Highlights





As at 31 December 2011, THP Group's total plantation land banks stood at 39,372 Ha of which 90% (or 35,570 Ha) are fully planted with palms. From the total planted area, approximately 64% (or 22,920 Ha) are mature while the remaining 36% (or 12,650 Ha) are at immature stage. The plantations are located in the states of Pahang, Johor, Negeri Sembilan, Terengganu, Sabah and Sarawak.

It gives me great pleasure to note that our initiatives, efforts and hard work have begun to bear fruitful rewards as favourable production was achieved. Our FFB production for the year increased by 10.6% to 513,276 MT compared to last year's production of 463,949 MT. As a result, THP Group's average FFB yield per Ha rose to 22.39 MT per Ha from 20.58 MT per Ha in 2010.

THP Group owns and operates five (5) palm oil mills which are strategically located within our plantations in Johor, Pahang, Negeri Sembilan and Sabah. The palm oil mills have a total FFB processing capacity of 780,000 MT per annum. This year, we achieved a throughput

AREA STATEMENT AS AT 31 DECEMBER 2011



-  Mature Area (22,920 Ha)
-  Immature Area (12,650 Ha)
-  In Course of Planting (1,837 Ha)
-  Infrastructures & Others (1,965 Ha)

Total Area : 39,372 Ha



Chairman's Statement

of 492,437 MT of FFB together with the external crop purchases, an increase of 9.6% from 449,229 MT in 2010. As a result of higher FFB processed, CPO and PK production increased to 100,896 MT and 26,087 MT respectively in 2011, from 94,762 MT and 23,883 MT in 2010. However, the average oil extraction rate ("OER") decreased to 20.49% as compared to 21.09% in the previous year while Kernel Extraction Rate ("KER") was marginally lower at 5.30% from 5.32% in 2010.

In relation to this, I am pleased to note that our average oil yield per Ha has increased to 4.59 MT per Ha this year as compared to 4.34 MT per Ha in the preceding year.

On the operational front, we have consistently delivered a strong growth performance throughout the year against the backdrop of a challenging economic situation. Our concerted focus on the agenda of Sustainable Plantation Operation ("SPO"), built on two principles of Good Agriculture & Milling Practices ("GAMP") and effective cost management have clearly shown positive results. In achieving these goals, we have restructured and reinvigorate our Performance Improvement Program ("PIP"), the driver responsive in enhancing productivity and efficiency to attain higher FFB yields and OER.



We approached the PIP by intensifying the 'back-to-basics' methods comprising of 3 characteristics to ensure the production of optimum quality oil and maximisation of OER & KER. The identified characteristics are firstly, that each palm is continuously ensured of sufficient fertilisers and moisture. Next, efficient harvesting and transportation of FFB to the mill; and lastly, immediate processing of the FFB. On this note, we have enhanced several operational strategic initiatives under the 'back-to-basics' methods such as mechanisation for fertiliser application & evacuation of FFB, water irrigation as well as continuous enhancements & innovation in our mills to ensure the quality and excellence in our processing operations while reducing its cost. We have also improvised the manuring program where we ventured into strategic partnership with several fertilizer companies to capitalise on timely delivery, consistency in quality and good competitive pricing. In addition, we are continuously planting superior oil palm progenies from reputable companies to achieve higher oil yield per Ha and premium quality oil.





Chairman's Statement

We are continuously capitalising the technological innovations where THP Group uses precision based agriculture which incorporates information technology and agricultural science as a tool to develop strategies for better monitoring and expedite quality operational decision-making. Among the systems adopted are THP Management Information System, Global Positioning System and Geographic Information System for improved economic efficiency of the plantation operations. Clearly, the implemented operational initiatives have translated into operational efficiency owing to our capable and dedicated pool of human capital. Inevitably, they are the integral parameter of our success in achieving and sustaining our business model. We have recruited and nurtured qualified talents for THP Group to progress even further by preserving and multiplying our current potential thus maximising shareholders' value.

We are committed to protect the environment while harnessing economic value from the process as Mother Nature remains essential to our initial and continuing existence. We believe that the environment can be best preserved by adopting the principles of sustainable development and by integrating environmental management into our daily operational practices. The

foundation of our environmental management is the SPO, which provides the framework for our estates and mills management. Among our SPO practices include zero burning replanting technique, soil management & conservation, integrated pest management, palm oil mill effluent treatment, water & moisture content management and Environmental Impact Assessment.

Corporate Developments

On our Key Performance Indicators ("KPIs") for this year, I am pleased to inform the shareholders that we have successfully achieved all three (3) KPIs; namely, a Return on Equity of 21.95% against a target of 19.0%, FFB production of 22.39 MT per Ha from the targeted FFB yield of 22.03 MT per Ha and dividend distribution of approximately 50% of our annual PATAMI by proposing a first and final single tier dividend of 12.50 sen per share, subject to the shareholders' approval. This would translate into a net payout of 50.8% of the Group's PATAMI. The notable performance is testament to the initiatives that have been put in place to enhance operational efficiency and translating it into sustainable results.





Chairman's Statement

I am also delighted to announce that we are targeted to surpass our medium term KPI of positioning THP Group as a medium size plantation company of 50,000 Ha by 2012; one year ahead of our target period. In relation to that, we have undertaken corporate exercises to materialise this target as follows:-

- i. A Conditional Sale and Purchase of Shares Agreement with Sawit Green Plantation Sdn. Bhd. ("Sawit Green") to acquire 3,500,000 ordinary shares of RM1.00 each held by Sawit Green in the share capital of Hydroflow Sdn. Bhd. ("Hydroflow"), representing 70% of the issued and paid-up share capital of Hydroflow, for the total purchase consideration of RM73,500,000; and
- ii. A Conditional Sale and Purchase of Shares Agreement with Indonesian citizens namely Drs. H. Rajasa Abdurachman and Ir. Badai Sakti Daniel (collectively referred to as the "Sellers"), to acquire 5,580,000 shares of Rp1,000, each held collectively by the Sellers in the share capital of PT Persada Kencana Prima ("PKP"). This represents 93% of the total issued and fully paid-up share capital of PKP, for the total purchase



consideration of Rp46,211,960,000 (equivalent to RM16,822,701, based on the exchange rate as at 10 November 2011 of Rp2,747:RM1.00).

The proposed acquisitions represent strategic investment and are expected to enhance the future earnings and shareholders' value of THP Group. Upon completion of the proposed acquisitions, we would increase our land bank by 19,782 Ha to 59,153 Ha.

Sustainable Growth Initiatives

We are continuously supporting the implemented Government Transformation Programme and New Economic Model ("NEM") in transforming Malaysia into a competitive and developed economy by 2020. The Strategic Reform Initiatives and the Economic Transformation Programme ("ETP") under the NEM are the enabling actions and policy measures to deliver the goals of high income, inclusiveness and sustainability. The palm oil sector has been identified as one of the National Key Economic Areas which will be the economy's drivers for growth, investment and job creation. Complementing the National agenda, the GLCT Programme is now at its two-third's mark of the 10-year





Chairman's Statement

program since its launch in 2004. The institutionalisation of various transformational initiatives in the past seven years has delivered sustainable & tangible results and are steering us towards being a regional player, InsyaAllah.

As mentioned earlier, in terms of the world landscape, we recognise the uncertainty that is currently overshadowing the global economic outlook. We also acknowledge the challenges faced by the plantation industry. Amidst the turbulence, we leverage on our business model that is driven by the vision & mission and anchored by our strong pool of human resources. We forge forward by creating value from our own plantation land bank as well as monetising our plantation expertise by managing Lembaga Tabung Haji's ("**TH**") plantation land bank. In demonstration of this dynamism, we maintained a proactive approach by focusing on organic as well as inorganic growth to transform our structure and operations to deliver and maximise sustainable values to our shareholders.

Consistent with the objectives of the palm oil sector in the ETP, we continued with our focus on four of the Entry Point Projects ("EPP"); namely, accelerating the replanting program, improving FFB yields, improving worker productivity and increasing the OER. We diligently implement strategies to enhance our PIP to achieve higher FFB yields and OER. In addition to that, the replanting programs to replace aged trees with superior planting materials remain a vital initiative for THP Group to avoid stagnating yields and a decline in production. In light of labour issues, we are continuously embarking into mechanisations, particularly on field up-keep, harvesting and FFB evacuation. We are constructing a new 60 MT per hour mill in Pusa, Sarawak with a processing capacity of approximately 360,000 MT per annum. The mill is scheduled for completion in 2013 and will be a timely investment to cater to the expected rapid growth of THP Group's crop production in that region.



Our inorganic growth continues to be fuelled by proposed land injections totalling 19,782 Ha. The proposed acquisitions will elevate THP Group's position to a medium-size plantation company of 59,153 Ha and represents a strategic investment in enhancing earnings and shareholders' value. It will also result in a better differentiation of the age profile with the aim of achieving an optimum yield potential.

On monetising our plantation expertise, THP Agro Management Sdn Bhd ("THPAM"), our wholly owned subsidiary, manages THP Group's oil palm operations in Malaysia, and **TH**'s oil palm operations in Malaysia & Indonesia as well as teak & rubber plantations in Sabah totalling approximately 168,985 Ha, contributing 5.9% or RM25.8 million of the revenue in the year 2011 (2010: RM24.1 million). We are keen to reinforce our role in providing management services as it enables us to cater to future growth by diversifying the revenue.



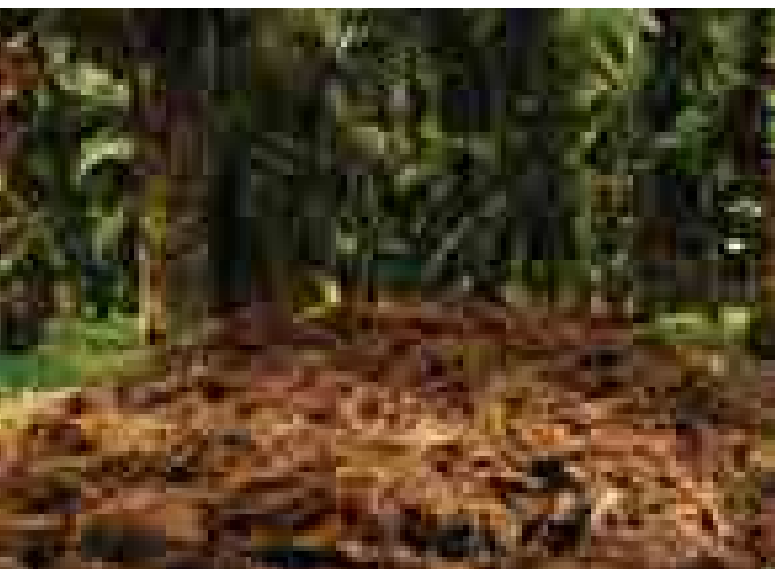
Chairman's Statement

As a demonstration of our commitment to conduct business responsibly, I am pleased to reiterate that we are continuously aligning our business model on a sustainability framework. We carry out our business in a socially, economically and environmentally responsible manner with our stakeholders including employees, customers, investors, communities and suppliers to ensure continued growth and success for the benefit of both the present and future generations.

Barring unforeseen circumstances, on the back of a challenging economic landscape, the Board is therefore of the view that THP Group would achieve sustainable performance in 2012 leveraging on our long-term fundamentals, InsyaAllah.

Corporate Responsibility

THP Group has embedded the corporate responsibility (CR) tagline of *Kesinambungan Pembangunan Ummah* in our business philosophy to achieve a harmonious symmetry between the environment, surrounding communities, employees and shareholders. As a result, I am proud to assert that the underlying philosophy is steering towards attaining a sustainable shared value for all our stakeholders and in forging a sustainable growth for THP Group.



The Environment: Responsibility towards our environmental footprint

In pursuing economic prosperity, THP Group is conscious of the importance of conserving the environment. As mentioned, THP Group is committed in its efforts to reduce any direct impact on the ecosystem. I am pleased to convey that THP Group's adoption of GAMP is centred around the principles and criteria of the Roundtable on Sustainable Palm Oil ("RSPO"). We reinforce our intention of sustainability with the continued enhancement of SPO which encompasses the guidelines in managing our operations.

The oil palm industry has been unjustly accused of polluting the environment and deforestation by the environmentalists. These allegations are brought forth by those who fund the Western Environmental Non-Government Organisations to protect their interests in other vegetable crops, namely rapeseed, sunflower and soybean. In actuality, the industry has contributed significantly towards overall economic development and social growth. In the context of scarcity of land, palm oil is an efficient-yielding vegetable oil as the production



Chairman's Statement



capacity is greater than its substitute, the soybean. Soybean consumes 43% of the total plantation area yet it produces only 24% of total production. Nonetheless, with the propensity to utilise small planting acreage with high yielding factor, oil palm utilises only 5% out of total the plantation area but produces 38% of total production.

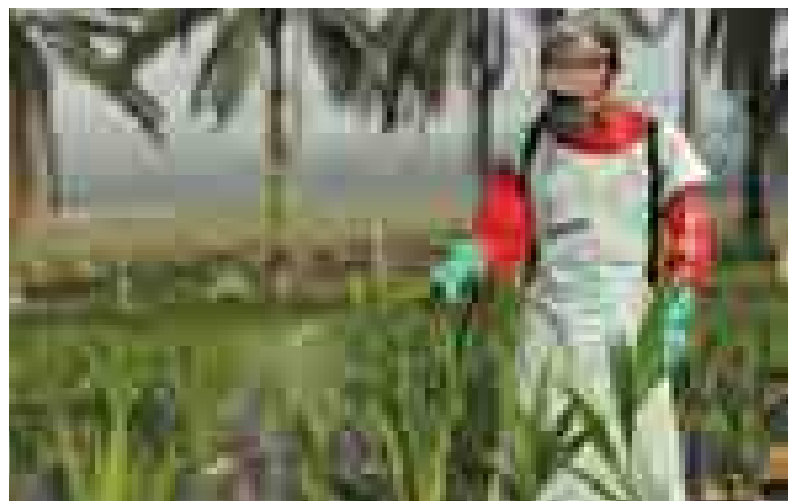
The Community: Responsibility towards civil society

THP Group believes that even a small contribution can ignite a spark of hope and unearth potentials for laudable causes. That is why we continue to participate positively in the development and enrichment of communities living within the vicinity of our projects. In aiming to nurture and instill entrepreneurship spirits among the local communities, THP Group mobilises the Vendor Development Initiative ("VDI") program where we provide a platform for business opportunities for the local small time vendors. Such is our continuous support to the Government's initiative in developing Bumiputera entrepreneurs.

It is a hallmark within the THP Group to strive towards enhancing the lifestyle of the people who are living in our surrounding plantations areas. We will continue to share our business prosperity with the local communities. In this context, we are grateful that our plantations' activities have generated an economic spin-off and creating sustainable communities with better basic amenities. In affirming our support to the Government's initiative to eradicate poverty and improve rural infrastructure under the National Key Result Areas of the Government Transformation Programme, THPAM, the management agent for the joint development between **TH**, the State Agency and the Natives, are jointly developing the Native Customary Rights land located in Beladin and Simunjan, Sarawak with a total planted area of approximately 2,600 Ha. Apart from the positive social economic creation for the natives, since the ventures are at the development phase, they are provided with monthly cultivation incentives to showcase our gratitude, sensitivity, sincerity and commitment towards the projects.

The People: Responsibility in our workplace

Our employees are the backbone of THP Group who play a pivotal role in ensuring the success of our business entity. We emphasise on the development and training of employees to enable them to reach their full potential as





Chairman's Statement

well as to inculcate team spirit in achieving exponential success for THP Group. We also invest substantially in our people by providing professional experiences and robust learning opportunities to produce responsible leaders and trusted advisors who will give a positive impact on our stakeholders. In recognising our employees' perseverance and dedication towards us, we reward them handsomely with remuneration packages linked to their impressive efforts. As a token of gratitude, THP Group rewarded cash and gifts valued at RM100 to all the estate and mill workers, including the foreign workers, in conjunction with the Aidilfitri celebration.

On the aspect of safety, we are committed to ensuring a safer and healthier work environment for all and are steadfast in improving the safety standards via the Occupational Safety and Health policies.

The Shareholders: Responsibility in our governance model

We attest accountability towards our shareholders by ensuring the long-term viability of THP Group through sound and transparent corporate governance and a culture of business ethics. THP Group is continuously integrating social and environmental issues into its governance, risk management processes and investment



strategy in ensuring that objectives and performance target are met. This shall establish a solid foundation in achieving long term sustainable investment earnings to our shareholders.

As a testament to our sound dedication and sterling efforts, I am proud to announce that THP received an outstanding recognition from The Edge Billion Ringgit Club. This award was established to recognise Malaysia's biggest and best performing companies. THP was nominated for 3 categories for the plantation sector awards; namely, Highest Profit Growth Company (Ranked 4th), Most Profitable Company (Ranked 2nd) and Best Performing Stock (Ranked 4th). In relation to that, I would like to congratulate YBhg. Dato' Zainal Azwar Bin Zainal Aminuddin, the Chief Executive Officer of THP for being awarded the Industry Merit Award (Agriculture Sector) by the Kuala Lumpur Malay Chamber of Commerce Malaysia Business. I would also like to extend my felicitations to En. Mohamed Azman Shah Bin Ishak for receiving the Best Chief Financial Officer for Investor Relations (Small Cap) award by the Malaysian Investor Relations Association. We are proud to have a workforce of such calibre to drive the organisation to a higher level.





Prospects

The global economy will be anticipating a weak and bumpy resurgence along with moderate growth for the year 2012 as the world's investment and trade continue to expand sluggishly. In a setting of such challenging outlook, Malaysia remains optimistic as the local economy is forecasted to grow primarily through the implementation of various comprehensive economic programs and buoyant domestic demand in the form of private consumption and investment.

The palm oil industry scene is deemed to be bullish as palm oil will be high in demand for edible purposes to satisfy the growing needs of the seven billion world population, by and large in the likes of heavily populated nations such as China and India. Furthermore, the demand for non-food uses such as biofuel and biomass as an alternative source of energy is projected to expand as the global community steers its course towards

conserving the environment. The favourable outlook of the industry is also supported by lower production due to weather abnormalities and biological yield slow-down is expected to hit Malaysia and Indonesia, the world's largest producers.



Chairman's Statement

Acknowledgements

On behalf of the Board of Directors, I wish to take this opportunity to record my sincere gratitude and appreciation to the management and staff of THP Group for their perseverance and praiseworthy efforts towards the advancement of THP Group.

To my esteemed colleagues of the Board, please accept my most heartfelt gratitude for your prudent counsel, perceptive insights and excellent commitment. Your expert guidance and valuable experience have accelerated further momentum towards achieving THP Group's missions and visions.

The Board and I would also like to bid farewell to En. Md. Yusof bin Hussin and extend our heartfelt appreciation for his astounding contributions and dedicated services during his tenure with THP Group. We wish him great success in all his future endeavours. On another note, we would like to welcome Dato' Amran bin Mat Nor to the Board as our Independent Non-Executive Director. We look forward to his insights and wise counsel.



Chairman's Statement

Finally, my utmost appreciation to our shareholders, associates, government authorities and all other stakeholders for their steadfast support and confidence in THP Group amidst all challenges throughout the year.

We will diligently stay focused on delivering sustainable growth and attain superior performance, as we embark on yet another year in our journey towards success with His Guidance and Mercy, InsyaAllah.

O ye who believe! Do not squander one another's wealth in vanities, but let there be amongst you traffic and trade by mutual good will....(An-Nisa':Verse 29)

Thank you.

Assalamualaikum Warahmatullahi Wabarakatuh.

Tan Sri Datuk Dr Yusof bin Basiran

Chief Executive Officer / Executive Director's Aspirations

THP anchors its plantations' processes on modern technology. As such, a labour-efficient drip watering system is used in the main nursery. This system ensures precise watering in the nursery to avoid wastage.

Chief Executive Officer / Executive Director's Aspirations

“We continuously capitalise on best practices to garner excellent results and bolster THP Group’s wealth. This is executed through an integrated operational foundation, leveraging on our talented pool of resources.

Alhamdulillah, we have also created opportunities through business partnerships and serve society via corporate responsibility.

Our transformation journey of exploring new growth opportunities would support our pursuit to shift our trajectory to be a greater part of a sustainable regional agriculture company.”

“THP maintains stringent quality control by selecting only healthy seedlings to be planted, which is a prerequisite in sustaining high yields.”



Board of Directors

sitting from left to right

1. **Tan Sri Datuk Dr Yusof bin Basiran**
Independent Non-Executive Chairman
2. **Dato' Zainal Azwar bin Zainal Aminuddin**
Chief Executive Officer/Executive Director
3. **Tan Sri Datuk Dr Abdul Samad bin Haji Alias**
Independent Non-Executive Director
4. **Dato' Paduka Ismee bin Haji Ismail**
Non-Independent Non-Executive Director

standing from left to right

5. **Dato' Amran bin Mat Nor**
Independent Non-Executive Director
(Appointed on 1 December 2011)
6. **Datuk Azizan bin Abd Rahman**
Independent Non-Executive Director
7. **Mahbob bin Abdullah**
Independent Non-Executive Director
8. **Dato' Noordin bin Md Noor**
Independent Non-Executive Director
9. **Dato' Haji Wan Zakaria bin Abd Rahman**
Independent Non-Executive Director



Md Yusof bin Hussin
Independent Non-Executive Director
(Resigned on 1 January 2012)



Corporate Information

Audit Committee

Tan Sri Datuk Dr Abdul Samad bin Haji Alias
Chairman
Independent Non-Executive Director

Datuk Azizan bin Abd Rahman
Member
Independent Non-Executive Director

Dato' Noordin bin Md Noor
Member
Independent Non-Executive Director

Nomination Committee

Tan Sri Datuk Dr Abdul Samad bin Haji Alias
Chairman
Independent Non-Executive Director

Datuk Azizan bin Abd Rahman
Member
Independent Non-Executive Director

Mahbob bin Abdullah
Member
Independent Non-Executive Director
(Appointed on 5 January 2012)

Md Yusof bin Hussin
Member
Independent Non-Executive Director
(Resigned on 1 January 2012)



Remuneration Committee

Tan Sri Datuk Dr Yusof bin Basiran
Chairman
Independent Non-Executive Director

Dato' Paduka Ismee bin Haji Ismail
Member
Non-Independent Non-Executive Director

Dato' Haji Wan Zakaria bin Abd Rahman
Member
Independent Non-Executive Director



Company Secretaries

Aliatun binti Mahmud (LS0008841)
Wan Nurul Hidayah binti Wan Yusoff (LS0008555)

Auditors

KPMG Desa Megat & Co
Level 10, KPMG Tower, 8,
First Avenue, Bandar Utama,
47800 Petaling Jaya, Selangor.
Tel : 03 7721 3388 | Fax : 03 7721 3399

Registered Office

Tingkat 23, Bangunan TH Selborn,
153, Jalan Tun Razak,
50400 Kuala Lumpur.
Tel : 03 2687 6666 | Fax : 03 2681 0714 / 0704

Share Registrar

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House,
Pusat Dagangan Dana 1, Jalan PJU 1A/46,
47301 Petaling Jaya, Selangor
Tel : 03 7841 8000 | Fax : 03 7841 8008

Principal Bankers

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

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Listed on 27 April 2006
Stock Name: TH PLANT
Stock Code: 5112

Place Of Incorporation And Domicile

Malaysia

Website

www.thplantations.my

“THP is committed in ensuring the highest standards of replanting procedures as these remain of cardinal importance in terms of our ability to achieve a sustainable and competitive yield production.”



Highlights 2011 Media / Analysts





Highlights 2011 Media / Analysts







Highlights 2011 Media / Analysts



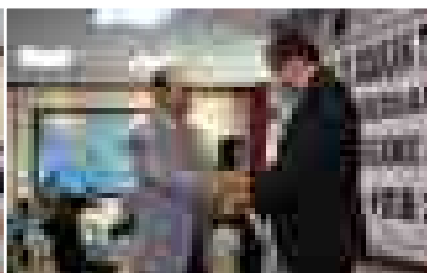
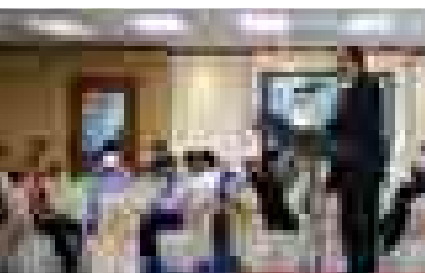


Highlights 2011 Media / Analysts



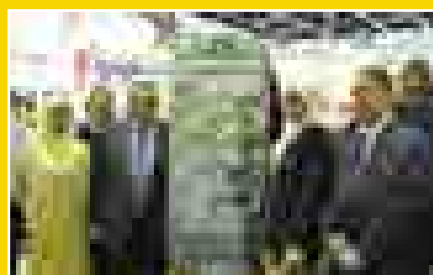


Highlights 2011 Corporate Events

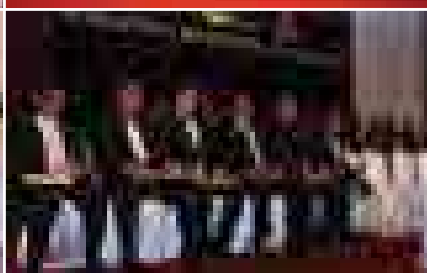
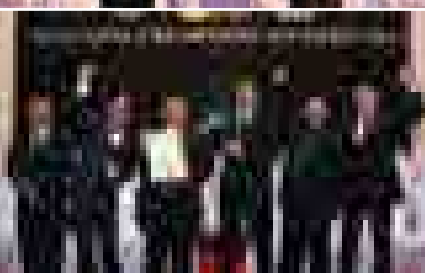
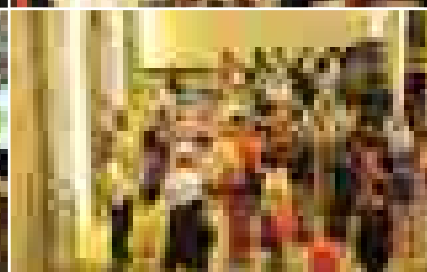
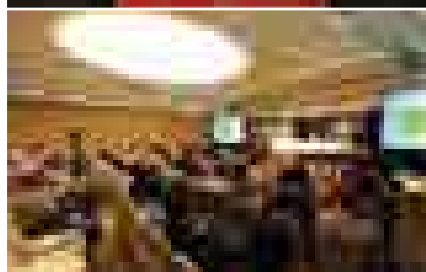
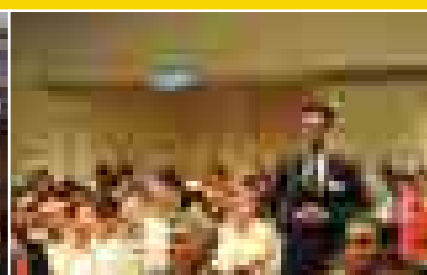
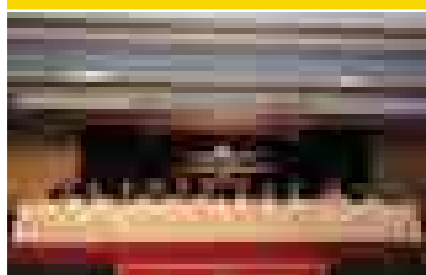


CEO & Staff Gathering
Dewan Perkasa,
TH Selborn
3 March

BN Youth Job Fair 2011
Putra World Trade Centre
25 - 27 March



37th Annual General Meeting
Hotel Istana, Kuala Lumpur
27 April

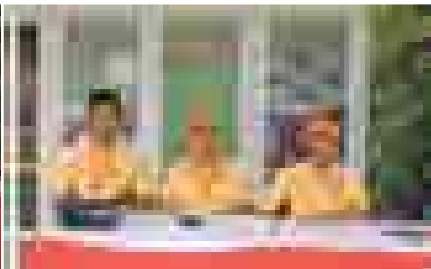


Malaysia Business Awards
Berjaya Times Square Hotel
21 May

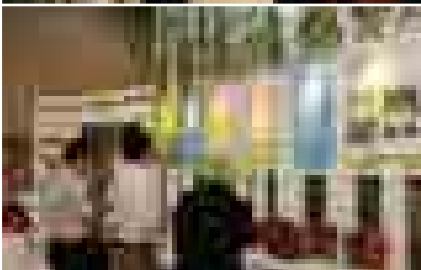
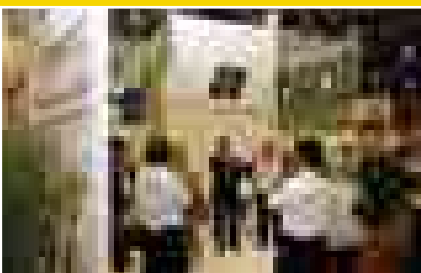
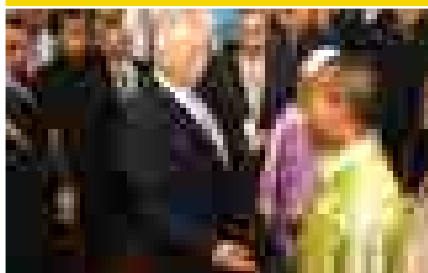


Highlights 2011 Corporate Events

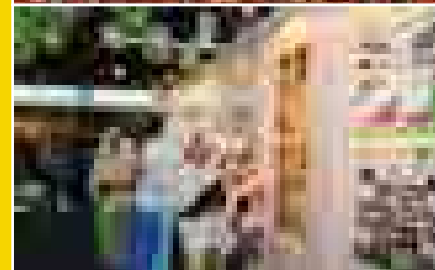
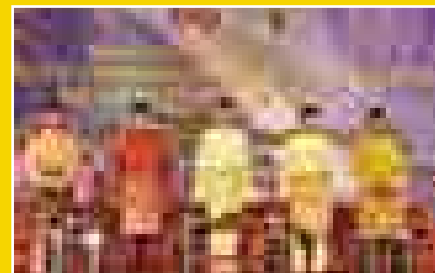
Himpunan Sejuta Belia 2011
Precinct 3, Putrajaya
27 - 29 May



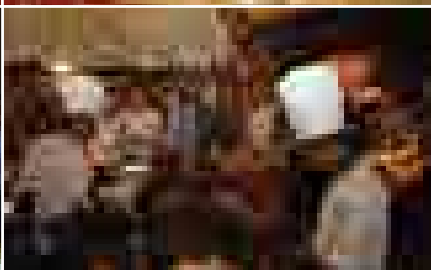
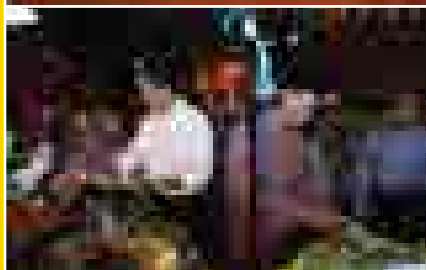
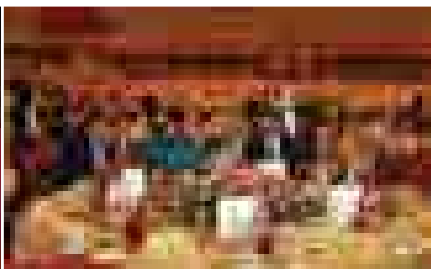
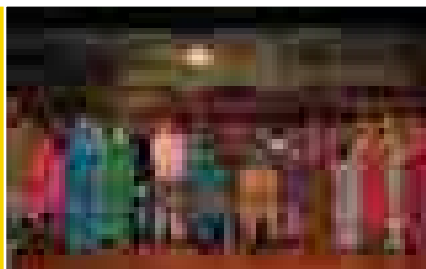
GLC Open Day
KLCC Convention Centre
24 - 27 June



**Karnival Transformasi
Pengurusan Islam**
Putra World Trade Centre
29 - 30 September



Hari Raya Aidilfitri Open House
Dewan Perdana Felda
13 September





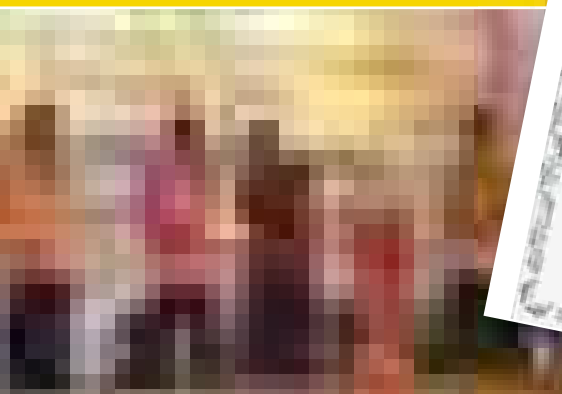
Highlights 2011 Corporate Events



Signing Ceremony of Proposed New Acquisition between

- THP & PT Persada Kencana Prima
- THP & Sawit Green Plantation Sdn Bhd

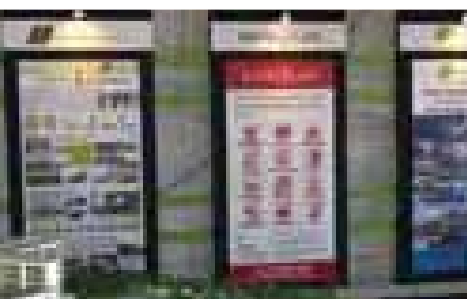
11 November



Anugerah Penyayang Johor 2011

Amansari Residence
Resort, Johor

16 December



Karnival Hijrah 2011 Dataran Shahbandar, Kuala Terengganu

24 - 26 December

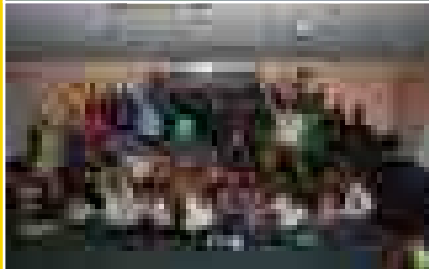
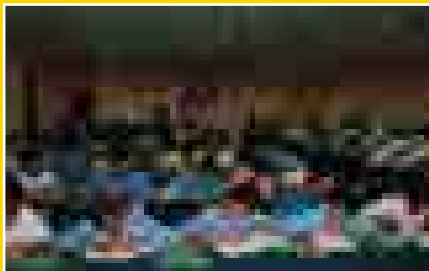


Highlights 2011 Corporate Responsibility

**Sambutan Maulidur Rasul 1432H
Kota Bahagia Complex, Pahang
15 February**



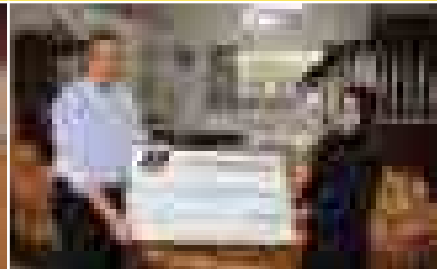
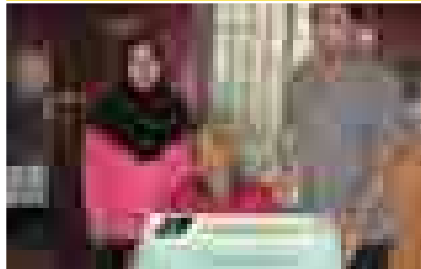
**Bengkel Menjawab
Peperiksaan UPSR 2011
D'Village Hotel, Melaka
14 - 17 March**



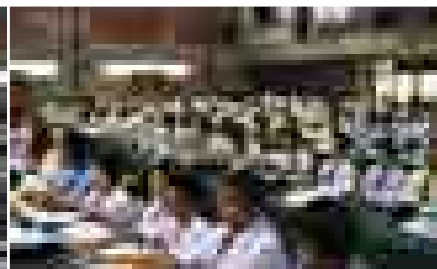
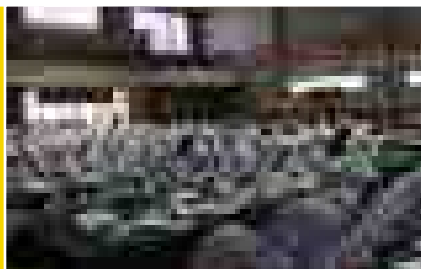
Employee's Compensation

**Tuan Haji Sani Sukiman
Kluang, Johor
22 March**

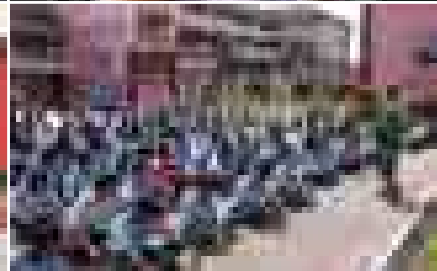
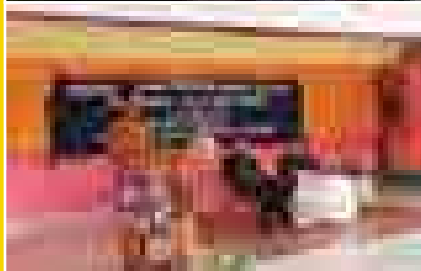
**Beneficiary to Anuar bin Nor
Ladang Kota Bahagia
24 March**



**Program Motivasi
Kecemerlangan PMR 2011
SM Bandar T6, Kluang, Johor
1 - 2 April**

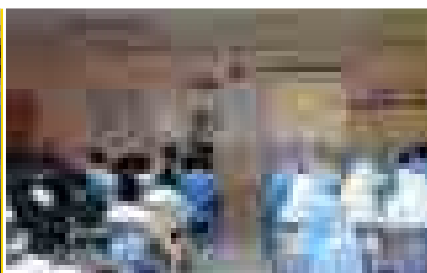
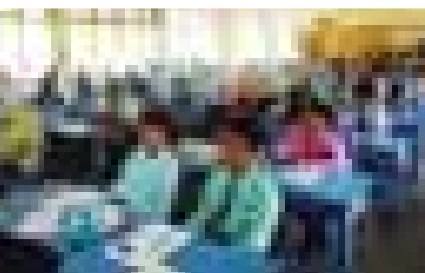


**Program Motivasi
Kecemerlangan SPM 2011
SM Bandar T6, Kluang, Johor
15 - 16 April**



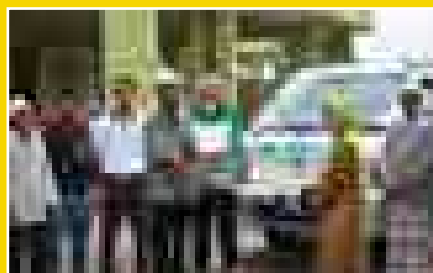


Highlights 2011 Corporate Responsibility

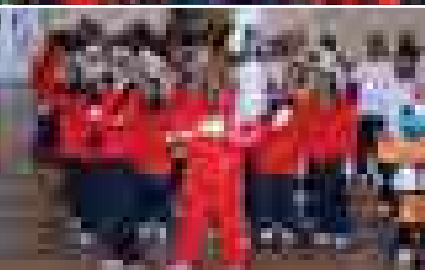
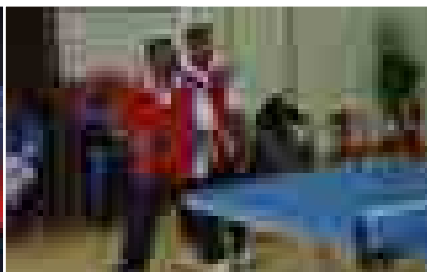
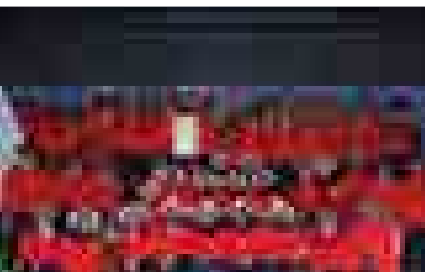
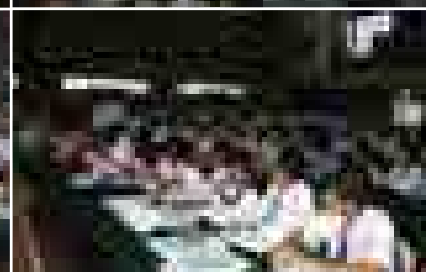
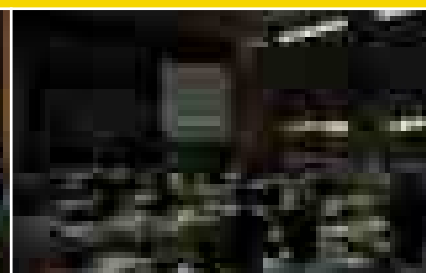
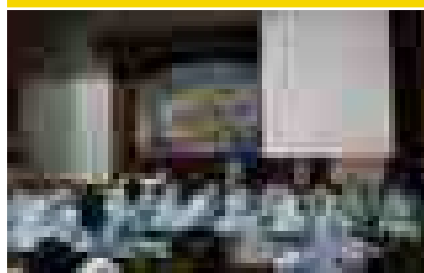


Kempen Jaya UPSR 2011
SRK Ladang Kota Bahagia &
SRK Bukit Rokan Utara
21 May - 26 June

Hearse Contribution
Kota Bahagia Mosque, Pahang
4 May



Bengkel Menjawab Peperiksaan
PMR & SPM 2011
SM Bandar T6, Kluang, Johor
30 April - 22 May, 2 - 17 July



TH Sports Carnival
Ayer Keroh, Melaka
30 April



Highlights 2011 Corporate Responsibility

RECAL Ceremony (Recognition of Employees' Children's Achievement in Learning) 8 June



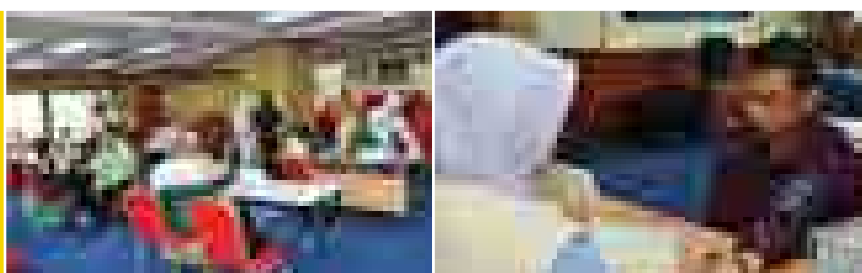
Sahabat Korporat Appreciation Lembaga Tabung Haji 8 September



Bantuan Raya Programme Ladang Kota Bahagia, Pahang 24 August

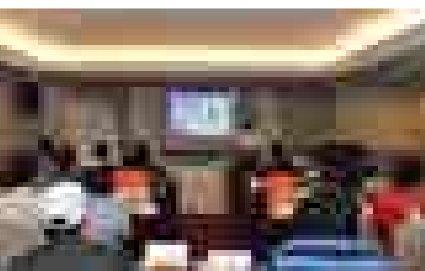


Health Inspection Dewan Perkasa, THP HQ 3 November

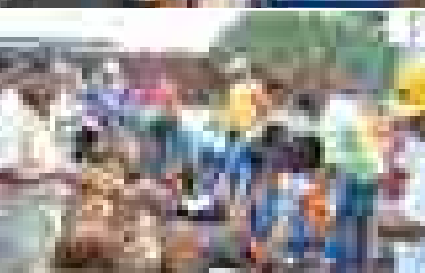
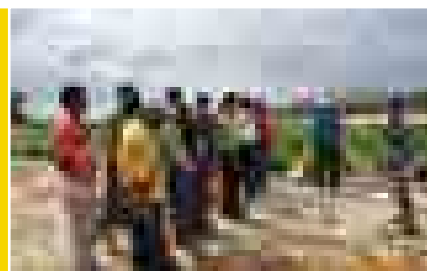




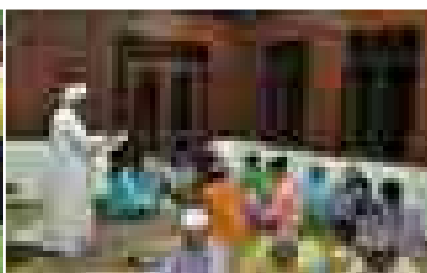
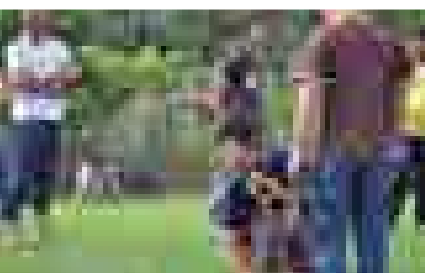
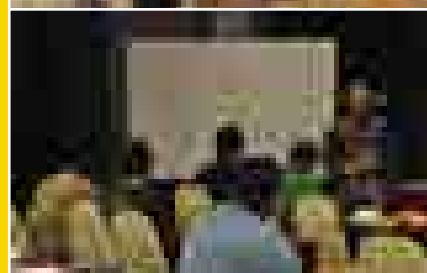
Highlights 2011 Corporate Responsibility



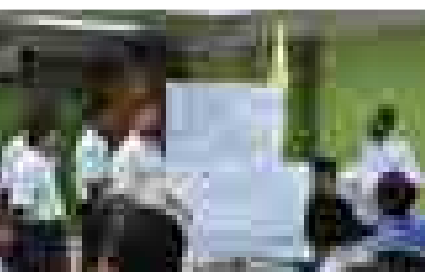
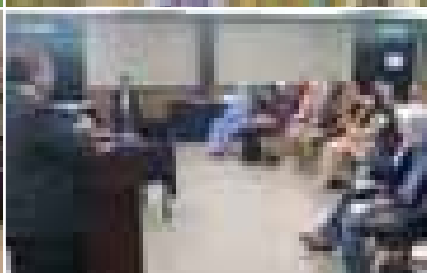
**Kursus Penanaman dan
Pengurusan Sawit
Series 1 - Merdeka Palace Hotel,
Kuching, Sarawak.
15 - 17 January**



**Kursus Penanaman dan
Pengurusan Sawit
Series 2 - Hotel De Leon,
Lahad Datu, Sabah.
16 - 19 April**



**Kesedaran Pencetus Perkasa Diri
Al Sakinah Eco Resort,
Janda Baik, Pahang
Series 1 - 21 - 23 February
Series 2 - 18 - 20 April
Series 3 - 19 - 21 December**



**THP Leadership Management
Programme
Casa Rachado, Port Dickson,
Negeri Sembilan
Series 1 - 21 - 23 March
Series 2 - 18 - 20 July**





Highlights 2011 Corporate Responsibility

Team Building Programme
Eco Resort, Bentong, Pahang
Series 1 - 18 - 22 April
Series 2 - 20 - 24 June



Cadet Planters Induction Programme
Dewan Perkasa, THP HQ
11 July



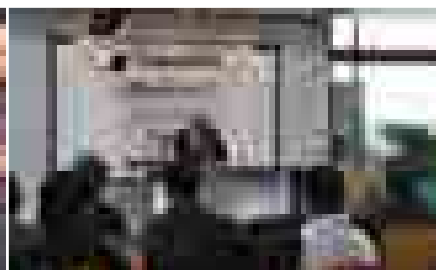
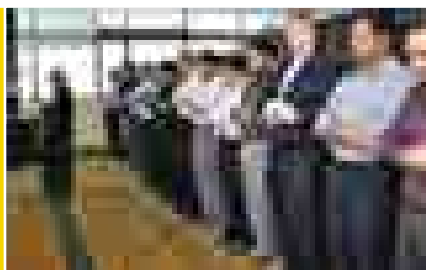
OSHA Training
Dewan Perkasa, THP HQ
16 - 17 November




Yield Improvement Programme
Back to Basics
Renaissance Hotel, Melaka
26 - 27 May



Yasin Recital & Solat Hajat
THP HQ
Every Friday





“THP adopts the use of labour-saving devices in its field operations. One example is the use of the Ultra-Low Volume (ULV) spraying equipment, which increases efficiency and productivity.”

Corporate Structure

Corporate Structure
as at 15 March 2012



Board of Directors' Profile

“THP strives to achieve good palm growth and high yields by the use of premium compound fertilisers which are timely and uniformly applied in all its plantations.”

Board of Directors' Profile

TAN SRI DATUK DR YUSOF BIN BASIRAN
Independent Non-Executive Chairman



Tan Sri Datuk Dr Yusof bin Basiran, 63 years of age, a Malaysian, was appointed as an Independent Non-Executive Chairman on 1 June 2005. He attended all five (5) Board of Directors' meetings which were held for the year ended 31 December 2011. Tan Sri Datuk Dr Yusof is the Chairman of the Remuneration Committee of the Company.

His notable academic achievements are as follows:

- In 1972, he obtained his Bachelor in Chemical Engineering Degree from the University of Canterbury, New Zealand;
- In 1974, he obtained his Post-Graduate Degree in Rubber Technology (ANCRT) in the United Kingdom; and
- In 1976, he obtained his Masters Degree in Engineering, specialising in Industrial Management (M.E) as well as Business Administration (MBA) from the Catholic University of Leuven in Belgium.

Before he joined the Palm Oil Research Institute of Malaysia (PORIM) in 1979, he held the position as a Rubber Technologist/Techno-Economist with the Rubber Research Institute (RRI)/Malaysian Rubber Research Development Board (MRRDB).

In 1986, he obtained his doctorate as a PhD in Applied Economics and Management Science from University of

Stirling, Scotland. He was later appointed as the Director-General of PORIM in 1992. He held the position for eight (8) years before assuming the role of the Director-General of Malaysia Palm Oil Board (MPOB), an organisation born from a merger of PORIM and the Palm Oil Registration and Licensing Authority (PORLA), from 1 May 2000 until 18 January 2006.

Tan Sri Datuk Dr Yusof currently holds several significant positions including:

- Chief Executive Officer (CEO) of Malaysian Palm Oil Council (MPOC);
- Chairman and Director of CB Industrial Product Holding Berhad; and
- Director of Sime Darby Berhad.

Apart from holding distinguished corporate positions, he is also involved in other organisations, among others:

- Fellow and Past President of Academy of Sciences Malaysia;
- Fellow member of Malaysian Scientific Association (MSA);
- Fellow member of Malaysian Oil Scientists' and Technologists' Association (MOSTA); and
- Fellow at the Incorporated Society of Planters.

For all these services, he was conferred the 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).

Tan Sri Datuk Dr Yusof bin Basiran does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years.



Board of Directors' Profile

DATO' ZAINAL AZWAR BIN ZAINAL AMINUDDIN
Chief Executive Officer/Executive Director



In 1998, he joined the Company as a Senior Agronomist and in 2003, he was appointed as the Head of Operations (Overseas) until January 2009. Prior to his appointment as the Company's Chief Executive Officer in July 2009, he was appointed as the Deputy Managing Director in February 2007 and held the same position until June 2009.

He is a member of the Malaysian Society of Soil Science, Incorporated Society of Planters, Malaysian Plant Protection Society and International Society of Oil Palm Agronomist.

Dato' Zainal Azwar is currently the Chairman of CCM Fertilizers Sdn. Bhd.

Dato' Zainal Azwar bin Zainal Aminuddin, 53 years of age, a Malaysian, was appointed as the Chief Executive Officer on 1 July 2009. He was subsequently appointed as an Executive Director on 1 September 2009. He attended all five (5) Board of Directors' meetings which were held for the year ended 31 December 2011. Dato' Zainal Azwar is a member of the Employees' Share Option Scheme Committee of the Company.

He began his career as an Agricultural Officer with the Agriculture Department in 1983 after graduating from Universiti Putra Malaysia (UPM) with a Bachelor's Degree in Agricultural Science. In 1990, he joined Zeenex Sdn. Bhd. as a Techno Commercial Executive and Kumpulan Guthrie Berhad as a Technical Advisor in 1991.

Dato' Zainal Azwar bin Zainal Aminuddin does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years.



Board of Directors' Profile

TAN SRI DATUK DR ABDUL SAMAD BIN HAJI ALIAS
Independent Non-Executive Director



Tan Sri Datuk Dr Abdul Samad bin Haji Alias, 69 years of age, a Malaysian, was appointed as an Independent Non-Executive Director on 1 June 2005. He attended all five (5) Board of Directors' meetings which were held for the year ended 31 December 2011. Tan Sri Datuk Dr Abdul Samad is the Chairman of Audit Committee and Nomination Committee of the Company.

He is a professional accountant with a Bachelor's Degree in Commerce from University of Western Australia a Fellow of the Institute of Chartered Accountants, Australia a member of the Malaysian Institute of Accountants (MIA) and also a member of the Malaysian Institute of Certified Public Accountants (MICPA).

Between 1999 and 2002, he was the President of MICPA and served as a member of the Malaysian Accounting Standards Board (MASB) and Financial Reporting Foundation. From September 2000 to August 2005, he was the President of MIA. He was the first Malaysian to be elected to the 22-member Board of the International Federation of Accountants.

Tan Sri Datuk Dr Abdul Samad is currently the Chairman of Malaysian Venture Capital Management Berhad. His other chairmanship and/or directorships are:

- Chairman of Malaysia Debt Ventures Berhad;
- Chairman of Perbadanan Insurans Deposit Malaysia; and
- Director of Bursa Malaysia Berhad.

Tan Sri Datuk Dr Abdul Samad bin Haji Alias does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years.

Board of Directors' Profile

DATO' PADUKA ISMEE BIN HAJI ISMAIL
Non-Independent Non-Executive Director



Dato' Paduka Ismee bin Haji Ismail, 47 years of age, a Malaysian, was appointed as a Non-Independent Non-Executive Director on 1 January 2006. He attended all five (5) Board of Directors' meetings which were held for the year ended 31 December 2011. Dato' Paduka Ismee is a member of the Remuneration Committee and Tender Committee A of the Company.

He began his career as a Management Accountant in Arab Malaysian Development Bank Berhad in 1987. Having obtained his Chartered Institute of Management Accountant (CIMA) qualification from the London School of Accountancy, he is currently its fellow and also a member of the Malaysian Institute of Accountants (MIA).

Subsequently, he joined Shell Group Malaysia and held various positions including the Head of Forex and Banking of Shell Malaysia Ltd. and the Group Accountant of Shell Malaysia Trading Sdn. Bhd.

He then returned to Arab Malaysian Development Bank Berhad as the General Manager, where he held the post for two (2) years before joining Pengurusan Danaharta Nasional Berhad as its Chief Accountant/Treasurer in 1998.

He also gained further corporate experiences from his services in the following companies:

- 2000 : Medical Online (M) Sdn. Bhd. as its Senior Vice-President;
- 2001 : Lembaga Tabung Haji as its Senior General Manager (Finance); and
- 2003 : ECM Libra Securities Sdn. Bhd. as its Chief Executive Officer.

Currently, Dato' Paduka Ismee is the Group Managing Director and the Chief Executive Officer of Lembaga Tabung Haji. He also sits on the Board of some of its subsidiaries. His other chairmanship and/or directorships are:

- Chairman of Syarikat Takaful Malaysia Berhad;
- Director of KFC Holdings Berhad;
- Director of BIMB Holdings Berhad;
- Director of Bank Islam Malaysia Berhad; and
- Director of 1 Malaysia Development Berhad.

Dato' Paduka Ismee bin Haji Ismail does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years.

Board of Directors' Profile

DATUK AZIZAN BIN ABD RAHMAN
Independent Non-Executive Director



- In 2000, he joined MBF Group and was subsequently appointed as the Managing Director of MBF Capital Berhad and the Executive Director of MBF Holdings Berhad in 2001.
- In 2005, he became the Chairman of Eastern & Oriental Berhad Group.

Datuk Azizan bin Abd Rahman, 62 years of age, a Malaysian, was appointed as an Independent Non-Executive Director on 1 June 2005. He attended all five (5) Board of Directors' meetings which were held for the year ended 31 December 2011. Datuk Azizan is a member of the Audit Committee and Nomination Committee of the Company.

His career began when he assumed the role of a Shipping Executive of Harper Gilfillan (M) Sdn. Bhd. in 1973 after graduating from University of Malaya with a Bachelor of Arts degree. He later moved to the Malaysian International Shipping Company Group, serving as its Branch Manager in 1975 and was subsequently appointed as the Marketing Manager of the Tanker Division.

His other corporate experiences include:

- In 1981, he held a position in Panocean Tankers Ltd. Chartering Department, London.
- In 1982, he joined JF Apex Securities Berhad (JFASB) as its Director which launched his career in stock-broking and finance.
- In 1995, he was promoted to the Board of Tongkah Holdings Berhad and Bina Darulaman Berhad.

While he was a Director of JFASB, he was an active member of the stock-brokers' fraternity and held the post of President of the Association of Stockbroking Companies of Malaysia until he left the industry.

Datuk Azizan was also involved in the restructuring of a few public listed companies such as MBF Group of Companies, Tongkah Holdings Berhad and Bina Darulaman Berhad. He was actively involved in the companies' debt restructuring plans and identified their new business strategies.

Datuk Azizan is currently the Chairman and Business Development Advisor of Eastern & Oriental Berhad. His other chairmanship and/or directorships are:

- Chairman of the Investment Panel of Lembaga Tabung Haji;
- Chairman and Director of Ramunia Holdings Berhad;
- Director of MBF Holdings Berhad; and
- Director of Apex Equity Holdings Berhad.

Datuk Azizan bin Abd Rahman does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years.



Board of Directors' Profile

DATO' HAJI WAN ZAKARIA BIN ABD. RAHMAN
Independent Non-Executive Director



Dato' Haji Wan Zakaria's previous directorships, among others, are as follows:

- Director of Yayasan Terengganu;
- Director of Yayasan Pelajaran MARA;
- Director of UDA Holdings (now known as UDA Holdings Berhad); and
- Director of TDM Berhad.

Dato' Haji Wan Zakaria bin Abd. Rahman, 67 years of age, a Malaysian, was appointed as an Independent Non-Executive Director on 1 June 2005. He attended all five (5) Board of Directors' meetings which were held for the year ended 31 December 2011. Dato' Haji Wan Zakaria is a member of the Remuneration Committee and Tender Committee A of the Company.

His career began when he assumed the role of a teacher with the Education Department in 1966 after graduating from University of Malaya with an Honour's Degree in Malay Studies. In 1974, he joined the Terengganu State Government as an Administrative Officer. The period between 1978 to 1982 saw him serving as the Political Secretary to the Menteri Besar of Terengganu. He then became the Executive Committee Member (Exco) of the Terengganu State Government from 1982 to 1995.

Presently, he is the Chairman of Pertubuhan Peladang Negeri Terengganu and the Director of Pertubuhan Peladang Kebangsaan.

Dato' Haji Wan Zakaria bin Abd. Rahman does not have any family relationship with any director and/or major shareholder(s) of the Company nor does he have any conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years.



Board of Directors' Profile

DATO' NOORDIN BIN MD NOOR
Independent Non-Executive Director



Dato' Noordin bin Md Noor, 54 years of age, a Malaysian, was appointed as an Independent Non-Executive Director on 22 December 2008. He attended four (4) out of five (5) Board of Directors' meetings which were held for the year ended 31 December 2011. Dato' Noordin is the Chairman of the Employees' Share Option Scheme Committee and is a member of the Audit Committee of the Company.

His career began after he graduated with a Diploma in Business Studies from MARA University of Technology (UiTM) in 1976. Within 21 years, Dato' Noordin has gained a vast amount of experience in various industries including business, information technology, construction, service and manufacturing, as well as transportation.

Dato' Noordin has also been actively involved in the nation's political scene since 1976. He held various positions in the United Malays National Organisation of Malaysia (UMNO) at the Division, State and National levels. Some of the positions he has held within UMNO include UMNO Youth Exco Member (1993-2002), Vice-Chairman of UMNO Youth Education Bureau (1993-1996), UMNO Youth Chief, Pulau Pinang (1993-1998), the Chairman of UMNO Youth Entrepreneur Development Council (1996-1998), the Chairman of UMNO Youth Economy and Entrepreneur Development Council (1998-2002) and a committee member of the UMNO Youth Management and Administration.

He is currently a Director of PLB Engineering Berhad and is the Chairman of the company's Nomination Committee. He also sits as a member of the company's Audit Committee.

Dato' Noordin bin Md Noor does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years.



Board of Directors' Profile

MAHBOB BIN ABDULLAH

Independent Non-Executive Director



Mahbob bin Abdullah, 67 years of age, a Malaysian, was appointed as an Independent Non-Executive Director on 1 June 2010. He attended all five (5) Board of Directors' meetings which were held for the year ended 31 December 2011. On 5 January 2012, Mahbob was appointed as the Chairman of the Tender Committee A and B and member of the Nomination Committee of the Company.

He began his career with Harrisons and Crosfield in 1963 as a Management Trainee. He later joined Plantations Agency Limited as an Assistant Manager in their rubber plantation. Between 1968 to 1984, he served Unilever Plantations in Kluang, Johor, Sabah and the Solomon Islands. In 1984, he moved to London to serve as a Member of the Plantations Operations in which he supervised the Unilever Plantations' operations in Thailand, the Democratic Republic of Congo, Malaysia, Solomon Islands, Colombia, Cameroon, Nigeria and Ghana.

In 1987, he joined Sime Darby as the General Manager and was promoted as the Managing Director of Sime Darby Services Sdn. Bhd. in 1989. During his tenure, the company was involved in consultation services mainly in Indonesia, and then onwards he found himself serving the World Bank and other private clients. From 1993 to 2000, he served as a Director of the Refineries Division in Sime Darby. Within his charge, he was responsible for supervising the production and marketing activities of refineries in Malaysia, Thailand, Singapore and Egypt. After his retirement from Sime Darby in 2000, he established his own company, IPC Services Sdn. Bhd., which provides consultancy services to local, international, upstream and downstream businesses within the plantation industry.

In 2001, he was awarded the Fellow of the Incorporated Society of Planters for outstanding service to the industry. Mahbob was a member of the Malaysian Palm Oil Board (MPOB) Programme Advisory Committee.

He is a member of the Board of Greenyield Berhad. He is also a Director of Felda subsidiaries, namely Felda Plantation Sdn. Bhd., Felda Palm Industries Sdn. Bhd., Felda Vegetable Oil Products Sdn. Bhd. and FIMA Bulking Sdn. Bhd., a subsidiary of Kumpulan Fima Berhad.

Mahbob bin Abdullah does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years.



Board of Directors' Profile

DATO' AMRAN BIN MAT NOR

Independent Non-Executive Director



Dato' Amran bin Mat Nor, 46 years of age, a Malaysian, was appointed as an Independent Non-Executive Director on 1 December 2011. He has not attended any Board of Directors meeting in the year under review as there was no meeting held after his appointment.

He holds a Bachelor's Degree in Business Management and a Diploma Penilaian from University Teknologi Malaysia (UTM), as well as a Masters Degree in Business Management from Newcastle University, England.

Dato' Amran's experience include:

- In 1989, he was appointed as the Sports Facilities Officer of Majlis Sukan Negeri Kelantan;
- In 1992, he was appointed as the Assistant Director (Athlete) before being promoted as the Chairman of Majlis Sukan Negeri Kelantan in 2004;
- In 2004, he became a State Assembly Member of Selising, Pasir Puteh, Kelantan; and
- From 2008 to 2009, he was the Political Secretary to the Minister of Tourism.

Dato' Amran has held various positions in the United Malays National Organisation of Malaysia (UMNO) at the Division and State levels from as early as 1988. The positions he has held in UMNO are as follows:

- 1998 to 1991: UMNO Youth Chief of Kok Lanas;
- 1996 to 1998: UMNO Youth Committee Member of Pasir Puteh;
- 1998 to present: UMNO Committee Member of Pasir Puteh;
- 2004 to 2008: UMNO Secretary of Pasir Puteh;
- 2004 to 2008: Committee Member of the Youth and Sports Bureau for UMNO Supreme Council; and
- 2005 until present: Deputy Chairman of Youth and Sports UMNO Kelantan.

Dato' Amran bin Mat Nor does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years.

Management Team

“The adoption of good agricultural practices in its field operation has enabled THP to establish its palms to mirror good environmental practices.”

THP's Pillars of Strength

"The leaders who work most effectively, it seems to me, never say 'I'. And that's not because they have trained themselves not to say 'I'. They don't think 'I'. They think 'we'; they think 'team'. They understand their job is to make the team function. They accept responsibility and don't sidestep it, but 'we' gets the credit... This is what creates trust, what enables you to get the task done." Such is the magnanimity of being leaders, as quoted by Peter Ferdinand Drucker (1909 – 2005).

THP, since its inception, has evolved into a force to be reckoned with in regards to the oil palm industry. It has become a formidable corporation as reflected in its corporate milestones that are manifested through the successes achieved through the years. There was never a moment of doubt in THP's endeavours to further make its presence felt as one of the key-players in the industry.

The impressive journey of THP is attributed to its Management Team. Such strong establishment comprises of the Domestic Operations and the Overseas Operations. Each of these pillar of strength are backed by solid expertise and sound knowledge in their respective fields, hence providing a formidable team of managers who thrive for collective excellence.



Management Team

Senior Management



sitting from left to right

1. Mat Saad bin Ramli
Chief Operations Officer (Domestic)
2. Hassan Fikri bin Mohamad
Chief Operations Officer (Overseas)
3. Mohamed Azman Shah bin Ishak
Chief Financial Officer
4. Dato' Zainal Azwar bin Zainal Aminuddin
Chief Executive Officer/Executive Director

10. Hassni bin Abu Hassan Bashri
General Manager (Operations)
(Seconded to Trurich Resources Sdn Bhd)
11. Abd Rashid bin Sahibjan
General Manager (Planting Advisor)
12. Hamidon bin Hassan
Assistant General Manager (IT)
13. Aruludin Raj bin Azman Arasu
General Manager
(Estate Department & Administration)

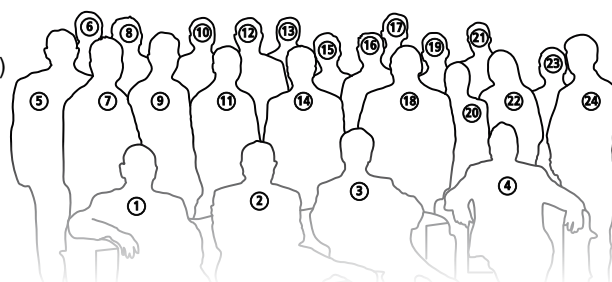
18. Mhamod bin Mokhtar
Chief Operations Officer (Domestic)
(Seconded to Trurich Resources Sdn Bhd)
19. Jamaluddin bin Hanafiah
Assistant General Manager (Audit)
20. Maizura binti Mohamed
General Manager (Corporate Services)
21. Muhamad Ariff bin Ariffin
General Manager (Planting Advisor)

standing from left to right

5. Fadzil bin Abdullah
General Manager (Human Resource)
6. Ghazali bin Limat
General Manager
(Plantation Controller - Overseas)
7. Syed Ali bin Syed Idros
General Manager
(Plantation Controller - Overseas)
8. Ir. Ramli bin Mohd Tahar
General Manager
(Mill Advisor - Overseas)
9. Radin Rosli bin Radin Suhadi
Senior General Manager
(Plantation Controller - Sarawak Operations)

14. Mohd Azahar bin Yasin
Assistant General Manager (Mill Advisor)
15. Ahmad Nordzri bin Razali
General Manager
(Administration & Logistic - Overseas)
16. Ahmad Anuar bin Sairi
General Manager (Agronomy - Overseas)
17. Othman bin Somadi
General Manager (Marketing)

22. Aliatun binti Mahmud
General Manager (Legal & Seretarial)
23. Marzuki bin Abd Rahman
Chief Engineer
24. Dato' Dr. Mohamad Hashim bin Ahmad Tajudin
Director of Agronomy & Innovation





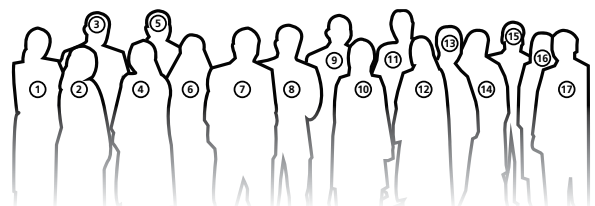
Management Team

Middle Management



standing from left to right

- | | | |
|---|---|---|
| 1. Marliyana binti Omar
Manager (Accounts) | 7. Samshul Bahri bin Muhammad
Manager (Estate Department - Sarawak Operations) | 13. Mohammad Khair bin Ramli
Manager (Soil Survey) |
| 2. Zaiton binti A. Aziz
Senior Manager (Finance) | 8. Mohamad Zaini bin Hassan
Senior Manager (Corporate Publication) | 14. Rosnita binti Kamal Din
Manager (Corporate Services) |
| 3. Ahmad Nazri bin Mohd Daud
Senior Manager (Human Resource) | 9. Khairul Ismadi bin Ismail
Senior Manager (Agronomy) | 15. Zaidi bin Mohd Zin
Manager (Civil Engineer) |
| 4. Wan Sirajiah binti Mohammad Zain
Manager (Legal) | 10. Roslina binti Samat
Senior Manager (Administration) | 16. Noorazlina binti Abu Hasan
Manager (Accounts) |
| 5. Mohammad Faisal bin Mohamed
Manager (IT – Operation & Infrastructure) | 11. Abdul Rahim bin Othman
Senior Manager (Agronomy) | 17. Mohd Khuzae bin Hassan
Manager (Estate Department) |
| 6. Faiza binti Sulaiman
Manager (Secretarial) | 12. Hamidah binti Hassan
Manager (Finance) | |



Statement on Corporate Governance

“THP supports innovation in the industry. This is manifested through the use of the motorised cutter which has proven to be a labour-saving device that increases productivity. The motorised cutter also provides a fast, easy and safe harvesting operation in the estates.”

Statement on Corporate Governance

THE BOARD OF DIRECTORS ("THE BOARD") OF THP CONFIRM THAT IT HAS CONTINUED TO INTEGRATE GOOD AND EFFECTIVE CORPORATE GOVERNANCE PRACTICES INTO THE OVERALL BUSINESS DIRECTION AND MANAGEMENT OF THP GROUP.

The Board is determined and committed towards ensuring maximum shareholders' value and enhancing investors' interests in compliance with the best practices of the Malaysian Code on Corporate Governance ("the Code"), Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements") and the adoption of recommendations on corporate governance in "Green Book - Enhancing Board Effectiveness" ("Green Book") initiated by the Putrajaya Committee on GLC High Performance as part of the GLC Transformation Programme as well as the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad.

The Board constantly strives toward enhancing and raising a high standard of corporate governance throughout THP Group, which is fundamental in fulfilling its responsibility towards protecting and enhancing the shareholders' value and the financial performance of THP Group.

This statement provides a description of how THP has applied the key principles set out in the Code and the extent of its compliance with the best practices set out in the Code throughout the year ended 31 December 2011.



Statement on Corporate Governance

THE BOARD OF DIRECTORS

1. Composition, Size and Effectiveness of the Board

The Board comprises individuals who are well experienced in their respective fields of enterprise and whose knowledge, backgrounds and judgement are invaluable in ensuring THP Group achieves the highest standards of performance, accountability and ethical behaviour as expected by THP's stakeholders.

The Board consists of nine (9) members comprising one (1) Executive Director, one (1) Non-Independent Non-Executive Director and seven (7) Independent Non-Executive Directors. The proportion of Independent Non-Executive Directors is in compliance with the Listing Requirements which require one-third (1/3) of the Board to be independent.

Taking into consideration the Company's present activities and size, the Board views that the number and composition of the current Board members are sufficient and well-balanced for their duties to be carried out effectively whilst providing greater assurance that no individual or small group of individuals can dominate the Board's decision-making.

The positions of Chairman and Chief Executive Officer are held by Tan Sri Datuk Dr Yusof bin Basiran and Dato' Zainal Azwar bin Zainal Aminuddin, respectively. The Chairman has never held the post of Chief Executive Officer of the Company. There is a distinct and clear division of responsibilities between the Chairman and the Chief Executive Officer to ensure that there is a balance of power and authority, avoiding any unfettered power of decision-making in one individual.

Therefore, it is made apparent that the roles of the Chairman and Chief Executive Officer are distinguishable and clearly defined.

Dato' Paduka Ismee bin Haji Ismail, who is the Group Managing Director and Chief Executive Officer of Lembaga Tabung Haji, is the Non-Independent Non-Executive Director who represents Lembaga Tabung Haji, the majority shareholder of the Company. His background in business, finance and professional endeavours contributes to the policy formulations and direction of THP Group.

The presence of seven (7) Independent Non-Executive Directors who neither engage in the day-to-day management of the Company, nor participate in any business dealings or involved in any other relationship with the Company, is to ensure that these Independent Non-Executive Directors remain free from any conflict of interests. This facilitates them to effectively carry out their roles and responsibilities as Independent Directors.

Although all Directors shoulder equal responsibilities for THP Group's operations, the roles of these Independent Non-Executive Directors have proven to be particularly important in ensuring that all business strategies proposed by the management are fully discussed and examined, taking into account long-term interests, not only of THP's shareholders, but also of its employees, customers, suppliers and other THP Group's stakeholders.

The profiles of each Board member are outlined in pages 68 to 77 of this Annual Report.



Statement on Corporate Governance

2. Duties and Responsibilities of the Board

In discharging their duties, the Board members are constantly mindful that the interests of THP Group's customers, investors and all other stakeholders are well safe guarded.

The six (6) principle responsibilities of the Board, among others, include the following:

- a. Reviewing and adopting strategic plans for the Company. The Board will review and approve the five (5) year rolling strategic plan for THP Group.

On an on going basis as need arises, the Board assesses whether projects, acquisitions and disposals as well as other strategic considerations proposed during Board meetings for the year under review are in line with the objectives and broad outline of the adopted strategic plans.

- b. Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed. During Board meetings, all operational matters are discussed and expert advice is sought where necessary.

The performance of the various operating units of THP Group represents major elements in the Board's agenda. When and where available, data are compared against national trends and performance of similar companies.

THP Group uses Key Performance Indicators (KPI) as the primary driver and anchor them to its performance management system. They are continually refined and enhanced to reflect THP Group's changing business circumstances.

- c. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks – THP Group has set up a Risk Management Committee comprising senior members of the Management team to assist the Board in this area.
- d. Implementing succession planning, including the appointment and recruitment of senior management team members.

The Board's responsibility in this aspect is being closely supported by the Human Resource Department. Due to the importance of succession planning, this subject has now become an on going agenda which is being reviewed at various THP Group's high-level management and operational meetings.



Statement on Corporate Governance

- e. Developing and implementing an investor relations programme or shareholder communications policy for the Company.

The Board has approved the Company's Investor Relations Policy ("IR Policy") on 9 August 2007. In the IR Policy, the Company has authorised selected spokespersons from the senior management level along with the Chairman and the Chief Executive Officer to communicate with financial analysts, shareholders and investors regarding THP Group's performance overview. They are also authorised to provide press interviews, investor analyst briefings as well as to make THP's yearly and quarterly results announcements, so as to ensure that the investors and shareholders are well-informed about THP Group's affairs and developments.

- f. Reviewing the adequacy and integrity of the Company's internal controls and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines.

In fulfilling this responsibility, the Board's functions are supported and reinforced through the various committees established at both the Board and management levels. They are aided by the Internal Audit Department, to provide a strong check and balance as well as reasonable assurance on the adequacy of the Company's internal controls through their regular meetings and discussions.

Details on the Internal Audit functions are further discussed in the Audit Committee Report as mentioned on pages 122 to 123 of this Annual Report.

Moreover, the Company subscribes to the principles in the Green Book as the Policy Manual of the Board to assist the Board in discharging its duties effectively. The Board is therefore guided by the Green Book, among others, in the following areas:

- The Group Organisation;
- Board Organisation;
- Board Responsibilities;
- Board Procedures;
- Director Evaluation Guidelines and Procedures; and
- Managing Director Evaluation Guidelines and Procedures.

At the same time, the Board also ensures the sustenance of a dynamic and robust corporate climate which is focused on strong ethical values. To this end, active participation and structured dialogues involving key people at all levels are encouraged and conducted. Meanwhile, accessibility to information and transparency in all executive actions is consistently maintained. The corporate climate is also continuously nourished by value-centred programmes for team-building and active subscription to core values.



Statement on Corporate Governance

3. Board Meetings and Supply of Information to the Board

Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year to facilitate the Directors to plan ahead and organise the next year's Board meetings into their respective schedules.

The Board is supplied with and assured of full and timely access to all relevant information to discharge its duties effectively. A set of Board papers is provided to the Board members in advance, prior to each Board meeting. The Board papers contain, among others, information on THP Group's performance and major operational, financial and corporate issues.

All Board decisions are properly minuted. Minutes of each Board meeting are circulated to all Directors for their review prior to the confirmation of the minutes which would be done at the beginning of the following Board meeting. The Directors may request for clarification or raise comments before the minutes are tabled for confirmation as being correct records of Board proceedings. All conclusions of the Board meetings are duly recorded and the minutes are kept by the Company Secretary. Apart from minutes, Circular Resolutions are used to determine matters arising in between meetings.

A total of five (5) board meetings were held in 2011 and all Directors have complied with the minimum fifty percent (50%) attendance as required under Paragraph 15.05 of the Listing Requirements.

The Chairman of the Audit Committee would inform the Directors during Board meetings of any salient matters noted by the Audit Committee arising from management findings that require the Board's attention or direction.

In addition to matters relating to the Board's six (6) principal stewardship responsibilities, other specific topics tabled for the Board's deliberation include key financial and operational results and the performance of THP Group, THP Group's strategic and corporate initiatives such as approval of corporate plans and budgets, acquisitions and disposal of material assets, major investments, and changes to management and control structures of THP Group, including key policies, procedures and authority limits.

Apart from the scheduled meetings, on separate occasions, the Directors also visit locations of estates and mills to enable them to better assess the operational progress, status of development and any important issues which need to be addressed.



Statement on Corporate Governance

Attendance for the Director's Board meetings throughout 2011 is detailed below:

Director	Designation	No. of Meetings Attended	%
Tan Sri Datuk Dr Yusof bin Basiran	Independent Non-Executive Chairman	5/5	100
Tan Sri Datuk Dr Abdul Samad bin Haji Alias	Independent Non-Executive Director	5/5	100
Dato' Paduka Ismee bin Haji Ismail	Non-Independent Non-Executive Director	5/5	100
Datuk Azizan bin Abd Rahman	Independent Non-Executive Director	5/5	100
Dato' Haji Wan Zakaria bin Abd Rahman	Independent Non-Executive Director	5/5	100
Dato' Noordin bin Md Noor	Independent Non-Executive Director	4/5	80
Mahbob bin Abdullah	Independent Non-Executive Director	5/5	100
Dato' Zainal Azwar bin Zainal Aminuddin	Chief Executive Officer / Executive Director	5/5	100
Md Yusof bin Hussin (Resigned on 1 January 2012)	Independent Non-Executive Director	4/5	80
Dato' Amran bin Mat Nor (Appointed on 1 December 2011)	Independent Non-Executive Director	Not Applicable	Not Applicable

In carrying out their duties, all Directors have unrestricted access to all information within the Company. Apart from that, they are also able to seek advice from the Company Secretary and whenever necessary, independent professional advice, all at the expense of THP Group.

The Board is not only provided with quantitative information but also with those which are qualitative in nature which is pertinent and of a substantial necessity to allow the Board to effectively deal with matters that are tabled at the meetings. These include current updates of THP Group's performance as well as external factors that may influence its business.



Statement on Corporate Governance

4. Appointment of New Directors

The number and composition of Board membership is reviewed on a regular basis to ensure the effectiveness of the Board to safeguard the Company's long term interests.

The Nomination Committee assesses the suitability of proposed new Directors and upon reaching a consensus, recommends candidates to the Board for appointment.

5. Re-election of Directors

In accordance with the Company's Articles of Association, at least one third (1/3) of the Directors shall retire from office every year provided always that all Directors shall retire from office at least once in every three (3) years and shall be eligible for re-election in the Annual General Meeting ("AGM").

The Articles of Association also provide that newly-appointed directors shall hold office until the next AGM and shall then be eligible for re-election.

The re-election of Directors ensures that shareholders have a regular opportunity to re assess the composition of the Board.

6. Board Committees

The Board has established six (6) Board Committees to which it has delegated specific responsibilities. They are the Audit Committee, Nomination Committee, Remuneration Committee, Employees' Share Option Scheme Committee, Tender Committee A and Tender Committee B.

The Board Committees operate under clearly defined terms of reference. They have the authority to examine particular issues within their terms of reference and to report to the Board their recommendations.

Apart from the Board Committees, Management Committees are also established by the management to facilitate the functions of the Board. These would include Government Linked Companies Transformation Programme Committee, Standard Operating Procedures Committee, Human Resource Committee, Risk Management Committee and Audit Compliance Committee.

Details of the main Board Committees during the year are outlined below:

a. Audit Committee

Pursuant to Paragraph 15.15 of the Listing Requirements, the Audit Committee Report for the financial year ended 31 December 2011 is contained in pages 114 to 123 of this Annual Report.



Statement on Corporate Governance

TH Plantations Berhad Board and Management Committees





Statement on Corporate Governance

b. Nomination Committee

Membership

The members of the Nomination Committee and their attendance for the year under review are as follows:

Member	Designation	Number of Meeting Attended	%
Tan Sri Datuk Dr Abdul Samad bin Haji Alias	Chairman, Independent Non-Executive Director	2/2	100
Datuk Azizan bin Abd Rahman	Member, Independent Non-Executive Director	2/2	100
Md Yusof bin Husin (Resigned on 1 January 2012)	Member, Independent Non-Executive Director	2/2	100
Mahbob bin Abdullah (Appointed on 5 January 2012)	Member, Independent Non-Executive Director	Not Applicable	Not Applicable

Terms of Reference

The terms of reference of the Nomination Committee are as follows:

1. Composition

The Committee shall be appointed by the Board from among the Directors of the Company and shall comprise exclusively of Non-Executive Directors, a majority of whom are independent. The Committee shall consist of at least three (3) members.

2. Quorum

Two (2) members shall form a quorum for a meeting of the Committee provided that the majority of members present must be Independent Directors.

3. Chairman

The members of the Committee shall elect a Chairman from among their members who shall be an Independent Non-Executive Director. In the absence of the Chairman of the Committee, the remaining members present shall elect one of their members as Chairman of the meeting.

4. Secretary

The Company Secretary shall act as the Secretary of the Committee.



Statement on Corporate Governance

5. Meetings and Minutes

- a. The Committee shall meet at least once a year or at such other times deemed necessary by the Chairman of the Committee.
- b. The Secretary shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda not less than five (5) days prior to the meeting.
- c. Minutes of each meeting shall be distributed to each member of the Committee.
- d. Questions arising shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. Provided that where two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question in issue, shall not have a casting vote.
- e. A resolution in writing signed by a majority of the Committee Members which shall consist of the signatures of at least two (2) Independent Directors shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

6. Functions and Responsibilities

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

- a. To review regularly the Board's structure, size and composition, and make recommendations to the Board on any adjustments that are deemed necessary;
- b. To identify and propose to the Board suitable candidates to act as Directors of the Company;
- c. To assess Directors on an on-going basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director;
- d. To consider and recommend to the Board candidates for all directorships to be filled in the Company and its Group;
- e. To evaluate and recommend to the Board Directors to fill the seats on the Board Committees;
- f. To consider, in making its recommendations, candidates for directorship who are proposed by the Chief Executive Officer and within the bounds of practicability by any other senior executive or any Director or shareholder;
- g. To recommend to the Board for the continuation (or not) in service of Executive Director(s) and Directors who are due for retirement by rotation;



Statement on Corporate Governance

- h. To review the Board's mix of skills, experience and other qualities including core competencies which non-executive directors should bring to the Board on an annual basis;
- i. To orientate and educate new directors on the nature of the business, current issues within the Company, corporate strategies, expectations of the Company concerning inputs from directors and their general responsibilities;
- j. Such other functions as may be delegated by the Board from time to time; and
- k. To review and recommend promotions, extensions of contracts, creation of new posts and all other related matters with regard to the senior management of the Company and its Group.

7. Reporting Procedures

- a. The actual decision as to who shall be appointed to the Board shall be the responsibility of the Board after considering the recommendations made by the Committee.
- b. The Committee should report to the Board for its consideration and implementation.

8. Access to Advice

In furtherance to their duties as Committee members of the Company, there shall be an agreed procedure for the members, whether as a full committee or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.

c. Remuneration Committee

Membership

The members of the Remuneration Committee and their attendance for the year under review are as follows:

Member	Designation	Number of Meeting Attended	%
Tan Sri Datuk Dr Yusof bin Basiran	Chairman, Independent Non-Executive Director	2/2	100
Dato' Paduka Ismee bin Haji Ismail	Member, Non-Independent Non-Executive Director	2/2	100
Dato' Haji Wan Zakaria bin Abd Rahman	Member, Independent Non-Executive Director	2/2	100



Statement on Corporate Governance

Terms of Reference

The terms of reference of the Remuneration Committee are as follows:

1. Composition

The Committee shall be appointed by the Board from among the Directors of the Company and shall comprise exclusively of Non-Executive Directors a majority of whom are independent. The Committee shall consist of at least three (3) members.

2. Quorum

Two (2) members shall form a quorum for a meeting.

3. Chairman

The members of the Committee shall elect a Chairman from among their members who shall be an Independent Non-Executive Director. In the absence of the Chairman of the Committee, the remaining members shall elect one of their members as Chairman of the meeting.

4. Secretary

The Company Secretary shall act as the Secretary of the Committee.

5. Meetings and Minutes

- a. The Committee shall meet at least once a year or at such other times as the Chairman of the Committee deem necessary.
- b. The Secretary shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda not less than five (5) days prior to the meeting.
- c. Minutes of each meeting shall be distributed to each member of the Committee.
- d. Questions arising shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. Provided that where two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question in issue, shall not have a casting vote.
- e. A resolution in writing by a majority of the Committee Members, which shall consist of the signatures of at least two (2) Independent Directors, shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.



Statement on Corporate Governance

6. Functions and Responsibilities

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

- a. To recommend to the Board the remuneration framework for Executive Directors as well as the remuneration package for each Executive Director (if applicable), based on the Company's Scheme of Service;
- b. To recommend to the Board the allowance and benefits of Non-Executive Directors;
- c. To recommend to the Board the seating allowance of the Directors and Committee members;
- d. To recommend to the Board any review on the Company's Scheme of Service, whenever deemed necessary and appropriate; and
- e. To recommend to the Board the remuneration framework and the remuneration package, allowances, bonus, etc. for senior management personnel based on the Company's Scheme of Service.

7. Structures and Procedures

- a. The remuneration of Directors shall be the ultimate responsibility of the Board after considering the recommendations made by the Committee.
- b. The Executive Director does not participate in discussions of his own remuneration.
- c. The determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman shall be a matter to be considered by the Board as a whole.
- d. The level of remuneration should be sufficient to attract and retain the Directors needed to steer the Company successfully. In the case of Executive Directors, the components of the remuneration should be structured so as to link rewards to corporate and individual performance. The level of remuneration should reflect the experience and responsibilities undertaken by the Non-Executive Directors concerned.

8. Reporting Procedures

- a. The actual decision on the remuneration framework and the remuneration package, allowances, bonus etc. shall be the responsibility of the Board after considering the recommendations made by the Committee.
- b. The Committee should report to the Board for its consideration and implementation.



Statement on Corporate Governance

9. Access to Advice

In furtherance to their duties as Committee members of the Company, there shall be an agreed procedure for the members, whether as a full committee or in their individual capacity, to obtain independent professional advice at the Company's expense, if necessary.

d. Employees' Share Option Scheme ("ESOS") Committee

Membership

The members of the ESOS Committee and their attendance for the year under review are as follows:

Member	Designation	Number of Meeting Attended	%
Dato' Noordin bin Md Noor	Chairman, Independent Non-Executive Director	2/2	100
Dato' Zainal Azwar bin Zainal Aminuddin	Member, Executive Director	2/2	100
Hassan Fikri bin Mohamad	Member	2/2	100
Mohamed Azman Shah bin Ishak	Member	2/2	100
Aliatun binti Mahmud	Member	1/2	50
Fadzil bin Abdullah	Member	2/2	100

Functions and Responsibilities

The ESOS Committee is established primarily:

- To administer the ESOS in accordance with the By-Laws of the ESOS and in such a manner as it shall in its discretion deem fit and within such powers and duties as are conferred upon it by the Board.
- To review and amend, at any time and from time to time, any provisions of the By-Laws, provided that the amendments are not prejudicial to the eligible employees and with the prior approval of the shareholders of the Company. Such modifications/variations shall be subject to the approval of the Board and the relevant regulatory authorities.



Statement on Corporate Governance

e. Tender Committee A

Membership

The members of Tender Committee A and their attendance for the year under review are as follows:

Member	Designation	Number of Meeting Attended	%
Md Yusof bin Hussin (Resigned on 1 January 2012)	Chairman, Independent Non-Executive Director	3/3	100
Dato' Paduka Ismee bin Haji Ismail	Member, Non-Independent Non-Executive Director	2/3	67
Dato' Haji Wan Zakaria bin Abd Rahman	Member, Independent Non-Executive Director	3/3	100
Mahbob bin Abdullah (Appointed on 5 January 2012)	Chairman, Independent Non-Executive Director	Not Applicable	Not Applicable

Terms of Reference

The terms of reference of Tender Committee A are as follows:

1. Composition

The Committee shall be appointed by the Board from among the Directors of the Company and shall comprise exclusively of Non-Executive Directors, a majority of whom are independent. The Committee shall consist of at least three (3) members.

2. Quorum

A quorum shall consist of a simple majority of the members of the Committee (excluding the Secretary) provided that the Chairman and the Secretary of the meeting are present during the meeting.

3. Secretary

The Secretary of the Committee is appointed by the Board.

4. Meetings and Minutes

- The Committee shall meet at least once a year or at such other times deemed necessary by the Chairman of the Committee.
- The Secretary shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda not less than five (5) days prior to the meeting.



Statement on Corporate Governance

- c. Minutes of each meeting shall be distributed to each member of the Committee.
- d. Questions arising shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. Provided that where two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question in issue, shall not have a casting vote.
- e. A resolution in writing signed by all the Committee Members which shall consist of the signature of at least two (2) Independent Directors shall be as valid and effectual as if it had been passed during a meeting of the Committee duly convened and held.

5. Functions and Responsibilities

The primary duties and responsibilities of the Tender Committee A shall include the following:

- a. To record all tenders called, including the nature of the procurement contract, budget provisions, number of tenders received, value of successful tenders, name of successful tenderers and, if the successful tender was not the lowest, the reasons for it's selection;
- b. To ensure that the procurement process complies with the relevant procurement ethics, policies and requirements;
- c. To consider, evaluate and approve or recommend awards which are beneficial to THP Group, taking into consideration various price factors, usage of products and services, quantity, duration of service and other relevant factors; and
- d. To waive the requirement for the calling of formal tenders for particular acquisitions, in accordance with the Committee's discretion.

6. Reporting Procedures

The actual decision on successful tenders shall be the responsibility of the Board and Audit Committee, which will review any related party transactions and conflict of interest situations that may arise within THP Group. This includes any transactions, procedures or course of conduct that may raise questions on management integrity after considering the recommendations made by the Tender Committee.

7. Access to Advice

In furtherance to their duties as Committee members of the Company, there shall be an agreed procedure for the members, whether as a full committee or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.



Statement on Corporate Governance

DIRECTORS' REMUNERATION

The Board believes that the levels of remuneration offered by THP Group are sufficient to attract and retain Directors of calibre and with sufficient experience and talents to contribute to the performance of the Company. Comparisons with similar positions within the industry and other major public listed companies are made in order to arrive at a fair remuneration rate.

Details of the remunerations (including benefits-in-kind) of each Director for the year ended 31 December 2011 are as follows:

Director	RM					
	Salary	Fees*	Bonus	Other Emoluments	Benefits-in-Kind	Total
<u>Executive Director</u>						
Dato' Zainal Azwar bin Zainal Aminuddin	627,510	54,000	485,000	287,321	7,200	1,461,031
<u>Non-Executive Directors</u>						
Tan Sri Datuk Dr Yusof bin Basiran	-	108,000	-	-	13,800	121,800
Tan Sri Datuk Dr Abdul Samad bin Haji Alias	-	78,000	-	-	-	78,000
Dato' Paduka Ismee bin Haji Ismail	-	54,000	-	-	-	54,000
Datuk Azizan bin Abd Rahman	-	66,000	-	-	-	66,000
Dato' Haji Wan Zakaria bin Abd Rahman	-	54,000	-	-	-	54,000
Dato' Noordin bin Md Noor	-	54,000	-	-	-	54,000
Mahbob bin Abdullah	-	54,000	-	-	-	54,000
Dato' Amran bin Mat Nor (Appointed on 1 December 2011)	-	4,500	-	-	-	4,500
Md Yusof bin Hussin (Resigned on 1 January 2012)	-	54,000	-	-	-	54,000
TOTAL	627,510	580,500	485,000	287,321	21,000	2,001,331

Note: * Fees include those disbursed for being a member of Board Committees.



Statement on Corporate Governance

Number of Directors whose remuneration falls within the following bands:

Ranges of Remuneration	Executive Director	Non-Executive Directors	Total
Below RM50,000	-	1	1
RM50,001 to RM100,000	-	7	7
RM100,001 to RM150,000	-	1	1
RM1,000,000 to RM1,500,000	1	-	1

DIRECTORS' TRAINING

In compliance with the Listing Requirements, the Company regularly assesses the training needs of its Directors to ensure that they are well-equipped with the requisite knowledge and competencies to contribute effectively to the steering of the Board.

All Directors have successfully completed the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Malaysia Securities Berhad. Listing Requirements requires newly appointed Directors of public listed companies to attend MAP within four (4) months after their appointment. Dato' Amran bin Mat Nor, who was appointed to the Board on 1 December 2011, attended MAP from 30 – 31 January 2012.

Apart from that, the Directors are also encouraged to continue attending various training programmes that are relevant to further enhance their knowledge and expertise in discharging their responsibilities.



Statement on Corporate Governance

For the financial year ended 31 December 2011, the Directors attended the following training programmes:-

Director	Training Programme Title
Tan Sri Datuk Dr Yusof bin Basiran	The Non-Executive Directors' Development Series – Is It Worth The Risk?
Tan Sri Datuk Dr Abdul Samad bin Haji Alias	The MIA-AFA Conference 2011 Insurance Insights Programme Internal Audit, Internal Control & Compliance Conference 2011 Improving Corporate Governance In Malaysian Capital Markets – The Role of Audit Committee Assessing The Risk And Control Environment
Dato' Paduka Ismee bin Haji Ismail	Financial Institution Directors' Education Core Programme Module 1 Financial Institution Directors' Education Core Programme Module 2 Financial Institution Directors' Education Core Programme Module 3 Financial Institution Directors' Education Core Programme Module 4
Datuk Azizan bin Abd Rahman	5th Corporate Directors' Training Programme Advance Business Management Programme
Dato' Haji Wan Zakaria bin Abd Rahman	Seminar Pengarah Wakil-Wakil Tabung Haji 2011 Seminar Dasar Pertanian Negara
Dato' Noordin bin Md Noor	Seminar Pengarah Wakil-Wakil Tabung Haji 2011
Mahbob bin Abdullah	Palm And Lauric Oils Conference & Exhibition Price Outlook (POC 2011) The New Corporate Governance Blueprint and Regulatory Updates Seminar 2011 Securities Industry Development Centre (SIDC) Module 6 – Stock Market and Securities Law Securities Industry Development Centre (SIDC) Module 7 – Financial Statement Analysis and Asset Valuation
Dato' Zainal Azwar bin Zainal Aminuddin	Palm And Lauric Oils Conference & Exhibition Price Outlook (POC 2011) 9th ISP National Seminar Seminar Pengarah Wakil- Wakil Tabung Haji 2011 MPOB International Palm Oil Conference (PIPOC 2011)



Statement on Corporate Governance

COMMUNICATION AND RELATIONSHIP WITH INVESTORS AND SHAREHOLDERS

The Company persistently ensures that it maintains a high level of disclosure and communication with its shareholders and stakeholders through various practicable and legitimate channels. The Company is duty-bound to keep the shareholders and investors informed of any major developments and changes affecting the Group.

Apart from the annual reports, press releases and analyst briefing presentation slides, THP's website, www.thplantations.my, also houses all other public corporate and financial information, such as THP Group's quarterly announcements of the financial results, announcements and disclosures made pursuant to the disclosures required by the Listing Requirements and other corporate information on THP Group.

Meetings and briefings were held periodically with investors, research analysts, bankers and the press to explain THP Group's latest performance results, current developments and future direction. To seek clarification or explanation on any issues arising, participants are encouraged to pose questions to THP's Chief Executive Officer and Executive Director or members of the senior management team. While these forms of communications are important, the Company takes full cognisance of its responsibilities not to disclose price-sensitive information.

As mentioned earlier, the Board has adopted the IR Policy to enable appropriate communications with all stakeholders. In the said IR Policy, the authorised spokespersons will guide and steer communications by THP's senior management and employees. This is to avoid THP from making contradictions and differing views on certain issues and ensuring that only clear and precise information is given to the media and the market.

For further information or queries on matters relating to Investor Relations, please contact the following authorised management personnel:

- 1. Mohamed Azman Shah bin Ishak**
Chief Financial Officer
Contact No. 03 2687 6666
Email: ashah@thplantations.com
- 2. Maizura binti Mohamed**
General Manager – Corporate Services
Contact No. 03 2687 6666
Email: maizura@thplantations.com



Statement on Corporate Governance

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

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

Internal Controls

The review on the system of internal controls is set out under the Statement on Internal Control from pages 108 to 113 of this Annual Report. In 2011, the Audit Committee met the External Auditors twice without the presence of the management.

Related Party Transactions

All related party transactions are reviewed by the internal auditors on a quarterly basis and the reports are subsequently reviewed by the Audit Committee to ensure compliance with the Listing Requirements and the appropriateness of such transactions before being recommended to the Board for its approval. With regards to recurrent related party transactions ("RRPT"), the Board has to ensure such transactions are negotiated and agreed at an arm's length and on normal commercial terms that are not more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority shareholders of the Company.

The Shareholders' Mandate in respect of RRPT is obtained at the annual general meeting of the Company on a yearly basis. Details of these transactions are set out in pages 106 to 107 of this Annual Report.

Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report from pages 114 to 123 of this 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 accounting standards in Malaysia.

Relationship with the Management

The Board maintains a close and transparent relationship with the management. The Board is furnished with information relating to the running of THP Group's operations through various financial and operational monthly and quarterly reports prepared by the management. This will allow them to understand the operations better and make decisions in steering the Company towards a profitable business.



Statement on Corporate Governance

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Company continuously strives to achieve high standards of corporate governance throughout THP 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 principles and best practices as set out in Part I and Part II, respectively, of the Code throughout the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT IN THE PREPARATION OF AUDITED FINANCIAL STATEMENTS

The Board of Directors is required under Paragraph 15.26(a) of the Listing Requirements to issue a statement explaining their responsibilities in the preparation of the audited financial statements. The Directors are required by the Companies Act, 1965 to prepare audited financial statements for each financial year which give a true and fair view of the state of affairs of THP Group at the end of the financial year and of the profit and loss of the Company and the Group for the financial year under review. In preparing these audited financial statements, the Directors have:

- Used appropriate accounting policies and consistently applied them;
- Made judgments and estimates that are reasonable and prudent; and
- Stated whether applicable approved accounting standards have been followed, subject to any material departures disclosed and explained in the audited financial statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of THP Group and to 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 THP Group and to prevent fraud and other irregularities.

This Statement on Corporate Governance is made in accordance with the Resolution of the Board of Directors dated 15 March 2012.

Tan Sri Datuk Dr Yusof bin Basiran
Independent Non-Executive Chairman



Additional Compliance Information

ADDITIONAL COMPLIANCE INFORMATION

a) Utilisation of Proceeds from Corporate Proposals

Not applicable.

b) Share Buy-Back

During the financial year, there were no share buy-backs made by the Company.

c) Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year 2011 other than granting the options under ESOS as disclosed in pages 137 to 138 of this Annual Report.

The aggregate maximum and actual ESOS allocation to directors and senior management during the financial year 2011 and since the commencement of the ESOS are as follows :

	Financial Year 2011		Since the Commencement of the ESOS	
	Maximum Allowable Allocation (%)	Actual Allocation (%)	Maximum Allowable Allocation (%)	Actual Allocation (%)
Executive Director and Senior Management	6.75	2.38	9.46	7.73

d) Depository Receipt Programme ("DRP")

The Company did not sponsor DRP during the financial year ended 31 December 2011.

e) Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, directors or management by any relevant authority for the financial year ended 31 December 2011.

f) Non-Audit Fees

There was a total amount of non audit fees of RM230,063.00 incurred for the financial year ended 31 December 2011.



Additional Compliance Information

g) Variation in Results

There was no deviation of 10% or more between the profit after taxation and minority interest stated in the fourth quarter announcement of unaudited results for the financial year ended 31 December 2011 and the audited financial statements of THP Group for the financial year ended 31 December 2011.

h) Profit Guarantee

The Company did not give any profit guarantee during the financial year ended 31 December 2011.

i) Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting at the end of the financial year under review or if not then subsisting entered into since the end of the previous financial period.

j) Recurrent Related Party Transactions

The aggregate value of the Recurrent Related Party Transactions of a revenue or trading nature conducted in pursuant to the shareholders' mandate during the financial year in review between the Company and/or its subsidiary companies with related parties are set out below:-

Transactions with THP

Related Party Involved with the Company and/or Subsidiary	Relationship	Type of Transaction	Aggregate Value of Transaction RM'000
Lembaga Tabung Haji	Holding Corporation	Lease of land	2,823
Lembaga Tabung Haji	Holding Corporation	Rental of office	2,271
CCM Fertilizers Sdn. Bhd.	Related Company	Purchase of Fertilisers	28,313
Sistem Komunikasi Gelombang Sdn. Bhd.	Related Company	Telecommunication	1,009
TH Travel Services Sdn. Bhd.	Related Company	Purchase of flight tickets	1,019
Syarikat Takaful Malaysia Berhad	Related Company	Purchase of insurance	2,088



Additional Compliance Information

Transactions with THP Agro Management Sdn. Bhd (Wholly Owned Subsidiary of THP)

Related Party Involved with the Company and/or Subsidiary	Relationship	Type of Transaction	Aggregate Value of Transaction RM'000
TH PELITA Gedong Sdn. Bhd.	Related Company	Provision of management services	4,992
TH PELITA Sadong Sdn. Bhd.	Related Company	Provision of management services	1,615
Ladang Jati Keningau Sdn. Bhd.	Related Company	Provision of management services	89
TH-USIA Jatimas Sdn. Bhd.	Related Company	Provision of management services	139
TH Bonggaya Sdn. Bhd.	Related Company	Provision of management services	317
PT. TH Indo Plantations	Related Company	Provision of management services	19,745
TH Bakti Sdn. Bhd.	Related Company	Provision of management services	138
TH PELITA Meludam Sdn. Bhd.	Related Company	Provision of management services	467
TH PELITA Beladin Sdn. Bhd.	Related Company	Provision of management services	83
TH PELITA Simunjan Sdn. Bhd.	Related Company	Provision of management services	214

Statement on Internal Control



“The mechanised in-field collector complements the motorised cutter in the harvesting operation. This unit increases operational efficiency and lessens the dependency on traditional manual loading.”

Statement on Internal Control

(Pursuant to Paragraph 15.26(b) of the Listing Requirement of Bursa Malaysia Securities Berhad)

THE BOARD OF THP IS PLEASED TO PRESENT ITS STATEMENT ON INTERNAL CONTROL FOR THE FINANCIAL YEAR UNDER REVIEW, PREPARED IN THE LINE WITH THE GUIDANCE ISSUED BY BURSA MALAYSIA SECURITIES BERHAD ("STATEMENT ON INTERNAL CONTROL GUIDANCE FOR DIRECTORS OF PUBLIC LISTED COMPANIES")

The Board also recognises the importance of a sound system of internal control and risk management practices to support good corporate governance and to safeguard the interests of the stakeholders, their investments and THP Group's assets.

BOARD RESPONSIBILITIES

The Board acknowledges its overall responsibility for the THP Group's system of internal control that needs to be continuously reviewed to maintain its adequacy, effectiveness and integrity. The THP Group's system of internal control is designed to manage, rather than eliminate the risks of failure to achieve our business objectives. The system by its nature can only provide reasonable and not absolute assurance against material misstatement, operational failures, fraud or loss. In addition, the concept of reasonable assurance recognises that the cost of control procedures should not exceed the expected benefits.

The Management's responsibility is to implement the established policies and procedures on risks and controls as approved by the Board. Continuous reviews were done by the Management to identify and evaluate THP Group's risks and in response, design, operate and monitor a suitable system of internal control and formulate relevant policies and procedures to manage those risks.

RISK MANAGEMENT

The Management has established a Risk Management Committee ("RMC") since 2007 to continuously monitor, identify, evaluate and recommend steps to be taken in managing business risks faced by THP Group. This is to ensure that risk management is in line with the policy as adopted by the Board in accordance with the enterprise-wide risk management framework.

The RMC is made up of Heads of Department of the THP Group and is chaired by the Chief Executive Officer. Any issues regarding risk management including its policy and review of the system of the internal control were discussed in the Board of Director Meeting, Audit Committee meeting and Management meeting, where any action plans will be implemented and monitored.



Statement on Internal Control

KEY INTERNAL CONTROL ELEMENTS

The key elements of THP Group's internal control system are outlined below:

Organisation Structure & Authorisation Procedures

THP Group maintains a formal organisation structure with clear lines of reporting to the Board, Committees, Senior Management and Departments with well-defined roles and responsibilities, authority limits, review and approval procedures as well as proper segregation of duties.

Apart from the Management of THP Group, the Board is also assisted by the Audit Committee, the Nominations Committee, the Remunerations Committee, and the Tender Committee, each with clear Terms of Reference (TOR), to effectively and efficiently manage the operations of THP Group. The structure in place is also designed to ensure good and strong corporate governance of THP Group.

Standard Operating Procedures (SOP)

The Board acknowledges the importance of documented SOP in managing the operations of THP Group, at the head office as well as in THP Group's estates and mills.

The established SOP of various operations with respect to key operational areas is continuously reviewed and updated by the Management to reflect changing in risk profiles. This is to ensure that proper internal control measures are incorporated to manage the risks of fraud and material misstatements, which may compromise the goals and objectives of THP Group.



Statement on Internal Control

Independent Members in Audit Committee

The Audit Committee, whose members are Independent Non-Executive Directors, assesses on a periodic basis, the adequacy and integrity of the internal control system through various reports received from the Internal Audit Department, the Management and THP Group's External Auditors. Any internal control issues were brought to the attention of the Audit Committee which, in turn, will report the matters to the Board requiring the latter's attention.

Internal Audit Function

The Internal Audit Department reports directly to the Audit Committee and assists in discharging the Audit Committee's duties and responsibilities by performing periodic and systematic reviews of the critical business processes accordance with an approved audit plan. A risk-based audit approach is used in identification of any significant risks, assessment of the effectiveness and adequacy of the internal control system and good governance within each operating unit and when necessary, recommends possible improvement.

The internal audit reports together with management's comments and responses are periodically followed up for compliance and to ensure that the management are accountable for their actions.

Information & Communication

Through the use of the THP Management Information System (THPMIS), information on key business risks which is critical to the management is communicated effectively within THP Group. This is to ensure that information regarding financial and operational matters which requires the attention of the Board and Senior Management are highlighted on a timely basis for review, deliberation and decision-making.

The Human Resource Management Information System (HRMIS), through the use of BOSS.net application system provides better information control within the Human Resource management especially in safeguarding and managing information of personnel as well as improvement in the human resource processes.



Statement on Internal Control

Operations Review and Monitoring

The operations of THP Group is constantly monitored by the Board through up-to-date reports which are presented by the Management, which review THP Group's performance against current year budgets and prior year performances. Material variances are carefully identified, reviewed and analysed by the Management and appropriate corrective measures are taken where necessary.

The Management also monitors the performance of the estates and its managers through reports produced internally on a regular basis by the Plantation Advisors (PA) and Plantation Controllers (PC) who will ensure all estates under THP Group use the best management practices.

Apart from the estate, the THP Group's mills are visited by the Head of Engineer and Mill Advisor on regular basis to ensure efficiency and effectiveness of the mills operations and to monitor the performance of its managers.

Human Capital Development and Training

Emphasis is placed on enhancing the quality, ability and competency of THP Group's directors and employees through continuous training and development programme. The Directors have attended various training to maintain good corporate awareness and governance.

THP Group's employees' competencies are assessed annually through reviews of Key Performance Indicators (KPI). Any potential and improvement areas needed are highlighted by Heads of Departments and business units for further development and training.

Group Takaful and Physical Safeguards

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

Procurement and Tender Award System

A clearly defined policy on awarding of tenders is adopted 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 processes to safeguard the interest of THP Group.



Statement on Internal Control

CONCLUSION

Based on the observations and reports provided to the Board for the financial year under review, the Board is of the opinion that the system of internal control that is in place is sound and adequate to safeguard the interests of THP Group's stakeholders, their investments and THP Group's assets. Additionally, the Board and Management continuously monitor and consider all risks faced by THP Group to ensure that residual risks are within tolerable levels in relation to the business environment of which THP Group operates in.

No major internal control issues were identified that may result in any material loss or fraud that would require disclosure in this annual report and the Board and Management are continuously taking improvement measures to strengthen THP Group's system of internal control and its related framework.

Audit Committee Report

“Harvested FFB has to be transported to the Mill within the shortest possible time to avoid deterioration of the product quality.”



Audit Committee Report

THE BOARD OF THP IS PLEASED TO PRESENT THE REPORT ON
THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2011

COMPOSITION

The Audit Committee currently comprises the following members who are all Independent Non-Executive Directors:

Tan Sri Datuk Dr. Abdul Samad bin Haji Alias *

Chairman, Independent Non-Executive Director

Datuk Azizan bin Abd Rahman

Member, Independent Non-Executive Director

Dato' Noordin bin Md Noor

Member, Independent Non-Executive Director

** A member of the Malaysian Institute of Accountants*



Audit Committee Report

TERMS OF REFERENCE

The Audit Committee's Terms of Reference, referred to by the Committee in performing its duties and responsibilities, are 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 vacancies 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.



Audit Committee Report

- 3 Chairman** The members of the Audit Committee shall elect a Chairman from amongst their members who shall be an Independent Non-Executive Director.
- 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 fulfil 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 the 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 the 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 employee within the Company or THP 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) members are competent to vote on the issue in question, 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 the Audit Committee meeting.



Audit Committee Report

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 Audit Committee meeting 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 required to perform its duties;
- c) Full and unrestricted access to any information, records, properties and personnel of the Company and THP 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 meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.



Audit Committee Report

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 THP Group to the external auditors;
- c) To discuss problems and reservations arising from the interim and final audits, and any matter that 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 THP Group before recommending the same for the Board's approval, focusing particularly on:
 - i) Compliance with accounting standards and any other legal requirements;
 - ii) The nature and impact of any changes in or implementation of accounting policies and practices;
 - iii) Significant and unusual issues and adjustments arising from the audit; and
 - iv) The going concern assumption;
- e) To review and consider the adequacy of scope, functions, competencies 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, internal audit plan, the reports prepared by the internal audit department and to ensure that appropriate actions are taken on the recommendations made by 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;



Audit Committee Report

Functions and Responsibilities (continued)

- j) To review any related party transactions and conflict of interest situation that may arise within the Company or THP Group including any transactions, procedures or course of conduct that may raise questions on the integrity of the management;
- k) To consider the reports and major findings of any internal investigations and management's responses thereto;
- l) To verify the allocation of options (if any) 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, a matter reported to the Board of Directors by the Audit Committee which has not been satisfactorily resolved resulting in a breach of the Listing Requirements of ; 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 any amendments to the Board for approval, 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.

ATTENDANCE

A summary of the Audit Committee meeting attendance during the financial year in review are as follows:

Members	No. of Meetings Attended	%
Tan Sri Datuk Dr Abdul Samad bin Haji Alias	9/10	90%
Datuk Azizan bin Abd Rahman	8/10	80%
Dato' Noordin bin Md Noor	9/10	90%

Meetings were also attended by the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, the Head of Internal Audit and external auditors as well as various members of the Senior Management team as and when required by the Committee.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year under review, the Audit Committee has carried out its duties and responsibilities in accordance with its terms of reference. The main activities undertaken by the Committee during this period were as follows:

- a) Reviewed the quarterly financial and operational reports, interim financial results, interim financial report to Bursa Securities and the annual audited financial statements prior to submission to the Board for approval;
- b) Reviewed the application of corporate governance principles and the extent of THP Group's compliance with the best practices set out under the Malaysian Code on Corporate Governance in conjunction with the preparation of the Statement on Corporate Governance and Statement on Internal Control;
- c) Reviewed and approved the external auditors' scope of work and audit plan;
- d) Reviewed with the external auditors, the compliance, of the Company's and THP Group's annual financial statements with the Listing Requirements of Bursa Securities and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board (MASB);
- e) Reviewed with the external auditors the results of the audit and the Management Letter including management's responses on matters highlighted in the report;
- f) Reviewed the conduct and considered the remuneration and re-appointment of the external auditors;
- g) Held independent meetings (without the presence of the Management) with the external auditors on significant findings in the course of their audit;
- h) Reviewed and approved the internal audit team's scope of work and audit plan;
- i) Reviewed the Audit Committee Report, Statement on Internal Control and Statement on Corporate Governance prior to their inclusion in the Annual Report 2011;
- j) Reviewed the internal audit reports and reported to the Board on relevant matters deliberated at the Audit Committee meetings;
- k) Held independent meetings (without the presence of the Management) with the internal auditors on significant findings in the course of their audit;
- l) Performed periodic site visits to familiarise and confirm that internal controls are in place and being observed;
- m) Reviewed all related party transactions entered into by the Company and THP Group to ensure that such transactions are undertaken on an arm's length basis on normal commercial terms which are not detrimental to the interests of the minority shareholders of the Company and the related internal control procedures are both sufficient and effective.



Audit Committee Report

STATEMENT OF VERIFICATION ON ALLOCATION OF OPTIONS PURSUANT TO EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

Paragraph 8.17 of the Listing Requirements of Bursa Malaysia Securities Berhad requires a statement by the Audit Committee to verify the allocation of options under the ESOS for compliance with the criteria for allocation of options, at the end of each financial year.

The Audit Committee has verified the allocation of 8,762,500 options granted to the eligible employees for the financial year ended 31 December 2011 and noted its compliance with the criteria for the allocation of options as approved.

There is an ESOS Committee of the Board whose main responsibilities are to establish and recommend a clear ESOS policy and to ensure that the Group's ESOS policy is properly administrated. The Chairman of ESOS Committee is also a member of Audit Committee.

INTERNAL AUDIT FUNCTION AND ACTIVITIES

The function of internal audit of THP Group is performed in-house and is independent from the main activities and operations of THP Group's operating units. The Internal Audit Department reports directly to the Audit Committee and the primary function is to assist in discharging Audit Committee's duties and responsibilities. It is the role of the Internal Audit Department to provide the Audit Committee with periodic, independent and objective reports on the state of internal controls of THP Group's operations and the extent of these units' compliance to both THP Group's established policies and procedures, and relevant statutory requirements.



Audit Committee Report

During the financial year under review, the internal auditors have:

- a) Conducted 54 audits and 4 reviews on various operating units based on the annually approved internal audit plan;
- b) Reviewed and appraised the adequacy and application of financial and operational controls and continuously promote effective controls throughout THP Group;
- c) Appraised the extent of the operating units' compliance to established policies, procedures and statutory requirements;
- d) Presented findings and recommendations for improvements to the Audit Committee for further deliberation;
- e) Performed follow-ups on the status of the recommendations and corrective actions as carried out by the Management;
- f) Collaborated with the external auditors to ensure sufficient coverage in the audit scope and avoid duplication where possible;
- g) Assisted Management in promoting better environmental, safety and health practices throughout THP Group; and
- h) Undertaken special assignments or quarterly reviews as and when requested by the Audit Committee and/or Management and notified the Audit Committee and/or Management of the outcome.

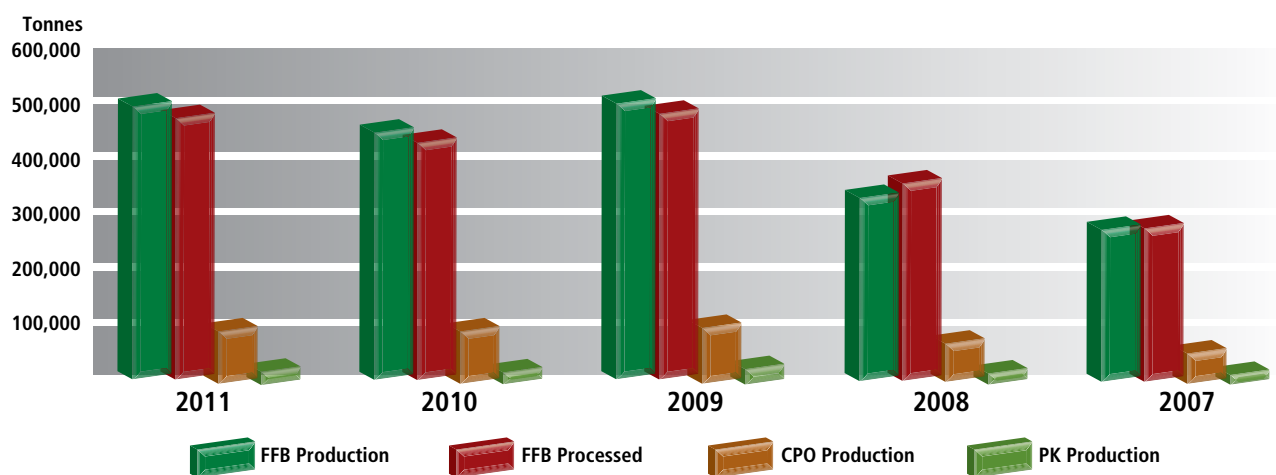
The cost incurred for the internal audit function is RM1,270,760.00 for the financial year under review.

This report on the Audit Committee is prepared in accordance with a resolution of the Board of Directors dated 15 March 2012.

“A temporary storage space into which FFB is directly unloaded before processing, to minimise bruising which will deteriorate CPO quality. Using conveyors, the FFB is then transferred to sterilisation station.”

Performance Statistics

OIL-PALM PRODUCTION





Performance Statistics

GROUP 5-YEAR PLANTATIONS STATISTICS

	2011	2010	2009	2008	2007
Productions (Metric Tonne)					
FFB produced - total	513,276	463,949	519,290	347,547	286,723
FFB produced - processed by own mill	441,730	422,177	461,734	303,654	252,669
FFB produced - sold to others	71,546	41,772	57,428	43,827	34,054
FFB Purchased	50,707	27,052	42,841	68,874	37,221
Yield and Extraction Rates					
FFB yield (tonnes per mature hectare)	22.39	20.58	21.48	22.12	19.92
OER (%)	20.49%	21.09%	20.50%	20.15%	20.15%
KER (%)	5.30%	5.32%	5.48%	5.64%	5.64%
Average Selling prices (RM per tonne)					
Crude palm oil	3,096	2,617	2,050	2,760	2,387
Palm Kernel	2,187	1,773	1,036	1,567	1,422
FFB	586	566	429	516	512
AREA STATEMENT (HECTARES)					
Oil Palm					
- mature	22,920	22,541	24,178	24,138	14,452
- immature	12,650	14,943	12,266	6,405	3,479
Planted Area	35,570	37,484	36,444	30,543	17,931
In Course of Planting	1,837	243	1,950	7,495	1,050
Reserve land, building sites etc	1,965	1,386	765	1,021	9,749
Titled Area	39,372	39,113	39,159	39,059	28,730



Performance Statistics

GROUP 5-YEAR KEY FINANCIAL INDICATORS

	2011	2010	2009	2008	2007
Profitability and returns					
Gross profit margin	45.87%	45.18%	33.28%	46.92%	50.12%
PBT margin	42.09%	39.50%	23.30%	47.46%	47.00%
Profit after tax and minority interest margin	28.71%	24.45%	17.68%	34.54%	34.88%
Return on average shareholders' Equity	28.43%	27.90%	15.43%	27.80%	40.79%
Return on Average Capital Employed	74.76%	51.17%	21.80%	136.45%	86.95%
Net assets per share (RM)	1.23	1.05	0.93	1.64	1.03
Solvency and liquidity					
Gearing ratios (times)	0.24	0.24	0.16	0.03	0.17
Interest cover (times)	22.85	16.33	9.91	2,407.38	-
Current ratio (times)	1.65	1.59	1.41	0.92	1.38
Financial Market					
EPS (sen)					
- basic	24.52	18.32	11.03	21.01	31.24
- diluted	23.34	16.99	10.22	21.01	31.24
Gross dividend paid per share (sen)	12.50	12.50	8.50	31.10	12.50
Gross dividend paid rate (%)	24.92%	25.00%	17.00%	62.20%	25.00%
Gross dividend yield (%)	5.90%	6.01%	5.82%	13.58%	3.70%
Net dividend payout rate (%)	24.92%	18.75%	12.75%	46.03%	18.25%
Price-to-earnings ratio (times)	8.65	11.35	13.24	10.90	10.82
Price-to-book ratio (times)	1.32	1.49	1.17	0.81	3.17

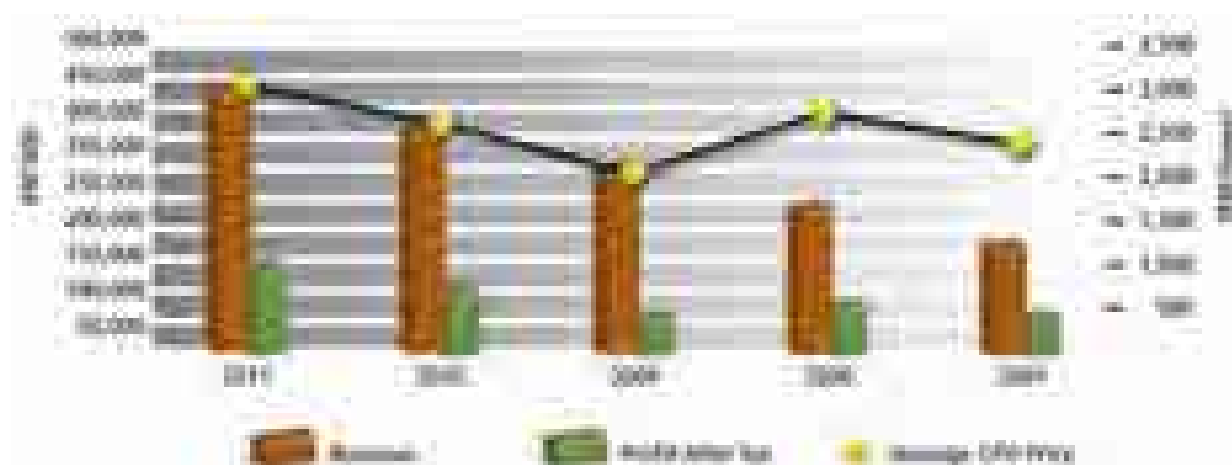


Performance Statistics

GROUP 5-YEAR FINANCIAL STATISTICS

	2011	2010	2009	2008	2007
STATEMENT OF COMPREHENSIVE INCOME HIGHLIGHTS (RM'000)					
Revenue	434,835	365,972	304,358	243,373	175,587
Profit from Operations	185,813	152,662	77,995	111,123	82,055
Profit from Islamic deposits	5,586	1,321	879	4,431	479
Finance cost	(8,377)	(9,431)	(7,962)	(48)	-
Profit before tax	183,022	144,552	70,912	115,506	82,534
Taxation	(33,257)	(36,137)	(13,848)	(32,152)	(21,346)
Net profit for the year	149,765	108,415	57,064	83,354	61,188
Attributable to :					
Equity holders of the Company	124,829	89,482	53,807	84,051	61,251
Non-controlling interests	24,936	18,933	3,257	(697)	(63)
Net profit for the year	149,765	108,415	57,064	83,354	61,188

GROUP 5 - YEAR PROFIT vs AVERAGE CPO PRICE





Performance Statistics

GROUP 5-YEAR FINANCIAL STATISTICS

	2011	2010	2009	2008	2007
STATEMENT OF FINANCIAL POSITION HIGHLIGHTS (RM'000)					
<u>ASSETS EMPLOYED</u>					
Other non-current assets	972,341	917,163	843,317	781,328	226,737
Total Non-Current Assets	972,341	917,163	843,317	781,328	226,737
Other current assets	107,113	61,771	79,523	72,243	66,778
Cash and cash equivalents	167,194	130,568	19,923	59,167	38,636
Total Current Assets	274,307	192,339	99,446	131,410	105,414
Other current liabilities	166,031	120,897	68,343	140,529	55,035
Loans and borrowings	-	-	1,979	1,857	21,200
Total Current Liabilities	166,031	120,897	70,322	142,386	76,235
	1,080,617	988,605	872,441	770,352	255,916
<u>FINANCED BY:</u>					
Share capital	254,548	244,215	243,893	121,911	98,047
Share premium	39,925	14,599	13,809	135,548	-
Other reserves	26,245	26,245	26,126	-	-
Share option reserve	5,149	7,833	7,965	-	-
Retained earnings	298,149	220,489	162,103	142,033	103,111
Shareholders' equity	624,016	513,381	453,896	399,492	201,158
Non-controlling interests	194,631	169,268	152,641	156,914	7,603
Long Term borrowings	150,000	166,276	95,254	16,802	13,760
Other long term liabilities	111,970	139,680	170,650	197,144	33,395
	1,080,617	988,605	872,441	770,352	255,916
Average capital employed	1,034,611	930,523	821,397	513,134	216,342
Average shareholders' equity	568,699	483,639	426,694	300,325	179,479



Performance Statistics

GROUP 5-YEAR FINANCIAL STATISTICS


	2011	2010	2009	2008	2007
STATEMENT OF CASHS FLOW HIGHLIGHTS (RM'000)					
Profit before tax	183,022	144,552	70,912	115,506	82,534
Adjustment for non-cash items	39,938	45,833	55,197	4,093	10,286
Changes in working capital	1,501	46,983	(99,272)	120,441	(4,497)
Cash generated from operations	224,461	237,368	26,837	240,040	88,323
Profit margin income from short term investments and receivables	5,084	1,174	864	4,243	424
Profit margin expenses on payables, borrowing cost , tax and zakat paid	(70,604)	(51,644)	(20,894)	(40,003)	(18,711)
Net cash generated from operating activities	158,941	186,898	6,807	204,280	70,036
Purchase of property, plant and equipment	(22,757)	(34,940)	(20,518)	(10,245)	(9,535)
Estate development expenditure	(63,886)	(75,467)	(75,830)	(64,737)	(35,393)
Purchase of subsidiaries	-	-	(145)	(38,265)	(30,496)
Other investing activities	1,427	312	376	(4,602)	1,078
Net cash used in investing activities	(85,216)	(110,095)	(96,117)	(117,849)	(74,346)
Proceeds from loans and borrowings	-	70,000	80,000	-	21,200
Proceeds from issue of share capital	31,423	980	243	-	-
Repayments of loans and borrowings	(15,524)	(1,979)	(2,250)	(21,200)	-
Dividends paid to shareholders	(52,065)	(34,987)	(27,731)	(45,118)	(17,820)
Net cash used in (generated from) financing activities	(36,166)	34,014	50,262	(66,318)	3,380
Net increase/(decrease) in cash and cash equivalents	37,559	110,817	(39,048)	20,113	(930)



Performance Statistics

GROUP QUARTERLY PERFORMANCE

	2011			
	Q4	Q3	Q2	Q1
FINANCIAL PERFORMANCE (RM'000)				
Revenue	131,098	115,969	112,713	75,055
Profit from Operations	50,494	52,220	54,266	34,419
Finance cost	(1,904)	(2,702)	(26)	(3,745)
Profit before tax	48,590	49,518	54,240	30,674
Taxation	(264)	(11,810)	(14,963)	(6,220)
Net profit for the year	48,326	37,708	39,277	24,454
Attributable to :				
Equity holders of the Company	37,710	33,122	32,164	21,833
Non-controlling interest	10,616	4,586	7,113	2,621
Net profit for the year	48,326	37,708	39,277	24,454
Earnings per share (sen)				
- basic	7.41	6.51	6.36	4.36
- diluted	7.05	6.19	6.01	4.15



“The steriliser marks the beginning of palm oil processing. The intense heat prevents the build up of free fatty acid enzymes. In addition, sterilisation of FFB facilitates the fruits to be stripped from the bunches. It also softens the fruit mesocarp for digestion, and conditions the nuts to minimise kernel breakage.”

Consolidated Financial Statements



TH Plantations Berhad

(Company No. 12696-M)

(Incorporated in Malaysia)

and its subsidiaries

**Financial statements for the year
ended 31 December 2011**



Consolidated Financial Statements

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

Directors' report for the year ended 31 December 2011

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 2011.

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. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	124,829	101,082
Non-controlling interests	24,936	-
	<u>149,765</u>	<u>101,082</u>
	=====	=====

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the Company paid a final ordinary dividend payment of 9.38 sen per share (net of tax) for the year ended 31 December 2010 totalling RM47.17 million on 11 May 2011.

The final ordinary dividend recommended by the Directors in respect of the year ended 31 December 2011 is 12.50 sen totalling RM63.44 million.



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
 Tan Sri Datuk Dr Abdul Samad bin Haji Alias
 Datuk Azizan bin Abd Rahman
 Dato' Paduka Ismee bin Haji Ismail
 Dato' Noordin bin Md Noor
 Dato' Haji Wan Zakaria bin Abd Rahman
 Dato' Zainal Azwar bin Zainal Aminuddin
 Mahbob bin Abdullah
 Dato' Amran bin Mat Nor (appointed on 1 December 2011)
 Md Yusof bin Hussin (resigned on 1 January 2012)

Directors' interests

The interests and deemed interests in the ordinary shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial 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 RM0.50 each			
	At			At
	1.1.2011	Bought	Sold	31.12.2011
Interest in the Company:				
Tan Sri Datuk Dr Yusof bin Basiran				
- own	4,000	-	-	4,000
- others*	58,000	-	-	58,000
Tan Sri Datuk Dr Abdul Samad bin Haji Alias				
- own	158,000	73,600	-	231,600
Dato' Haji Wan Zakaria bin Abd Rahman				
- own	4,000	-	-	4,000
Dato' Zainal Azwar bin Zainal Aminuddin				
- own	4,000	400,000	316,000	88,000
Mahbob bin Abdullah				
- own	49,000	-	-	49,000

* Refers to shareholding by spouse of 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.



Directors' interests (continued)

	Number of options over ordinary shares of RM0.50 each			
	At 1.1.2011	Granted	Exercised	At 31.12.2011
Share option in the company:				
Dato' Zainal Azwar bin Zainal Aminuddin				
- own	1,000,000	400,000	400,000	1,000,000

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 TH Plantations Berhad has an interest.

None of the other Directors holding office at 31 December 2011 had any interest in the ordinary shares and options over shares of the Company and of its related corporations 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 or the fixed salary of a full time employee of the Company or of related corporations) 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 apart from the issue of options pursuant to the Employees Share Option Scheme.

Issue of shares

During the financial year, the Company issued:

- 20,614,800 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at an option price of RM1.52 per ordinary share.
- 51,000 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at an option price of RM1.74 per ordinary share.

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



Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year apart from the issue of options pursuant to the Employee's Share Option Scheme.

At an extraordinary general meeting held on 25 November 2008, the Company's shareholders approved the establishment of an employees' share option scheme ("ESOS") of not more than 13% of the issued share capital of the Company to eligible Directors and employees of the Group. The ESOS was initially offered and granted on 8 June 2009.

The salient features of the ESOS scheme are, inter alia, as follows:

- i) Eligible employees are those employees (including full-time executive directors) of the Group who have been confirmed in service on the date of the offer. The maximum allowable allotments for the full-time executive directors have been approved by the shareholders of the Company in a general meeting.
- ii) The aggregate number of shares to be issued under the ESOS shall not exceed 13% of the total issued and paid up ordinary share capital of the Company for the time being.
- ii) The Scheme shall be in force for a period of five (5) years from 8 June 2009.
- iv) The option price shall not be at discount of more than ten percent (10%) (or such discount as the relevant authorities shall permit) from 5-day weighted average market price of the shares of preceding the date of offer and shall be less than the par value of the shares of the Company of RM0.50.
- v) An option holder may, in a particular year, exercise up to such maximum number of shares in the option certificate as determined by the ESOS committee or the Board of Directors as specified in the option certificate.
- vi) The option granted to eligible employees will lapse when they are no longer in employment of the Group. The options offered to take up unissued ordinary shares of RM0.50 each and the exercise prices are as follows:

Date of offer	Exercise price	Number of options over ordinary shares of RM0.50 each				
		At 1.1.2011	Granted	Exercised	Forfeited	At 31.12.2011
8 June 2009	RM1.52	38,209	-	20,615	552	17,042
4 January 2011	RM1.74	-	8,763	51	-	8,712
		38,209	8,763	20,666	552	25,754
		=====	=====	=====	=====	=====



Options granted over unissued shares (continued)

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of the persons to whom option have been granted to subscribe for less than 600,000 shares of RM0.50 each, except for Directors.

The names of option holders granted options under the ESOS to subscribe for 600,000 or more ordinary shares of RM0.50 each are as follows:

	Number of options over ordinary shares of RM0.50 each			
	At 1.1.2011	Granted	Exercised	At 31.12.2011
Share option in the Company:				
Dato' Che Abdullah @ Rashidi bin Che Omar	1,200,000	-	480,000	720,000
Mhamod bin Mokhtar	1,000,000	-	600,000	400,000
Hassan Fikri bin Mohamad	600,000	-	200,000	400,000
Marzuki bin Abd. Rahman	700,000	200,000	280,000	620,000
Mat Saad bin Ramli	700,000	200,000	280,000	620,000
Mohamed Azman Shah bin Ishak	400,000	200,000	40,000	560,000

Other statutory information

Before the statement of financial position and statement of comprehensive income 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) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.



Other statutory information (continued)

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

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group 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.

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 financial performance of the Group and of the Company for the year ended 31 December 2011 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.



Consolidated Financial Statements

Company No. 12696-M

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' Zainal Azwar bin Zainal Aminuddin

Kuala Lumpur,

Date: 21 February 2012



Consolidated Financial Statements

Company No. 12696-M

Statement of financial position as at 31 December 2011

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Assets					
Property, plant and equipment	3	692,898	641,276	15,186	16,714
Plantation development expenditure	4	278,844	275,288	13,727	5,248
Investment in subsidiaries	5	-	-	402,796	370,028
Trade and other receivables	6	-	-	233,681	168,794
Other investment		599	599	599	599
Total non-current assets		972,341	917,163	665,989	561,383
Inventories	7	26,301	14,281	3,950	2,510
Trade and other receivables	6	78,042	44,766	92,022	46,396
Prepayments and other assets		2,770	2,724	750	741
Cash and cash equivalents	8	167,194	130,568	165,139	120,390
Total current assets		274,307	192,339	261,861	170,037
Total assets		1,246,648	1,109,502	927,850	731,420
Equity					
Share capital	9	254,548	244,215	254,548	244,215
Share premium	9	39,925	14,599	39,925	14,599
Other reserves	9	26,245	26,245	6,874	6,874
Share option reserve	9	5,149	7,833	5,149	7,833
Retained earnings		298,149	220,489	222,017	168,104
Total equity attributable to owners of the Company		624,016	513,381	528,513	441,625
Non-controlling interests		194,631	169,268	-	-
Total equity		818,647	682,649	528,513	441,625



Consolidated Financial Statements

TH Plantations Berhad
Company No. 12696-M
(Incorporated in Malaysia)
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Statement of financial position as at 31 December 2011 (continued)

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Liabilities					
Deferred tax liabilities	10	90,933	113,316	6,102	9,747
Loans and borrowings	11	150,000	166,276	150,000	150,000
Trade and other payables	12	21,037	26,364	7,896	-
Total non-current liabilities		<u>261,970</u>	<u>305,956</u>	<u>163,998</u>	<u>159,747</u>
Trade and other payables	12	157,198	110,098	230,257	127,784
Current tax liabilities		8,833	10,799	5,082	2,264
Total current liabilities		<u>166,031</u>	<u>120,897</u>	<u>235,339</u>	<u>130,048</u>
Total liabilities		<u>428,001</u>	<u>426,853</u>	<u>399,337</u>	<u>289,795</u>
Total equity and liabilities		<u>1,246,648</u>	<u>1,109,502</u>	<u>927,850</u>	<u>731,420</u>

The notes on pages 151 to 214 form an integral part of these financial statements.



Consolidated Financial Statements

Company No. 12696-M

Statement of comprehensive income for the year ended 31 December 2011

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	13	434,835	365,972	143,581	105,449
Cost of sales		(235,373)	(200,631)	(42,642)	(33,541)
Gross profit		199,462	165,341	100,939	71,908
Other income		4,143	3,292	6,818	4,996
Administrative expenses		(12,033)	(11,054)	(6,734)	(6,156)
Other expenses		(5,350)	(4,669)	(3,876)	(1,677)
Zakat expense		(409)	(248)	-	-
Results from operating activities		185,813	152,662	97,147	69,071
Finance cost		(8,377)	(9,431)	(15,905)	(7,901)
Profit margin income from short term investments and receivables		5,586	1,321	34,414	17,063
Profit before tax	14	183,022	144,552	115,656	78,233
Income tax expense	16	(33,257)	(36,137)	(14,574)	(12,285)
Profit for the year		149,765	108,415	101,082	65,948
Profit and total comprehensive income attributable to:					
Owners of the Company		124,829	89,482	101,082	65,948
Non-controlling interests		24,936	18,933	-	-
Profit and total comprehensive income for the year		149,765	108,415	101,082	65,948
Earnings per ordinary share (sen)					
- Basic	17	24.52	18.32		
- Diluted	17	23.34	16.99		

The notes on pages 151 to 214 form an integral part of these financial statements.



Consolidated Financial Statements

TH Plantations Berhad
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Statement of changes in equity for the year ended 31 December 2011

Group	Note	Attributable to owners of the Company-----/				Distributable			Non- controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Share premium RM'000	Other reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000		
At 1 January 2010		243,893	13,809	26,126	7,965	162,103	453,896	152,641		606,537
Profit and total comprehensive income for the year		-	-	-	-	89,482	89,482	18,933		108,415
Issuance of ordinary shares pursuant to ESOS	9	322	790	-	(132)	-	980	-		980
Fair value adjustment on initial recognition of financial liabilities		-	-	119	-	-	119	-		119
Dividends to owners of the Company	18	-	-	-	-	(31,096)	(31,096)	-		(31,096)
Dividends to non-controlling interests		-	-	-	-	-	-	(2,306)		(2,306)
Total contribution from/ distribution to owners		322	790	119	(132)	(31,096)	(29,997)	(2,306)		(32,303)
At 31 December 2010/ 1 January 2011		244,215	14,599	26,245	7,833	220,489	513,381	169,268		682,649



Consolidated Financial Statements

TH Plantations Berhad
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Statement of changes in equity for the year ended 31 December 2011 (continued)

Group	Note	Attributable to owners of the Company-----/					Non-controlling interests		
		Share capital RM'000	Share premium RM'000	Other reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	RM'000	Total equity RM'000
At 31 December 2010/ 1 January 2011		244,215	14,599	26,245	7,833	220,489	513,381	169,268	682,649
Profit and total comprehensive income for the year		-	-	-	-	124,829	124,829	24,936	149,765
Share option granted under ESOS		-	-	-	1,552	-	1,552	-	1,552
Issuance of ordinary shares pursuant to ESOS	9	10,333	25,326	-	(4,236)	-	31,423	-	31,423
Increase in investment		-	-	-	-	-	-	11,070	11,070
Dividends to owners of the Company	18	-	-	-	-	(47,169)	(47,169)	-	(47,169)
Dividends to non-controlling interests		-	-	-	-	-	-	(10,643)	(10,643)
Total contribution from/distribution to owners		10,333	25,326	-	(2,684)	(47,169)	(14,194)	427	(13,767)
At 31 December 2011		254,548	39,925	26,245	5,149	298,149	624,016	194,631	818,647



Consolidated Financial Statements

Company No. 12696-M

Statement of changes in equity for the year ended 31 December 2011 (continued)

Company	Note	Non-distributable-----/-----Distributable				Total equity RM'000
		Share capital RM'000	Share premium RM'000	Other reserve RM'000	Share option reserve RM'000	Retained earnings RM'000
At 1 January 2010		243,893	13,809	6,755	7,965	133,252
Profit/Total comprehensive income for the year		-	-	-	-	65,948
Issuance of ordinary shares pursuant to ESOS	9	322	790	-	(132)	-
Fair value adjustment on initial recognition of financial liabilities		-	-	119	-	-
Dividends to owners of the Company	18	-	-	-	-	(31,096)
Total contribution from /distribution to owners		322	790	119	(132)	(31,096)
At 31 December 2010/1 January 2011		244,215	14,599	6,874	7,833	168,104
Profit/Total comprehensive income for the year		-	-	-	-	101,082
Share option granted under ESOS		-	-	-	1,552	-
Issuance of ordinary shares pursuant to ESOS	9	10,333	25,326	-	(4,236)	-
Dividends to owners of the Company	18	-	-	-	-	(47,169)
Total contribution from /distribution to owners		10,333	25,326	-	(2,684)	(47,169)
At 31 December 2011		254,548	39,925	6,874	5,149	222,017

The notes on pages 151 to 214 form an integral part of these financial statements.



Consolidated Financial Statements

Company No. 12696-M

Statement of cash flows for the year ended 31 December 2011

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash flows from operating activities					
Profit before tax		183,022	144,552	115,656	78,233
Adjustments for:					
Impairment loss on other receivables	14	48	32	-	1
Finance cost on:					
- Borrowings	14	1,376	7,778	7,394	4,687
- Profit margin expense on subsidiaries	14	-	-	3,814	1,561
- Profit margin expense on related companies	14	4,697	1,653	4,697	1,653
- Profit margin expense on holding corporation	14	2,304	-	-	-
Depreciation of property, plant and equipment	14	35,238	35,021	1,276	1,671
Dividend income	13	-	-	(62,814)	(35,116)
Plantation development expenditure written off	14	-	748	-	313
Gain on disposal of property, plant and equipment	14	(583)	(107)	(509)	-
Property, plant and equipment written off	14	483	1,781	40	111
Profit margin income from short term investment and other receivables	14	(5,586)	(1,321)	(34,414)	(17,063)
Zakat expense		409	248	-	-
Fair value of ESOS granted	23	1,552	-	1,552	-
Operating profit before changes in working capital		222,960	190,385	36,692	36,051
Change in inventories		(12,043)	13,067	(1,440)	4,219
Change in trade and other payables		46,032	37,851	84,141	63,480
Change in trade and other receivables, prepayment and other assets		(32,488)	(3,935)	(69,361)	(49,691)
Cash generated from operations		224,461	237,368	50,032	54,059



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TH Plantations Berhad
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Statement of cash flows for the year ended 31 December 2011 (continued)

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash generated from operations (continued)		224,461	237,368	50,032	54,059
Finance cost paid:					
- Borrowings		(7,487)	(6,634)	(6,255)	(4,687)
- Profit margin expenses on subsidiaries		-	-	(3,814)	(1,561)
- Profit margin expense on related companies		(4,697)	(1,653)	(4,697)	(1,653)
- Profit margin expense on holding corporation		(2,304)	-	-	-
Profit margin income from short term investments and receivables		5,084	1,174	10,047	4,437
Income tax paid		(56,116)	(35,429)	(11,709)	(10,098)
Zakat paid		-	(7,928)	-	(5,973)
Net cash generated from operating activities		158,941	186,898	33,604	34,524
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(22,757)	(34,940)	(1,730)	(848)
Dividends received		-	-	36,625	35,116
Decrease in deposits pledged		933	172	8	174
Increase in investments in subsidiaries		-	-	(770)	-
Plantation development expenditure	(i)	(63,886)	(75,467)	(7,555)	(5,149)
Proceeds from disposal of property, plant and equipment		494	140	293	-
Net cash (used in)/generated from investing activities		(85,216)	(110,095)	26,871	29,293



Consolidated Financial Statements

Company No. 12696-M

Statement of cash flows for the year ended 31 December 2011 (continued)

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash flows from financing activities					
Proceeds from drawdown of loans and borrowings		-	70,000	-	70,000
Proceeds from issue of capital		31,423	980	31,423	980
Repayment of loans and borrowings		(15,524)	(1,979)	-	-
Dividend paid to shareholders		(52,065)	(34,987)	(47,141)	(31,080)
Net cash (used in)/generated from financing activities		(36,166)	34,014	(15,718)	39,900
Net increase in cash and cash equivalents		37,559	110,817	44,757	103,717
Cash and cash equivalents at 1 January	(ii)	128,929	18,112	119,726	16,009
Cash and cash equivalents at 31 December	(ii)	166,488	128,929	164,483	119,726
(i) Plantation development expenditure					
	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Addition of plantation development expenditure	4	(72,802)	(80,202)	(8,479)	(5,248)
Depreciation of property, plant and equipment	4	2,805	3,713	214	99
Borrowings cost capitalised	4	6,111	1,022	-	-
Management fees capitalised	4	-	-	710	-
		(63,886)	(75,467)	(7,555)	(5,149)



Consolidated Financial Statements

Company No. 12696-M

Statement of cash flows for the year ended 31 December 2011 (continued)

(ii) Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flow comprise the following statement of financial position amounts:

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits with licensed banks	8	137,800	94,503	137,750	93,529
<i>Less: Deposits pledged</i>	8	(706)	(1,639)	(656)	(664)
		<hr/>	<hr/>	<hr/>	<hr/>
		137,094	92,864	137,094	92,865
Cash and bank balances	8	29,394	36,065	27,389	26,861
		<hr/>	<hr/>	<hr/>	<hr/>
		166,488	128,929	164,483	119,726
		=====	=====	=====	=====

The notes on pages 151 to 214 form an integral part of these financial statements.



Consolidated Financial Statements

Company No. 12696-M

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 Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follow:

Principal place of business/registered office

Tingkat 23, Bangunan TH Selborn
153, Jalan Tun Razak
50400 Kuala Lumpur

The consolidated financial statements of the Company as at and for the year ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the Group and individually refer to as "Group entities"). The financial statements of the Company as at and for the year ended 31 December 2011 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, whilst the principal activities of the subsidiaries are as stated in Note 5.

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

The financial statements were authorised for issue by the Board of Directors on 21 February 2012.

1. Basis of preparation

(a) Statement of compliance

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

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

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

- IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14, Prepayments of a Minimum Funding Requirement



1. Basis of preparation (continued)

(a) Statement of compliance (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*
- Amendments to FRS 112, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 9, *Financial Instruments* (2009)
- FRS 9, *Financial Instruments* (2010)
- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits* (2011)
- FRS 127, *Separate Financial Statements* (2011)
- FRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*

The Group's and the Company's financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Group and the Company will not be adopting the above FRSs, Interpretations and amendments. The change of the financial reporting framework is expected to impact the accounting for oil palm plantations assets due to the adoption of MFRS 141, *Agriculture* ("MFRS 141"). MFRS 141 requires biological asset to be fair valued on annual basis. The Group and the Company is still assessing the impact on the financial position and results of the Group and the Company on adopting MFRS 141.



1. Basis of preparation (continued)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(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.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs 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 estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. Significant accounting policies

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

(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.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investments includes transaction costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.



2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1 January 2011 the Group has applied FRS 3, *Business Combinations (revised)* in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.



2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Accounting for business combinations (continued)

Acquisitions between 1 January 2006 and 1 January 2011

For acquisitions between 1 January 2006 and 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2006

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

(iii) Accounting for acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest 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) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.



2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Non-controlling interests (continued)

Since the beginning of the reporting period, the Group has applied FRS 127, *Consolidated and Separate Financial Statements (revised)* where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous financial years, where losses applicable to the non-controlling interests exceed their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had 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.

(b) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.



2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

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

Fair value through profit or loss category comprises financial assets that are held for trading or financial assets that are specifically designated into this category upon initial recognition.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) *Held-to-maturity investments*

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group or the Company has the positive intention and ability to hold them to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

(c) *Loans and receivables*

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.



2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(d) Available for sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see note 2(i)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading or financial liabilities that are specifically designated into this category upon initial recognition.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.



2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) Property, plant and equipment

(i) Recognition and measurement

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



2. Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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.

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 knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

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



2. Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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

• leasehold land	60 - 999 years
• estates	25 years
• buildings	25 years
• temporary buildings	5 years
• plant, machinery and equipments	10 years
• computer equipments	3 years
• motor vehicles	5 years

Estates consist of matured plantation development expenditure and are depreciated over twenty five (25) years, based on estimated annual production yield table. An estate is declared mature when the palm age has reached 36 months or more at the beginning of the financial year.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(d) Leased assets

(i) Finance lease

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



2. Significant accounting policies (continued)

(d) Leased assets (continued)

(i) Finance lease (continued)

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

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating leases

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets are not recognised in the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(e) Intangible assets

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.



2. Significant accounting policies (continued)

(f) Plantation development expenditure

All expenditure relating to development of oil palm estate (immature estate) will be capitalised under plantation development expenditure. This cost will be amortised when the expenditure is transferred to property, plant and equipment when the estate matures.

All expenditure relating to planting and maintenance of sentang trees will be capitalised under plantation development expenditure. The cost will be expensed off to profit or loss once the trees are felled.

Estate overhead expenditure is apportioned to revenue and plantation development expenditure on the basis of the proportion of mature to immature areas.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

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

Stores are stated at cost.

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

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.



2. Significant accounting policies (continued)

(i) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investments in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

(ii) Other assets

The carrying amounts of other assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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 (known as cash-generating unit).

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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.



2. Significant accounting policies (continued)

(i) Impairment (continued)

(ii) Other assets (continued)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or the group of cash-generating units and then to reduce the carrying amount of the other assets in the cash-generating unit (or a group of cash-generating units) on a *pro rata* basis.

An impairment losses recognised in prior periods are assessed at the end of each reporting period 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 since the last impairment loss was recognised. 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 profit or loss in the financial year in which the reversals are recognised.

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Issue expenses

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

(k) Employee benefits

(i) Short term employee benefits

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

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



2. Significant accounting policies (continued)

(k) Employee benefits (continued)

(ii) State plans

The Group's and the Company contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company has no further payment obligations.

(iii) Share-based payment transactions

The grant date fair value of share-based payment awards to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of employee share options is measured using a Black Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(l) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable and net of returns and allowances. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, 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, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.



2. Significant accounting policies (continued)

(l) Revenue and other income (continued)

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(iii) Management fees

Management fees income is recognised in the statement of comprehensive incomes upon services rendered.

(iv) Profit margin from short term Islamic deposits and receivables/ payables

Profit margin from short term Islamic deposits and receivables from subsidiaries and related companies are recognised as it accrues, using the effective interest method.

(m) Borrowing cost

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

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 and activities that are necessary to prepare the asset for its intended use or sale 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.



2. Significant accounting policies (continued)

(n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. 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 or 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 end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.



2. Significant accounting policies (continued)

(o) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares (EPS).

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, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(p) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(q) 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 apply 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.



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3. Property, plant and equipment

Group	Note	Leasehold land RM'000	Estates RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Computer equipment RM'000	Motor vehicles RM'000	Work-in progress RM'000	Total RM'000
Cost									
At 1 January 2010		382,248	242,424	63,515	75,159	9,726	17,780	9,858	800,710
Additions		14,517	-	3,375	5,350	1,503	2,563	7,632	34,940
Transfer from plantation development expenditure	4	-	6,084	-	-	-	-	-	6,084
Disposals		-	-	-	(84)	-	(94)	-	(178)
Written off		-	-	(1,893)	(348)	(57)	(331)	-	(2,629)
Transfers		-	-	3,884	8,834	-	-	(12,718)	-
At 31 December 2010/ 1 January 2011		396,765	248,508	68,881	88,911	11,172	19,918	4,772	838,927
Additions		-	-	2,809	1,214	253	4,003	14,478	22,757
Transfer from plantation development expenditure	4	-	69,246	-	-	-	-	-	69,246
Disposals		-	-	(3,305)	(157)	(2)	(237)	-	(3,701)
Written off		-	(8,542)	(328)	(1,260)	(94)	(274)	-	(10,498)
Transfers		-	-	4,183	3,080	261	10	(7,534)	-
At 31 December 2011		396,765	309,212	72,240	91,788	11,590	23,420	11,716	916,731



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3. Property, plant and equipment (continued)

Group	Note	Leasehold land RM'000	Estates RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Computer equipment RM'000	Motor vehicles RM'000	Work-in progress RM'000	Total RM'000
Accumulated depreciation									
At 1 January 2010		11,411	70,530	23,724	34,678	8,877	10,690	-	159,910
Depreciation for the year	(i)	6,240	19,130	3,171	7,027	550	2,616	-	38,734
Disposals		-	-	-	(51)	-	(94)	-	(145)
Written off		-	-	(253)	(219)	(54)	(322)	-	(848)
At 31 December 2010/ 1 January 2011		17,651	89,660	26,642	41,435	9,373	12,890	-	197,651
Depreciation for the year	(i)	4,909	18,898	3,359	7,101	729	3,047	-	38,043
Disposals		-	-	(1,577)	(157)	(2)	(110)	-	(1,846)
Written off		-	(8,542)	(171)	(949)	(94)	(259)	-	(10,015)
Transfer		-	-	(17)	22	(5)	-	-	-
At 31 December 2011		22,560	100,016	28,236	47,452	10,001	15,568	-	223,833
Carrying amounts									
At 1 January 2010		370,837	171,894	39,791	40,481	849	7,090	9,858	640,800
At 31 December 2010/ 1 January 2011		379,114	158,848	42,239	47,476	1,799	7,028	4,772	641,276
At 31 December 2011		374,205	209,196	44,004	44,336	1,589	7,852	11,716	692,898



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3. Property, plant and equipment (continued)

Company	Note	Leasehold land RM'000	Estates RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Computer equipment RM'000	Motor vehicles RM'000	Work-in progress RM'000	Total RM'000
Cost									
At 1 January 2010		9,411	19,359	16,993	15,995	164	3,108	-	65,030
Additions		-	-	61	302	76	105	304	848
Written off		-	-	(182)	(114)	(25)	(124)	-	(445)
Transfers		-	-	-	301	-	-	(301)	-
At 31 December 2010/ 1 January 2011		9,411	19,359	16,872	16,484	215	3,089	3	65,433
Additions		-	-	1,111	53	9	392	165	1,730
Written off		-	(8,542)	(137)	(91)	(45)	(76)	-	(8,891)
Disposal		-	-	(3,305)	(157)	-	(78)	-	(3,540)
Transfers		-	-	4	-	-	-	(4)	-
At 31 December 2011		9,411	10,817	14,545	16,289	179	3,327	164	54,732



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3. Property, plant and equipment (continued)

Company	Note	Leasehold land RM'000	Estates RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Computer equipment RM'000	Motor vehicles RM'000	Work-in progress RM'000	Total RM'000
Accumulated depreciation									
At 1 January 2010		1,289	18,781	10,968	13,537	146	2,562	-	47,283
Depreciation for the year	(i)	95	301	653	511	22	188	-	1,770
Written off		-	-	(97)	(88)	(25)	(124)	-	(334)
At 31 December 2010/ 1 January 2011		1,384	19,082	11,524	13,960	143	2,626	-	48,719
Depreciation for the year	(i)	95	101	519	517	36	222	-	1,490
Disposals		-	-	(1,577)	(157)	-	(78)	-	(1,812)
Written off		-	(8,542)	(99)	(89)	(45)	(76)	-	(8,851)
At 31 December 2011		1,479	10,641	10,367	14,231	134	2,694	-	39,546
Carrying amounts									
At 1 January 2010		8,122	578	6,025	2,458	18	546	-	17,747
At 31 December 2010/ 1 January 2011		8,027	277	5,348	2,524	72	463	3	16,714
At 31 December 2011		7,932	176	4,178	2,058	45	633	164	15,186



3. Property, plant and equipment (continued)

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

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit or loss	14	35,238	35,021	1,276	1,671
Plantation development expenditure	4	2,805	3,713	214	99
		<u>38,043</u>	<u>38,734</u>	<u>1,490</u>	<u>1,770</u>
		=====	=====	=====	=====

(i) Leased leasehold land

In 2010, the Company entered into a lease agreement with its subsidiary, THP Kota Bahagia Sdn. Bhd., to sub-lease a portion of its leasehold land. At 31 December 2011, the carrying amount of the leasehold land sub-leased to the subsidiary is RM5,161,000 (2010: RM5,218,000).

(ii) Security

At 31 December 2011, the Group's leasehold land with a carrying amount of nil (2010: RM4,413,000) is subject to a registered debenture to secure bank loans (see Note 11).

4. Plantation development expenditure

		/-----Oil palm-----/	
Group	Note	2011 RM'000	2010 RM'000
At 1 January		275,288	201,918
Additions during the year		72,802	80,202
		<u>348,090</u>	<u>282,120</u>
Less: Transfer to property, plant and equipment	3	(69,246)	(6,084)
Written off		-	(748)
		<u>278,844</u>	<u>275,288</u>
At 31 December		=====	=====



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4. Plantation development expenditure (continued)

Company	Note	/-----Oil palm-----/	
		2011 RM'000	2010 RM'000
At 1 January		5,248	313
Additions during the year		8,479	5,248
		13,727	5,561
Less: Written off		-	(313)
At 31 December		13,727	5,248

Included in additions during the year are as follows:

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Depreciation of property, plant and equipment	3	2,805	3,713	214	99
Personnel expenses:					
- Wages, salaries and others		15,830	11,260	2,824	323
- Contribution to Employee Provident Fund		832	699	147	15
Borrowing cost capitalised*		6,111	1,022	-	-
Management fees capitalised		-	-	710	-

* Profit margin expense is capitalised at a rate of 4.99% per annum (2010: 7.25% per annum).

5. Investments in subsidiaries

	Company	
	2011 RM'000	2010 RM'000
At cost		
Unquoted shares	297,166	301,855
Less: Impairment	-	(30,519)
Fair value adjustment on financial assets	105,630	98,692
	402,796	370,028



5. Investments in subsidiaries (continued)

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

Name of subsidiary	Effective ownership interest		Principal activities
	2011 %	2010 %	
THP Ibok Sdn. Bhd.	100	100	Cultivation of oil palm and selling of FFB.
THP Gemas Sdn. Bhd.	100	100	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
THP-YT Plantation Sdn. Bhd.	70	70	Cultivation of oil palm and selling of FFB.
THP Sabaco Sdn. Bhd.	51	51	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
THP Bukit Belian Sdn. Bhd.	100	100	Cultivation of oil palm and selling of FFB.
THP Saribas Sdn. Bhd.	80	80	Cultivation of oil palm and selling of FFB.
THP Kota Bahagia Sdn. Bhd.	100	100	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
THP Agro Management Sdn. Bhd.	100	100	Management services.



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6. Trade and other receivables

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-current					
Non-trade					
Amount due from subsidiaries	6.1	-	-	233,681	168,794
		=====	=====	=====	=====
Current					
Trade					
Trade receivables		45,361	29,542	7,542	2,502
		-----	-----	-----	-----
Non-trade					
Amount due from subsidiaries	6.2	-	-	7,329	11,340
Amount due from related companies	6.3	6,586	7,872	271	377
Other receivables		23,825	4,779	22,883	677
Tax credit	6.4	2,270	2,573	-	-
Dividend receivables		-	-	53,997	31,500
		-----	-----	-----	-----
		32,681	15,224	84,480	43,894
		-----	-----	-----	-----
		78,042	44,766	92,022	46,396
		=====	=====	=====	=====

Note 6.1

The amount due from subsidiaries are unsecured, non-profit margin, stated at amortised cost and has no fixed term of repayment except for an amount of RM196,281,000 (2010: RM152,236,000), which is subject to profit margin ranges from 3.00% to 3.28% (2010: 2.05% to 2.80%).

Note 6.2

The amount due from subsidiaries are unsecured, non-profit margin and repayable on demand except for an amount of RM5,586,000 (2010: RM2,532,000), which is subject to profit margin ranges from 3.00% to 3.28% (2010: 2.05% to 2.80%).

Note 6.3

The amount due from related companies are unsecured, non-profit margin and repayable on demand.

Note 6.4

Tax credit is subject to agreement by the Inland Revenue Board.



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7. Inventories

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Finished goods	3,020	1,763	763	385
Stores	19,488	10,580	2,051	1,461
Nurseries	3,793	1,938	1,136	664
	<u>26,301</u>	<u>14,281</u>	<u>3,950</u>	<u>2,510</u>
	=====	=====	=====	=====

8. Cash and cash equivalents

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits placed with licensed banks	8.1	137,800	94,503	137,750	93,529
Cash and bank balances	8.2	29,394	36,065	27,389	26,861
		<u>167,194</u>	<u>130,568</u>	<u>165,139</u>	<u>120,390</u>
		=====	=====	=====	=====

Note 8.1

Deposits which are placed with licensed banks for Group and Company have profit margins ranging between 2.55% to 3.60% (2010: 2.05% to 2.80%).

Deposits placed with licensed banks pledged for a bank facility

Included in the deposits placed with licensed banks for Group and Company are RM706,000 (2010: RM1,639,000) and RM655,800 (2010: RM664,000) respectively pledged for a bank guarantee issued to a third party.

Note 8.2

Included in the bank balances is RM25,781,002 (2010: RM31,592,906) and RM25,356,447 (2010: RM24,797,974) which is maintained by the Group and the Company respectively with a related company.



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9. Capital and reserves

Share capital

	Amount 2011 RM'000	Number of shares 2011 '000	Amount 2010 RM'000	Number of shares 2010 '000
Authorised:				
Ordinary shares of RM0.50 each				
At 1 January/ 31 December	350,000	700,000	350,000	700,000
	=====	=====	=====	=====
Issued and fully paid:				
Ordinary shares of RM0.50 each				
At 1 January	244,215	488,430	243,893	487,785
Issue of shares under ESOS	10,333	20,666	322	645
	-----	-----	-----	-----
At 31 December	254,548	509,096	244,215	488,430
	=====	=====	=====	=====

Share premium

	Group and Company 2011 RM'000	2010 RM'000
At 1 January	14,599	13,809
Issue of shares under ESOS	25,326	790
	-----	-----
At 31 December	39,925	14,599
	=====	=====

Other reserves

Other reserves relates to fair value adjustment on initial recognition of financial instruments.



9. Capital and reserves (continued)

Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings. Share option is disclosed in Note 23.

10. Deferred tax liabilities

Recognised deferred tax (assets)/liabilities

Deferred tax (assets) and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Group						
Provisions	(977)	-	-	-	(977)	-
Unutilised tax losses	(2,490)	-	-	-	(2,490)	-
Unutilised capital allowances	(13,469)	-	-	-	(13,469)	-
Property, plant and equipment	-	-	105,647	109,927	105,647	109,927
FRS 139 adjustment on initial recognition of amount due to holding corporation and related company	-	-	2,222	3,389	2,222	3,389
Tax (assets)/liabilities set-off net tax	(16,936)	-	107,869	113,316	90,933	113,316
	=====		=====		=====	



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10. Deferred tax liabilities (continued)

Recognised deferred tax (assets)/liabilities (continued)

	Assets		Liabilities		Net	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Company						
Provisions	(256)	-	-	-	(256)	-
Property, plant and equipment	-	-	4,621	7,419	4,621	7,419
Fair value adjustments						
FRS 139 adjustment on initial recognition of amount due to subsidiaries and related company	-	-	1,737	2,328	1,737	2,328
Tax (assets)/liabilities set-off net tax	(256)	-	6,358	9,747	6,102	9,747
	=====		=====		=====	

Unrecognised deferred tax assets

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

	Group	
	2011 RM'000	2010 RM'000
Deductible temporary differences	28,422	64,558
Unutilised tax loss carry-forwards	(7,280)	(42,658)
Capital allowance carry-forwards	(27,902)	(141,807)
	=====	=====

The deductible temporary differences do not expire under current tax legislation. Unutilised tax loss carry-forwards and unutilised capital allowance carry-forwards of approximately RM7,280,000 (2010: RM42,658,000) and RM27,902,000 (2010: RM141,807,000) respectively. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.



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10. Deferred tax liabilities (continued)

Movement in temporary differences during the year

	At 1.1.2010 RM'000	Recognised in profit or loss (Note 16) RM'000	Recognised directly in equity RM'000	At 31.12.2010 RM'000	Recognised in profit or loss (Note 16) RM'000	At 31.12.2011 RM'000
Group						
Provisions	-	-	-	-	(977)	(977)
Unutilised tax losses	-	-	-	-	(2,490)	(2,490)
Unutilised capital allowances	-	-	-	-	(13,469)	(13,469)
Property, plant and equipment	112,546	(2,619)	-	109,927	(4,280)	105,647
FRS 139 adjustment on initial recognition of amount due to holding corporation and related company	3,727	(378)	40	3,389	(1,167)	2,222
	116,273	(2,997)	40	113,316	(22,383)	90,933
Company						
Provision	-	-	-	-	(256)	(256)
Property, plant and equipment	5,272	2,147	-	7,419	(2,798)	4,621
FRS 139 adjustment on initial recognition of amount due to subsidiaries and related company	2,209	79	40	2,328	(591)	1,737
	7,481	2,226	40	9,747	(3,645)	6,102



11. Loans and borrowings

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Non-current				
<i>Secured</i>				
Bai-Bithaman Ajil loan	-	16,276	-	-
<i>Unsecured</i>				
Murabahah Medium Term Notes ("MMTN")	150,000	150,000	150,000	150,000
	<u>150,000</u>	<u>166,276</u>	<u>150,000</u>	<u>150,000</u>
	-----	-----	-----	-----

Security

The Bai-Bithaman Ajil loan which are taken by subsidiaries of the Group is secured over property, plant and equipment (leasehold land) with a carrying amount of nil (2010: RM4,413,000). (see Note 3).

Significant covenants

The Bai-Bithaman Ajil loan which is taken by a subsidiary of the Group is subject to the fulfillment of the following significant covenants by the subsidiary's concerned:

- Not to change principal activity, issued share capital, 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,
- To notify of any loan or advances given to the directors, shareholders, associated companies, related companies and subsidiaries;
- Not to declare, distribute or pay any dividend or bonus issue or other distribution whether of an income or capital nature and whether in cash or otherwise without prior consent of the bank;



11. Loans and borrowings (continued)

Significant covenants (continued)

- v) Not to give guarantees of the debts or obligations of any parties other than as spelt in the facility agreements without the prior consent of the bank;
- vi) Not to alter the Memorandum or Articles of Association which would be inconsistent with the agreement or other facility documents or to alter the financial year; or principal activity; or to sell, transfer, charge, or dispose of the whole or any part of its assets otherwise than in the normal course of the business; or makes any arrangement of business combination or restructuring;
- vii) Not to reduce its authorised or issued share capital;
- viii) Not to make payments or advances related to the indebtedness given to the subsidiary by its shareholders, directors, related companies and subsidiaries otherwise than in the normal course of the subsidiary business;
- ix) Not to give or deal with the hire purchase arrangement or any credit arrangements otherwise than in the normal course of the subsidiary business;
- x) Not to sell or transfer the whole or any part of the subsidiary assets otherwise than in the normal course of the subsidiary business; and
- xi) To inform any significant litigation, legal proceeding or claim, involving the subsidiary.

Terms and debt repayment schedule

Group	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	2-5 years RM'000	Over 5 years RM'000
2011					
<i>Unsecured</i>					
MMTN	2016	150,000	-	150,000	-
=====					
2010					
<i>Secured</i>					
Bai-Bithaman Ajil loan 1	2012-2018	16,276	-	10,051	6,225
=====					
<i>Unsecured</i>					
MMTN	2016	150,000	-	-	150,000
=====					



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11. Loans and borrowings (continued)

Terms and debt repayment schedule (continued)

Company	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	2-5 years RM'000	Over 5 years RM'000
2011					
Unsecured					
MMTN	2016	150,000	-	150,000	-
		=====			
2010					
Unsecured					
MMTN	2016	150,000	-	-	150,000
		=====			

12. Trade and other payables

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non- current					
Non-trade					
Amount due to holding corporation	12.1	13,141	26,364	-	-
Amount due to related company	12.2	7,896	-	7,896	-
		21,037	26,364	7,896	-
		=====	=====	=====	=====
Current					
Trade					
Trade payables		20,893	19,838	3,386	1,718
		-----	-----	-----	-----
Non-trade					
Amount due to holding corporation	12.3	16,476	16,111	949	584
Amount due to subsidiaries	12.4	-	-	138,756	88,951
Amount due to related companies	12.5	76,946	41,105	76,946	30,125
Other payables		32,098	27,789	8,832	4,920
Accrued expenses		4,930	5,148	1,253	1,379
Dividend payable		5,855	107	135	107
		136,305	90,260	226,871	126,066
		-----	-----	-----	-----
		157,198	110,098	230,257	127,784
		=====	=====	=====	=====



12. Trade and other payables (continued)

Note 12.1

The amount due to holding corporation is unsecured, non-profit margin and stated at amortised cost. The amount is not expected to be repaid in the next twelve (12) months.

Note 12.2

The amount due to related company is unsecured, non-profit margin and stated at amortised cost. The amount is not expected to be repaid in the next twelve (12) months.

Note 12.3

The amount due to holding corporation is unsecured, non-profit margin and repayable on demand.

Note 12.4

The amount due to subsidiaries are unsecured, repayable on demand and subject to profit margin ranges from 3.00% to 3.28% (2010: 2.05% to 2.80%).

Note 12.5

The amount due to related companies are unsecured, repayable on demand and is subject to profit margin ranges from 3.00% to 3.28% (2010: 2.05% to 2.80%).

13. Revenue

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sales	409,001	341,908	80,767	70,333
Dividends	-	-	62,814	35,116
Management fees - related companies	25,834	24,064	-	-
	<u>434,835</u>	<u>365,972</u>	<u>143,581</u>	<u>105,449</u>
	=====	=====	=====	=====



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14. Profit before tax

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before tax is arrived at after charging:					
Auditors' remuneration:					
- Audit fees					
- KPMG Malaysia		455	403	120	110
- Non-audit fees					
- KPMG Malaysia		20	20	20	20
Impairment loss on other receivables		48	32	-	1
Finance cost:					
- Borrowings		1,376	7,778	7,394	4,687
- Profit margin expense on subsidiaries		-	-	3,814	1,561
- Profit margin expense on related companies		4,697	1,653	4,697	1,653
- Profit margin expense on holding corporation		2,304	-	-	-
Depreciation of property, plant and equipment	3	35,238	35,021	1,276	1,671
Plantation development expenditure written off	4	-	748	-	313
Fair value of ESOS granted		1,552	-	1,552	-
Personnel expenses:					
- Wages, salaries and others		53,380	46,366	6,594	6,172
- Contribution to Employee's Provident Fund		3,458	2,749	365	280
Property, plant and equipment written off	3	483	1,781	40	111
Rental of premises		1,932	1,932	-	1,932
Rental of land		2,420	2,200	2,420	2,200
		=====	=====	=====	=====



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14. Profit before tax (continued)

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
and after crediting (continued):					
Gain on disposal of property, plant and equipment		583	107	509	-
Rental income		-	-	3,848	3,843
Profit margin income from short term investments and receivables:					
- Subsidiaries		-	-	28,831	15,742
- Related companies		-	452	-	452
- Short term Islamic deposits		5,586	869	5,583	869
		=====	=====	=====	=====

15. Key management personnel compensations

The key management personnel compensations are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Directors				
- Fees	1,414	1,244	581	577
- Remuneration	1,428	987	1,400	956
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	21	21	21	21
	2,863	2,252	2,002	1,554
	-----	-----	-----	-----
Other key management personnel:				
- Short-term employee benefits	1,349	1,428	1,349	1,428
	4,212	3,680	3,351	2,982
	=====	=====	=====	=====

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.

The estimated monetary value of Director benefits-in-kind for Group and Company is RM21,000 (2010: RM21,000).



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16. Income tax expense

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax expense					
Malaysia					
- current year		56,361	39,851	18,630	9,086
- prior years		(721)	(717)	(411)	973
Total current tax recognised in profit or loss		55,640	39,134	18,219	10,059
Deferred tax expense					
Origination and reversal of temporary differences		(19,491)	(5,161)	(171)	2,240
(Over)/Under provision in prior year		(2,892)	2,164	(3,474)	(14)
Total deferred tax recognised in profit or loss	10	(22,383)	(2,997)	(3,645)	2,226
Total income tax expense		33,257	36,137	14,574	12,285
Reconciliation of effective tax expense					
Profit for the year		149,765	108,415	101,082	65,948
Total income tax expense		33,257	36,137	14,574	12,285
Profit excluding tax		183,022	144,552	115,656	78,233
Tax calculated using Malaysian tax rate of 25% (2010:25%)		45,755	36,138	28,914	19,558
Effect of deferred tax asset not recognised		133	28,125	-	-
Effect of deferred tax asset previously not recognised		(11,160)	-	-	-
Non-assessable income		-	(29,573)	(10,455)	(8,232)
Non-deductible expenses		2,142	-	-	-
(Over)/Under provided in prior years					
- current tax		(721)	(717)	(411)	973
- deferred tax		(2,892)	2,164	(3,474)	(14)
		33,257	36,137	14,574	12,285



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17. Earnings per share

Basic earnings per share

The calculation of basic and diluted earnings per share at 31 December 2011 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2011 RM'000	2010 RM'000
Profit for the year attributable to shareholders	124,829	89,482
	=====	=====
Weighted average number of ordinary shares		
	Group	
	2011 '000	2010 '000
Issued ordinary shares at 1 January	488,430	487,785
Effect of ordinary shares issued under ESOS	20,666	645
	-----	-----
Weighted average number of ordinary shares at 31 December	509,096	488,430
	=====	=====
Weighted average number of ordinary shares (diluted)		
	Group	
	2011 '000	2010 '000
Issued ordinary shares at 1 January	488,430	487,785
Effect of ordinary shares issued under ESOS	20,666	645
Effect of share options on issue	25,754	38,209
	-----	-----
Weighted average number of ordinary shares at 31 December	534,850	526,639
	=====	=====
	Group	
	2011 Sen	2010 Sen
Basic earnings per ordinary share	24.52	18.32
Diluted earnings per ordinary share	23.34	16.99
	=====	=====



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18. Dividends

Dividends recognised in the current year by the Company are:

	Sen per share (net of tax)	Total amount RM'000	Date of payment
2011			
Final for ordinary - 2010	9.38	47,169	11 May 2011
		=====	
2010			
Final for ordinary - 2009	6.38	31,096	21 May 2010
		=====	

After the statement of financial position 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
Final ordinary	12.50	63,437
	=====	=====



19. Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different strategies. For each of the strategic business units, the Group's Chief Executive Officer reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Oil palm plantations.* Includes cultivation of oil palm, processing of FFB, marketing of CPO, PK and FFB.
- *Management services.* Includes provision of management services.

There are varying levels of integration between reportable segments, the Oil palm plantations and Management services reportable segments. This integration includes sharing of human resources function. The accounting policies of the reportable segments are the same as described in Note 2(p).

Performance is measured based on segment profit before tax, interest, and depreciation, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer, (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Chief Executive Officer. Hence no disclosure is made on segment liability.



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19. Operating segments (continued)

	Oil palm plantations		Management services		Elimination		Consolidated Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit/(loss)								
<i>Included in the measure of segment profit / (loss) are:</i>								
Revenue from external customers	409,001	341,908	25,834	24,064	-	-	434,835	365,972
Inter-segment revenue	82,695	51,136	12,507	9,987	(95,202)	(61,123)	-	-
	=====	=====	=====	=====	=====	=====	=====	=====
<i>Not included in the measure of segment profit but provided to Group's Chief Executive Officer</i>								
Depreciation	34,311	34,338	927	683	-	-	35,238	35,021
Finance costs	(23,260)	(11,256)	-	-	14,883	1,825	(8,377)	(9,431)
Profit margin income from short term investments and receivables	33,620	18,620	-	-	(28,034)	(17,299)	5,586	1,321
Income tax expense	(40,953)	(42,011)	(2,112)	(1,592)	9,808	7,466	(33,257)	(36,137)
	=====	=====	=====	=====	=====	=====	=====	=====
Segment assets	1,750,669	1,392,242	16,454	18,408	(520,475)	(301,148)	1,246,648	1,109,502
	=====	=====	=====	=====	=====	=====	=====	=====
<i>Included in the measure of segment assets are:</i>								
Additions to non-current assets other than financial instrument and deferred tax assets	93,753	32,033	1,806	2,907	-	-	95,559	34,940
	=====	=====	=====	=====	=====	=====	=====	=====



19. Operating segments (continued)

	External revenue RM'000	Deprecia- tion RM'000	Finance costs RM'000	Profit margin income RM'000	Segment assets RM'000	Additions to non-cur- rent assets RM'000
2011						
Total reportable segments	530,037	(35,238)	(23,260)	33,620	1,767,123	95,559
Elimination of inter-segment transaction or balances	(95,202)	-	14,883	(28,034)	(520,475)	-
Consolidated total	434,835	(35,238)	(8,377)	5,586	1,246,648	95,559
2010						
Total reportable segments	427,095	(35,021)	(11,256)	18,620	1,410,650	34,940
Elimination of inter-segment transaction or balances	(61,123)	-	1,825	(17,299)	(301,148)	-
Consolidated total	365,972	(35,021)	(9,431)	1,321	1,109,502	34,940



19. Operating segments (continued)

Geographical segments

The Management services segment also provides services to a related company in Indonesia.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. There are no non-current assets located outside Malaysia.

	2011 RM '000	2010 RM '000
Malaysia	6,861	5,454
Indonesia	18,973	18,610
Consolidated revenue	25,834	24,064
	=====	=====

Major customers

The following are major customers with revenue equal or more than 10 percent of Group revenue:

	2011 RM '000	2010 RM '000	Segment
Ngo Chew Hong Oil & Fats Sdn. Bhd.	63,052	42,312	Oil palm plantations
Pacific Inter- Link Sdn. Bhd.	52,636	32,894	Oil palm plantations
Lahad Datu Edible Oils Sdn. Bhd.	45,556	21,988	Oil palm plantations



20. Financial instruments

20.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables (L&R);
- (b) Fair value through profit or loss (FVTPL); and
- (c) Other financial liabilities measured at amortised cost (OL).

2011	Carrying amount RM'000	L&R/ (OL) RM'000	FVTPL RM'000
Financial assets			
Group			
Other investment	599	-	599
Amount due from related companies	6,586	6,586	-
Cash and cash equivalents	167,194	167,194	-
Trade and other receivables	71,456	71,456	-
	245,835	245,236	599
	=====		
Company			
Other investment	599	-	599
Amount due from related companies	271	271	-
Amount due from subsidiaries	241,010	241,010	-
Cash and cash equivalents	165,139	165,139	-
Trade and other receivables	84,422	84,422	-
	491,441	490,842	599
	=====		
Financial liabilities			
Group			
Murabahah medium term notes	(150,000)	(150,000)	-
Amount due to related companies	(84,842)	(84,842)	-
Amount due to holding corporation	(29,617)	(29,617)	-
Trade and other payables	(63,776)	(63,776)	-
	(328,235)	(328,235)	-
	=====		



Consolidated Financial Statements

Company No. 12696-M

20. Financial instruments (continued)

20.1 Categories of financial instruments (continued)

	Carrying amount RM'000	L&R/ (OL) RM'000	FVTPL RM'000
2011			
Financial liabilities			
Company			
Murabahah medium term notes	(150,000)	(150,000)	-
Amount due to subsidiaries	(138,756)	(138,756)	-
Amount due to related companies	(84,842)	(84,842)	-
Amount due to holding corporation	(949)	(949)	-
Trade and other payables	(13,606)	(13,606)	-
	(388,153)	(388,153)	-
	=====	=====	=====
2010			
Financial assets			
Group			
Other investment	599	-	599
Amount due from related companies	7,872	7,872	-
Cash and cash equivalents	130,568	130,568	-
Trade and other receivables	36,894	36,894	-
	175,933	175,334	599
	=====	=====	=====
Company			
Other investment	599	-	599
Amount due from related companies	377	377	-
Amount due from subsidiaries	180,134	180,134	-
Cash and cash equivalents	120,390	120,390	-
Trade and other receivables	34,679	34,679	-
	336,179	335,580	599
	=====	=====	=====



Consolidated Financial Statements

Company No. 12696-M

20. Financial instruments (continued)

20.1 Categories of financial instruments (continued)

2010	Carrying amount RM'000	L&R/ (OL) RM'000	FVTPL RM'000
Financial liabilities			
Group			
Bai-Bithaman Ajil loan - secured	(16,276)	(16,276)	-
Murabahah medium term notes	(150,000)	(150,000)	-
Amount due to related companies	(41,105)	(41,105)	-
Amount due to holding corporation	(42,475)	(42,475)	-
Trade and other payables	(52,882)	(52,882)	-
	(302,738)	(302,738)	-
Company			
Murabahah medium term notes	(150,000)	(150,000)	-
Amount due to subsidiaries	(88,951)	(88,951)	-
Amount due to related companies	(30,125)	(30,125)	-
Amount due to holding corporation	(584)	(584)	-
Trade and other payables	(8,124)	(8,124)	-
	(277,784)	(277,784)	-

20.2 Net gains/(losses) arising from financial instruments

Group	Profit margin income RM'000	Profit margin expense RM'000	Total RM'000
2011			
Net gains/(losses) on:			
Loans and receivables	5,538	-	5,538
Other financial liabilities	-	(14,488)	(14,488)
Total	5,538	(14,488)	(8,950)
2010			
Net gains/(losses) on:			
Loans and receivables	1,289	-	1,289
Other financial liabilities	-	(10,453)	(10,453)
Total	1,289	(10,453)	(9,164)

Included in other financial liabilities of the above, RM6,111,000 (2010: RM1,022,000) has been capitalised in plantation development expenditure (see Note 4).



Consolidated Financial Statements

Company No. 12696-M

20. Financial instruments (continued)

20.2 Net gains/(losses) arising from financial instruments (continued)

Company	Profit margin income RM'000	Profit margin expense RM'000	Total RM'000
2011			
Net gains/(losses) on:			
Loans and receivables	34,414	-	34,414
Other financial liabilities	-	(15,905)	(15,905)
Total	34,414	(15,905)	18,509
2010			
Net gains/(losses) on:			
Loans and receivables	17,062	-	17,062
Other financial liabilities	-	(7,901)	(7,901)
Total	17,062	(7,901)	9,161

20.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk



20. Financial instruments (continued)

20.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its obligations. The Group's exposure to credit risk arises principally from its receivables from customers and advance to related company. The Company's exposure to credit risk arises principally from its receivable from customers and loans and advances to subsidiaries and related companies.

Receivables

Risk management objectives, policies and processes for managing the 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 and the Company do not require collateral in respect of financial assets.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for receivables as at the end of the reporting period by geographic region was:

	2011 RM'000	2010 RM'000
Malaysia	72,877	38,985
Indonesia	5,165	5,781
	=====	=====



Consolidated Financial Statements

Company No. 12696-M

20. Financial instruments (continued)

20.4 Credit risk (continued)

Receivables (continued)

Exposure to credit risk, credit quality and collateral (continued)

The ageing of trade receivables as at the end of the reporting period were:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Not past due	41,181	24,415	6,291	1,960
Past due 0-30 days	4,180	5,127	1,251	542
	<u>45,361</u>	<u>29,542</u>	<u>7,542</u>	<u>2,502</u>
	=====	=====	=====	=====

There was no impairment required on trade receivables.

Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group and the Company have only invested in domestic securities. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations.

The investments and other financial assets are unsecured.



20. Financial instruments (continued)

20.4 Credit risk (continued)

Inter company balances

Risk management objectives, policies and processes for managing the risk

The Group and the Company provides unsecured loans and advances to related companies and subsidiaries respectively. The Group and the Company monitors the results of the related companies and subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances are only provided to subsidiaries which are wholly owned by the Company and related companies managed by the Group.

20.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.



Consolidated Financial Statements

Company No. 12696-M

20. Financial instruments (continued)

20.5 Liquidity risk (continued)

Maturity analysis

The table below summarise the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Con- tractual interest rate %	Con- tractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2011							
<i>Non-derivatives financial liabilities</i>							
Murabahah medium term notes	150,000	4.99	202,410	7,941	15,882	178,587	-
Amount due to holding corporation	29,617	5.50	31,056	15,528	15,528	-	-
Amount due to related companies	84,842	3.12	93,400	76,946	-	-	16,454
Trade and other payables	63,776	-	63,776	63,776	-	-	-
	<u>328,235</u>		<u>390,642</u>	<u>164,191</u>	<u>31,410</u>	<u>178,587</u>	<u>16,454</u>
	=====		=====				
2010							
<i>Non-derivatives financial liabilities</i>							
Bai-Bithaman Ajil loan - secured	16,276	7.25	24,008	1,106	1,318	10,945	10,639
Murabahah medium term notes	150,000	4.99	210,351	7,941	7,941	23,823	170,646
Amount due to holding corporation	42,475	5.50	46,582	15,528	15,527	15,527	-
Amount due to related companies	41,105	2.54	51,545	51,545	-	-	-
Trade and other payables	52,882	-	52,882	52,882	-	-	-
	<u>302,738</u>		<u>385,368</u>	<u>129,002</u>	<u>24,786</u>	<u>50,295</u>	<u>181,285</u>
	=====		=====				



Consolidated Financial Statements

Company No. 12696-M

20. Financial instruments (continued)

20.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carry- ing amount RM'000	Con- tractual interest rate %	Con- tractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2011							
<i>Non-derivatives financial liabilities</i>							
Murabahah medium term notes	150,000	4.99	202,410	7,941	15,882	178,587	-
Amount due to subsidiaries	138,756	3.12	138,756	138,756	-	-	-
Amount due to holding corporation	949	-	949	949	-	-	-
Amount due to related companies	84,842	3.12	93,400	76,946	-	-	16,454
Trade and other payables	13,606	-	13,606	13,606	-	-	-
	<u>388,153</u>		<u>449,121</u>	<u>238,198</u>	<u>15,882</u>	<u>178,587</u>	<u>16,454</u>
	=====		=====	=====	=====	=====	=====
2010							
<i>Non-derivatives financial liabilities</i>							
Murabahah medium term notes	150,000	4.99	210,351	7,941	7,941	23,823	170,646
Amount due to subsidiaries	88,951	2.54	88,951	88,951	-	-	-
Amount due to holding corporation	584	-	584	584	-	-	-
Amount due to related companies	30,125	2.54	37,776	37,776	-	-	-
Trade and other payables	8,124	-	8,124	8,124	-	-	-
	<u>277,784</u>		<u>345,786</u>	<u>143,376</u>	<u>7,941</u>	<u>23,823</u>	<u>170,646</u>
	=====		=====	=====	=====	=====	=====



20. Financial instruments (continued)

20.6 Market risk

Market risk is the risk that changes in market prices, such as profit margin will affect the Group's financial position or cash flows.

20.6.1 Profit margin risk

The Group's and the Company's fixed rate borrowings is exposed to a risk of change in its fair value due to changes in profit margin rates.

Risk management objectives, policies and processes for managing the risk

The Group and the Company adopt a policy of ensuring that almost all borrowings are on a fixed profit margin basis.

Exposure to profit margin risk

The profit margin profile of the Group's and the Company's significant profit margin bearing financial instruments, based on carrying amount as at the end of the reporting period was:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Fixed rate instruments				
Financial liability	150,000	166,276	150,000	150,000
	=====	=====	=====	=====

As at 31 December 2011, the Group's exposure to the variable profit margin risk is the amount due to related companies which carries profit margin rates as stated in Note 12.5.

As at 31 December 2011, the Company's exposure to the variable profit margin risk are the amount due from subsidiaries and the amount due to subsidiaries, which carries profit margin rates as stated in Note 6.1 and Note 6.2, and Note 12.4 respectively.

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in profit margin rates at the end of the reporting period would not affect profit or loss.



20. Financial instruments (continued)

20.7 Fair value of financial instruments

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

The fair values of other financial assets and liabilities (based on estimates of discounted cashflows), together with the carrying amounts shown in the statement of financial positions, are as follows.

Group	Note	2011		2010	
		Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets					
Other investment					
Unquoted company		599	599	599	599
=====					
Financial liabilities					
Bai-Bithaman Ajil loan - <i>secured</i>	11	-	-	16,276	16,276
Medium term notes	11	150,000	150,000	150,000	150,000
Amount due to holding corporation	12	29,617	29,617	42,475	42,475
Amount due to related company	12	7,896	7,896	-	-
=====					
Company					
Financial assets					
Other investment					
Unquoted company		599	599	599	599
Amount due from subsidiaries	6	233,681	233,681	168,794	168,794
=====					



20. Financial instruments (continued)

20.7 Fair value of financial instruments

Company	Note	2011		2010	
		Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial liabilities					
Medium term notes	11	150,000	150,000	150,000	150,000
Amount due to related companies	12	7,896	7,896	-	-
		=====	=====		

20.7.1 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2011				
Financial assets				
Other investment				
Unquoted company	-	-	599	599
	=====	=====	=====	=====
2010				
Financial assets				
Other investment				
Unquoted company	-	-	599	599
	=====	=====	=====	=====



21. Capital management

The Group's objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

During 2011, the Group's strategy, which was unchanged from 2010, was to maintain the debt-to-equity ratio less than one time. The debt-to-equity ratios at 31 December 2011 and at 31 December 2010 were as follows:

Group

	2011 RM'000	2010 RM'000
Total borrowings (Note 11)	150,000	166,276
Less: Cash and cash equivalents (Note 8)	(167,194)	(130,568)
Net debt	(17,194)	35,708
	=====	=====
Total equity	818,647	682,649
	=====	=====
Debt-to-equity ratio	-	0.05
	=====	=====

There were no changes in the Group's approach to capital management during the year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital and such shareholders' equity is not less RM40 million. The Company has complied with this requirement.



22. Operating leases

Leases as lessor

The Company leases out certain portion of its leasehold land under operating leases (see Note 3). The future minimum lease payments under non-cancellable leases are as follows:

	Company	
	2011	2010
	RM'000	RM'000
Less than one year	834	3,579
Between one and three years	-	834
	<u>834</u>	<u>4,413</u>
	=====	=====

23. Employee benefits

Share-based payments

On 25 November 2008, the Group established a share option programme that entitles key management personnel and senior employees to purchase shares in the Company. In accordance with these programmes options are exercisable at the market price of the shares at the date of grant.

The terms and conditions of the grants are as follows; all options are to be settled by physical delivery of shares:

Grant date / employees entitled	Number of instruments '000	Vesting conditions	Contractual life of options
Option granted to Director and employees on 8 June 2009	38,209	Based on completed year of service	5 years
Option granted to Director and employees on 4 January 2011	8,763	Based on completed year of service	3 years
	<u>46,972</u>		
	=====		



23. Employee benefits (continued)

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2011 RM	Number of options 2011 (‘000)	Weighted average exercise price 2010 RM	Number of options 2010 (‘000)
Outstanding at 1 January	1.52	38,209	1.52	38,854
Granted during the year	1.74	8,763	-	-
Forfeited during the year	1.52	(552)	-	-
Exercised during the year	1.52	(20,615)	1.52	(645)
Exercised during the year	1.74	(51)	-	-
Outstanding at 31 December	1.61	25,754	1.52	38,209

The options outstanding at 31 December 2011 have an exercise price at RM1.52 and RM1.74 per ordinary share and a weighted average of the remaining contractual life of 3 years.

During the year, 20,665,800 share options were exercised. The weighted average share price for the year was RM1.52 and RM1.74 per ordinary share.

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using *blackscholes model*, with the following inputs:

	Directors and employees	
	2011	2010
Fair value of share options and assumptions		
Fair value at grant date	RM0.19	-
Weighted average share price exercise price	1.74	-
Option life (expected weighted average life)	3	-



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Company No. 12696-M

23. Employee benefits (continued)

Employee expenses

	Group and Company	
	2011 RM'000	2010 RM'000
Share options granted	1,552	-
Total expense recognised as share-based payments	1,552	-
	=====	=====

24. Capital and other commitments

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Property, plant and equipment				
<i>Authorised but not contracted for:</i>				
Within one year	81,227	30,444	4,111	2,681
Plantation development expenditure				
<i>Authorised but not contracted for:</i>				
Within one year	53,899	66,470	14,056	8,329
Investment				
<i>Authorised and contracted for:</i>				
Within one year	90,323	-	90,323	-
	225,449	96,914	108,490	11,010
	=====	=====	=====	=====

25. 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.



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Company No. 12696-M

25. Related parties (continued)

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. Key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

The significant related party transactions of the Group and the Company, other than key management personnel compensation (see Note 15), are as follows:

Group	Transactions amount for the year ended 31 December		Gross/Net balance outstanding at 31 December	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Holding corporation				
Expenses				
Rental of premise	1,932	1,932	-	-
Rental of land	2,420	2,200	-	-
Related companies				
Income				
Management fees income	25,834	24,064	6,315	5,184
Profit margin income from related companies receivables	452	1,668	452	1,668
Expenses				
Purchase of fertilisers	27,456	13,971	4,616	4,566
Purchase of flight tickets	973	679	-	-
Profit margin expense on related companies payables	4,697	1,653	4,697	1,653
Telecommunication equipment provider	800	1,322	-	-
Purchase of insurance	1,924	-	-	-
	=====	=====	=====	=====
Company				
Holding corporation				
Expenses				
Rental of premise	-	1,932	-	-
Rental of land	2,420	2,200	-	-
	=====	=====	=====	=====



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Company No. 12696-M

25. Related parties (continued)

Company	Transactions amount for the year ended 31 December		Gross/Net balance outstanding at 31 December	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Subsidiaries companies				
Income				
Profit margin income from subsidiaries receivables	28,831	3,116	28,831	3,116
Expenses				
Profit margin expense on subsidiaries payables	3,814	1,561	3,814	1,561
Management fees	2,109	1,610	1,742	-
Related companies				
Income				
Profit margin income from related companies receivables	-	1,668	-	1,668
Expenses				
Purchase of flight tickets	282	96	-	-
Telecommunication equipment provider	132	241	-	-
Purchase of fertilisers	2,235	122	1,130	-
Profit margin expense on related companies payables	4,697	1,653	4,697	1,653
Purchase of insurance	514	-	-	-
	=====	=====	=====	=====

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.



26. Significant event

On 11 November 2011, the company had entered into two (2) separate conditional agreements as follows:

- (a) A Conditional Sale and Purchase of Shares Agreement with Sawit Green Plantation Sdn. Bhd. ("Sawit Green") to acquire 3,500,000 ordinary shares of RM1.00 each held by Sawit Green in the share capital of Hydroflow Sdn. Bhd., representing 70% of the issued and paid-up share capital of Hydroflow Sdn. Bhd., for the total Purchase Consideration ("PC") of RM73,500,000.
- (b) A Conditional Sale and Purchase of Shares Agreement with Indonesian citizens namely Drs. H. Rajasa Abdurachman and Ir. Badai Sakti Daniel, to acquire 5,580,000 shares of Rp1,000 each held collectively by the sellers in the share capital of PT Persada Kencana Prima ("PKP"), representing 93% of the total issued and fully paid-up share capital of PKP, for the total PC of Rp46,211,960,000. The RM equivalent of the total PC is RM16,822,701 based on the exchange rate as at 10 November 2011 of Rp2,747:RM1.00.

Both these transactions have yet to be completed as of 31 December 2011.



27. Supplementary information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at 31 December, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group	
	2011 RM'000	2010 RM'000
Total retained earnings of the Group:		
- realised	539,658	412,907
- unrealised	(86,154)	(108,537)
Less: Consolidation adjustments	(155,355)	(83,881)
Total retained earnings	298,149	220,489
	=====	
	Company	
	2011 RM'000	2010 RM'000
Total retained earnings of the Company:		
- realised	228,119	177,851
- unrealised	(6,102)	(9,747)
Total retained earnings	222,017	168,104
	=====	

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



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

In the opinion of the Directors, the financial statements set out on pages 141 to 214 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 27 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

.....
Tan Sri Datuk Dr Yusof bin Basiran

.....
Dato' Zainal Azwar bin Zainal Aminuddin

Kuala Lumpur,

Date: 21 February 2012



Consolidated Financial Statements

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 141 to 214 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 February 2012.


.....
Mohamed Azman Shah bin Ishak

Before me:





Lat E.A.S. Tingsat S. The Map
M.S. Jalan Pura
10000 Kuala Lumpur, Malaysia
(M) 012-280 8000



Consolidated Financial Statements

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

Independent auditors' report to the members of TH Plantations Berhad

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

Report on the Financial Statements

We have audited the financial statements of TH Plantations Berhad, which comprise the statement of financial position as at 31 December 2011 of the Group and of the Company, and the statement of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 141 to 214 .

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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



Consolidated Financial Statements

Company No. 12696-M

Auditors' Responsibility (continued)

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.



Consolidated Financial Statements

Company No. 12696-M

(Report on Other Legal and Regulatory Requirements (continued))

- (c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 27 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.



Consolidated Financial Statements

Company No. 12696-M

Other Matters

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

KPMG Desa Megat & Co.

Firm Number: AF 0759

Chartered Accountants

Muhammad Azman Bin Che Ani

Approval Number: 2922/04/12(J)

Chartered Accountant

Petaling Jaya,

Date: 21 February 2012

Analysis of Shareholdings



“Each Mill has its own in-house laboratory which carries out tests to ensure the quality of the end product.”

Analysis of Shareholdings

ANALYSIS OF SHAREHOLDINGS AS AT 15 MARCH 2012

Authorised Share Capital	: RM350,000,000 (comprising 700,000,000 ordinary shares of RM0.50 each)
Issued and Paid-Up Share Capital	: RM257,353,300 (comprising 514,706,600 ordinary shares of RM0.50 each)
Class of Shares	: Ordinary Shares of RM0.50 each
Voting rights by show of hands	: One vote for every member
Voting rights by poll	: One vote for every share held

DISTRIBUTION OF SHAREHOLDINGS

Category	No. of Holders	%	No. of Shares	%
Less than 100	60	0.67	731	0
100 to 1,000	961	10.66	712,670	0.14
1,001 to 10,000	6,957	77.18	27,106,092	5.27
10,001 to 100,000	861	9.55	25,270,264	4.91
100,001 to less than 5% of issued shares	173	1.92	122,765,443	23.85
5% and above of issued shares	2	0.02	338,851,400	65.83
TOTAL	9,014	100.00	514,706,600	100.00



Analysis of Shareholdings

DIRECTORS' SHAREHOLDINGS AS AT 15 MARCH 2012

No.	Name of Directors	No. of Ordinary Shares Held			
		Direct	%	Indirect	%
1.	Tan Sri Datuk Dr Yusof bin Basiran	4,000	#	58,000*	0.01
2.	Tan Sri Datuk Dr Abdul Samad bin Haji Alias	231,600	0.04	Nil	Nil
3.	Dato' Paduka Ismee bin Haji Ismail	Nil	Nil	Nil	Nil
4.	Datuk Azizan bin Abd Rahman	Nil	Nil	Nil	Nil
5.	Dato' Haji Wan Zakaria bin Abd Rahman	4,000	#	Nil	Nil
6.	Dato' Noordin bin Md Noor	Nil	Nil	Nil	Nil
7.	Dato' Amran bin Mat Nor	Nil	Nil	Nil	Nil
8.	Mahbob bin Abdullah	49,000	0.01	Nil	Nil
9.	Dato' Zainal Azwar bin Zainal Aminuddin	83,000	0.02	Nil	Nil
TOTAL		371,600	0.07	58,000	0.01

Note:

- * Deemed interest by virtue of shares held by his spouse
- # Negligible

SUBSTANTIAL SHAREHOLDERS AS AT 15 MARCH 2012

No.	Name of Substantial Shareholder	No. of Ordinary Shares Held			
		Direct	%	Indirect	%
1.	Lembaga Tabung Haji	307,203,000	59.69	Nil	Nil
2.	Employees Provident Fund Board	36,995,400	7.19	Nil	Nil
TOTAL		344,198,400	66.88	Nil	Nil

TOP THIRTY SHAREHOLDERS AS AT 15 MARCH 2012

No.	Name of Shareholders	No. of Shares Held	% of Issued Share capital
1.	Lembaga Tabung Haji	307,203,000	59.69
2.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	31,648,400	6.15
3.	Kumpulan Wang Persaraan (Diperbadankan)	16,262,400	3.16
4.	Amsec Nominees (Tempatan) Sdn. Bhd. AMTrustee Berhad For CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	11,641,500	2.26
5.	AIBB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Yayasan Pok Dan Kassim	10,409,800	2.02
6.	Pertubuhan Peladang Negeri Terengganu	4,891,912	0.95
7.	Amanah Raya Trustees Berhad Public Islamic Opportunities Fund	4,210,400	0.82
8.	Amanah Raya Trustees Berhad Public Islamic Select Treasures Fund	3,890,200	0.76

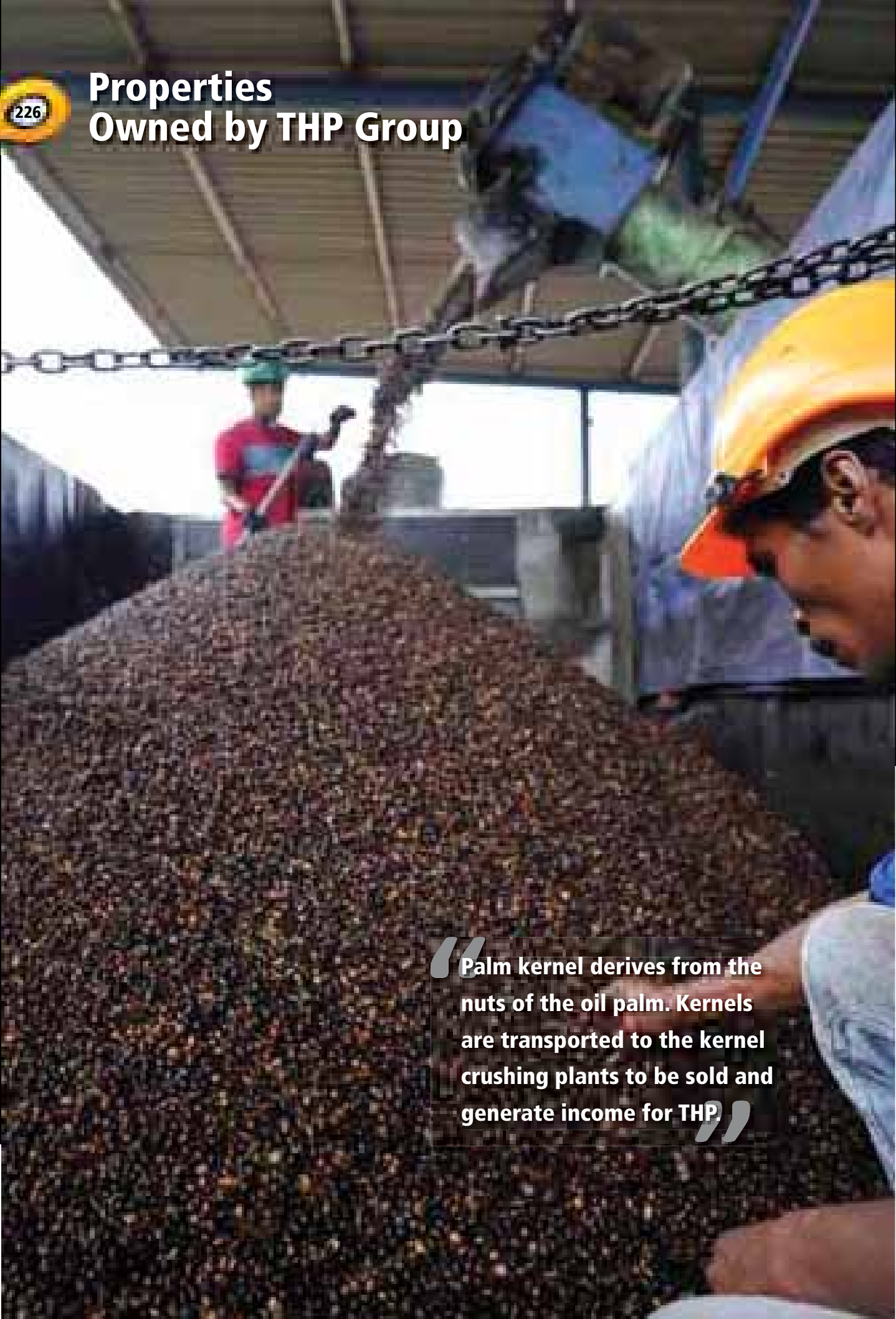


Analysis of Shareholdings

TOP THIRTY SHAREHOLDERS AS AT 15 MARCH 2012 (continued)

No.	Name of Shareholders	No. of Shares Held	% of Issued Share capital
9.	Affin Nominees (Tempatan) Sdn. Bhd. Affin Fund Management Sdn Bhd For Majlis Ugama Islam Dan Adat Resam Melayu Pahang	3,218,800	0.63
10.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (CIMB PRI)	2,347,000	0.46
11.	Mayban Nominees (Tempatan) Sdn. Bhd. Mayban Trustees Berhad For MAAKL-HDBS Flexi Fund (270519)	2,320,000	0.45
12.	Amsec Nominees (Tempatan) Sdn. Bhd. Assar Asset Management Sdn. Bhd. For Tabung Baitulmal Sarawak (Majlis Islam Sarawak) (FM-ASSAR-TBS)	2,250,000	0.44
13.	Mayban Nominees (Tempatan) Sdn. Bhd. Amanahraya Investment Management Sdn. Bhd. For Majlis Agama Islam Negeri Sembilan (C417-260272)	2,013,200	0.39
14.	Universal Trustee (Malaysia) Berhad CIMB-Principal Equity Fund	2,007,900	0.39
15.	Majlis Agama Islam Dan Adat Melayu Perak Darul Ridzuan	2,000,000	0.39
16.	Amin Baitulmal Johor	2,000,000	0.39
17.	Majlis Agama Islam Wilayah Persekutuan	2,000,000	0.39
18.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (PHEIM)	2,000,000	0.39
19.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd For Hwang Select Opportunity Fund (3969)	1,450,000	0.28
20.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (CIMB-P 6939-404)	1,449,600	0.28
21.	HSBC Nominees (Asing) Sdn. Bhd. DZ Privatbank For Quoniam Funds Selection SICAV – Emerging Markets Equities Minrisk	1,354,100	0.26
22.	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (CIMB Equities)	1,214,700	0.24
23.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd For Hwang Aiiman Growth Fund (4207)	1,150,000	0.22
24.	Amanah Raya Trustee Berhad Amanah Saham Wawasan 2020	1,039,600	0.20
25.	G.T.Y. Holdings Sdn. Bhd.	1,000,000	0.19
26.	Employees Provident Fund Board	1,000,000	0.19
27.	Majlis Agama Islam Melaka	1,000,000	0.19
28.	Citigroup Nominees (Tempatan) Sdn. Bhd. ING Insurance Berhad (INV-IL NON-PAR)	970,700	0.19
29.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd For MAAKL Progress Fund (4082)	800,000	0.16
30.	Mayban Nominees (Tempatan) Sdn. Bhd. Hwang Investment Management Berhad For Hong Leong Assurance Berhad (PAR-220082)	757,000	0.15
TOTAL		425,500,212	82.67

Properties Owned by THP Group



“Palm kernel derives from the nuts of the oil palm. Kernels are transported to the kernel crushing plants to be sold and generate income for THP.”

Properties Owned by THP Group



PROPERTIES OWNED & MANAGED BY THE GROUP













Properties Owned by THP Group

For the year ended 31 December 2011
PLANTATIONS

Location	Approximate Age Of Building	Tenure	Year Of Expiry	Titles Area Hectares	Description	Year Of Acquisition	Net Book Value RM'000
PENINSULAR MALAYSIA							
THP Kota Bahagia Sdn Bhd¹							
Ladang Kota Bahagia Keratong, Pahang	N/a	Leasehold	2071 and 2073	1,858	Oil palm estate	1972 and 1974	11,260
Kilang Sawit Kota Bahagia Keratong, Pahang	36	Leasehold	2071	9.804 [^]	Palm oil mill	1972	10,410
Ladang Sungai Mengah Keratong, Pahang	N/a	Leasehold	2073, 2090, 2093 and 2107	2,196	Oil palm estate	1974, 1991, 1994 and 2008	15,751
Ladang Sungai Buan Keratong, Pahang	N/a	Leasehold	2093 and 2108	1,796	Oil palm estate	1994 and 2009	3,786
Ladang Sungai Merchong Muadzam Shah, Pahang	N/a	Leasehold	2085	1,720	Oil palm estate	1986	1,244
TH Plantations Berhad							
Ladang Ulu Chukai Kemaman, Terengganu	N/a	Leasehold	2051	894	Oil palm estate	1991	1,013
Ladang Bukit Lawiang Ladang Gunung Sumalayang Kluang, Johor	N/a	Leasehold	2091	4,058	Oil palm estates	1992	6,118
Kilang Sawit Bukit Lawiang Kluang, Johor	22	Leasehold	2091	10 [^]	Palm oil mill	1992	2,869
THP Gemas Sdn Bhd							
Ladang Pasir Besar Ladang Londah Gemas, Negeri Sembilan	N/a	Leasehold	2088, 2090, 2091, 2093	1,781	Oil palm estates	1989, 1991, 1992 and 1994	22,173



Properties Owned by THP Group

For the year ended 31 December 2011
PLANTATIONS (continued)

Location	Approximate Age Of Building	Tenure	Year Of Expiry	Titles Area Hectares	Description	Year Of Acquisition	Net Book Value RM'000
Kilang Sawit Ladang Pasir Besar Gemas, Negeri Sembilan	6	Leasehold	2091	5 [^]	Palm oil mill	-	5,362
Ladang Bukit Rokan Gemas, Negeri Sembilan	N/a	Leasehold	2090 and 2092	973	Oil palm estate	1991 and 1993	10,596
THP Ibok Sdn Bhd²							
Ladang Sungai Ibok Kemaman, Terengganu	N/a	Leasehold	2042 and 2052	924	Oil palm estate	1982 and 1992	10,875
THP-YT Plantation Sdn Bhd							
Ladang Bukit Bidong* Setiu, Terengganu	N/a	Leasehold	2064	2,594	Oil palm estate	2004	14,228
SABAH							
THP Sabaco Sdn Bhd							
Ladang Sungai Tenegang Ladang Sungai Koyah Lahad Datu, Sabah	N/a	Leasehold	2083	3,886	Oil palm estates	2008	122,134
Kilang Sawit Sungai Tenegang Lahad Datu, Sabah	19	Leasehold	2083	50 [^]	Palm oil mill	2008	16,820
Ladang Bukit Gold Lahad Datu, Sabah	N/a	Leasehold	2076	2,020	Oil palm estate	2008	92,091
Ladang Mamahat Kota Marudu, Sabah	N/a	Leasehold	2096 and 2099	2,125	Oil palm estate	2008	97,716
Kilang Sawit Ladang Mamahat Kota Marudu, Sabah	3	Leasehold	2096	25 [^]	Palm oil mill	2008	19,949
Ladang Terusan Kota Marudu, Sabah	N/a	Leasehold	2098	811	Oil palm estate	2008	35,929
THP Bukit Belian Sdn Bhd							
Ladang Bukit Belian Sandakan, Sabah	N/a	Leasehold	2887	1,088	Oil palm estate	2008	46,909



Properties Owned by THP Group

For the year ended 31 December 2011 PLANTATIONS (continued)

Location	Approximate Age Of Building	Tenure	Year Of Expiry	Titles Area Hectares	Description	Year Of Acquisition	Net Book Value RM'000
SARAWAK							
THP Saribas Sdn Bhd³							
Ladang Kenyalang	N/a	Leasehold	2060	10,649 [∞]	Oil palm estate	2,000	139,910
Ladang Raja Udang							
Ladang Enggang							
Ladang Merbok							
Pusa, Sarawak							

Notes:

1. Registered under the ownership of Lembaga Tabung Haji
 2. Registered under the ownership of Syarikat Peladang LUTH Sdn Bhd (the former name of TH Peladang Sdn Bhd)
 3. Registered under the ownership of Kenyalang Resources Sdn Bhd (the former name of THP Saribas Sdn Bhd)
- * Formerly known as Ladang THP-YT
- [∞] As per latest perimeter survey
- [^] Part of the titled area under Ladang Kota Bahagia (Kilang Sawit Kota Bahagia), Ladang Bukit Lawing (Kilang Sawit Bukit Lawiang), Ladang Pasir Besar (Kilang Sawit Ladang Pasir Besar), Ladang Sungai Tenegang (Kilang Sawit Sungai Tenegang) and Ladang Mamahat (Kilang Sawit Ladang Mamahat)
- N/a Not applicable

HOSPITALITY

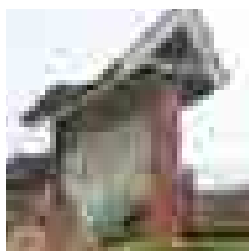
Location	Age of Building	Area Sq metres	Description	Year Of Acquisition	Net Book Value RM'000
PENINSULAR MALAYSIA					
Tanjung Tuan Resort, Port Dickson, Negeri Sembilan	23	1,222	1 Unit 3 Rooms Apartment	1988	25
Awana Kijal Resort, Kijal, Terengganu	10	816	1 Unit 3 Rooms Apartment	2001	113



Corporate Directory

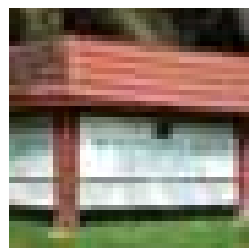
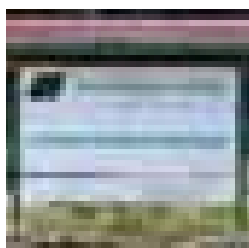
Owned by THP Group

THP Kota Bahagia Sdn Bhd
Ladang Kota Bahagia
Peti Surat 19
26700 Muadzam Shah
Pahang Darul Makmur
Tel: 09-4524826
Fax: 09-4524821
Tuan Rahimi b Tuan Man
(Manager)



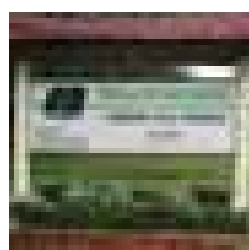
TH Plantations Berhad
Ladang Bukit Lawiang
Karung Berkunci 522
86009 Kluang, Johor
Tel: 07-7863063
Fax: 07-7864271
Md. Hanif b Md Nor
(Senior Manager)

THP Kota Bahagia Sdn Bhd
Ladang Sungai Mengah
Peti Surat 21
26700 Muadzam Shah
Pahang Darul Makmur
Tel: 09-4524979
Fax: 09-4524979
Mohd Nor b Sulaiman
(Acting Manager)



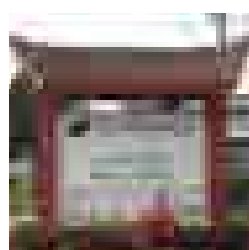
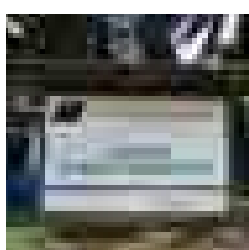
TH Plantations Berhad
Ladang Gunung Sumalayang
Karung Berkunci 535
86009 Kluang
Johor
Tel: 07-7863444
Fax: 07-7864606
Abdul Kahar b Sariman
(Acting Manager)

THP Kota Bahagia Sdn Bhd
Ladang Sungai Buan
Peti Surat 18
26700 Muadzam Shah
Pahang Darul Makmur
Tel: 09-4524996
Fax: 09-4524995
Ahmad Mazwan b Jamaludin
(Manager)



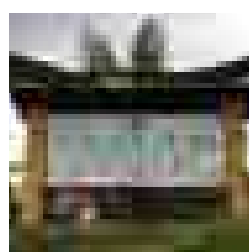
TH Plantations Berhad
Ladang Ulu Chukai
Peti Surat 2
24107 Kijal
Kemaman, Terengganu
Tel: 09-8676336
Fax: 09-8676336
Faizal b Zulkifli
(Manager)

THP Kota Bahagia Sdn Bhd
Ladang Sungai Merchong
Peti Surat 4
26700 Muadzam Shah
Pahang Darul Makmur
Tel: 09-4530807
Fax: 09-4530804
Tuah b Nawli
(Manager)



TH Plantations Berhad
Kilang Sawit Bukit Lawiang
Peti Surat 114
86007 Kluang
Johor
Tel: 07-7864540
Fax: 07-7864540
Isa b Jabar
(Manager)

THP Kota Bahagia Sdn Bhd
Kilang Sawit Kota Bahagia
Peti Surat 20
26700 Muadzam Shah
Pahang Darul Makmur
Tel: 09-4524936
Fax: 09-4524828
Mohd Fadzley b Mohd Nazri
(Manager)



THP Ibok Sdn Bhd
Ladang Sg. Ibok
Peti Surat 2
24107 Kijal
Kemaman, Terengganu
Tel: 09-8676543
Fax: 09-8676336
Faizal b Zulkifli
(Manager)

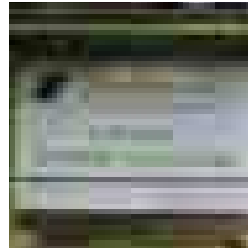
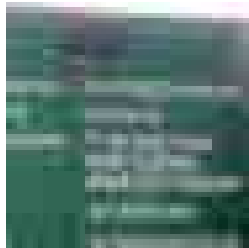


Corporate Directory

Owned by THP Group

THP-YT Plantation Sdn Bhd

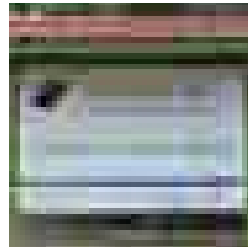
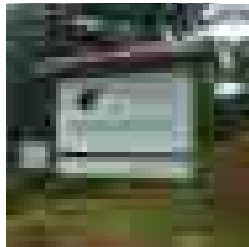
Ladang Bukit Bidong
No. 206, Kg Pengkalan Atas
Batu Rakit
21020 Kuala Terengganu
Tel: 09-6693260
Fax: 09-6693254
Rosli b Ahmed Khalil
(Senior Manager)

**THP Sabaco Sdn Bhd**

Ladang Sungai Tenegang
Karung Berkunci 12
91109 Lahad Datu
Sabah
Tel: 089-563027
Fax: 089-563028
Ab. Wahab b Abdul Rashed
(Senior Manager)

THP Gemas Sdn Bhd

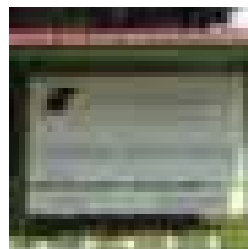
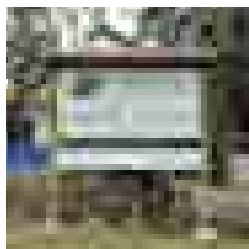
Ladang Bukit Rokan
Peti Surat 28
73400 Gemas
Negeri Sembilan
Tel: 019-2397479
Fax: 019-2647610
Muhamad Termeze b Mat Nor
(Manager)

**THP Sabaco Sdn Bhd**

Ladang Sungai Koyah
Karung Berkunci No. 6
91109 Lahad Datu
Sabah
Tel: 089-565026
Fax: 089-565025
Juna b Palatuwi
(Manager)

THP Gemas Sdn Bhd

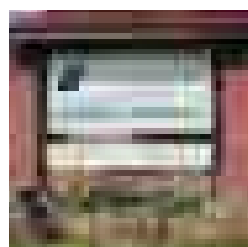
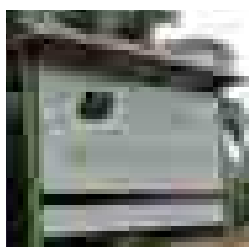
Ladang Londah
Peti Surat 28
73400 Gemas
Negeri Sembilan
Tel: 07-9484700
Fax: 07-9484701
Hanizam b Hashim
(Acting Manager)

**THP Sabaco Sdn Bhd**

Ladang Bukit Gold
Peti Surat 60389
91113 Lahad Datu
Sabah
Tel: 089-897013
Fax: 089-897013
Mohd Sofi b Harun
(Manager)

THP Gemas Sdn Bhd

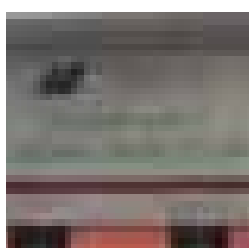
Ladang Pasir Besar
Peti Surat 28
73400 Gemas
Negeri Sembilan
Tel: 07-9484700
Fax: 07-9484701
Hanizam b Hashim
(Acting Manager)

**THP Sabaco Sdn Bhd**

Ladang Mamahat
Karung Berkunci 1
89109 Kota Marudu
Sabah
Tel: 089-259177
Fax: 089-259177
Ghazali b Ab Talib
(Manager)

THP Gemas Sdn Bhd

Kilang Sawit Ladang Pasir Besar
Peti Surat 30
73400 Gemas
Negeri Sembilan
Tel: 019-2677479
Fax: 019-2647479
Md Nazri b Mohd Noh
(Manager)

**THP Sabaco Sdn Bhd**

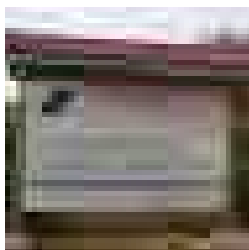
Ladang Terusan
Karung Berkunci 1
89109 Kota Marudu
Sabah
Tel: 089-262188
Fax: 089-262188
Ghazali b Ab Talib
(Manager)



Corporate Directory

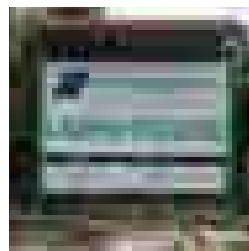
Owned by THP Group

THP Sabaco Sdn Bhd
Kilang Sawit Sg. Tenegang
Peti Surat 60626
91115 Lahad Datu
Sabah
Tel: 089-845488
Fax: 089-845488
Mohamad Zairudi b. Muhamad
(Manager)



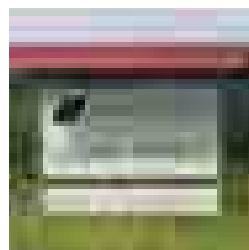
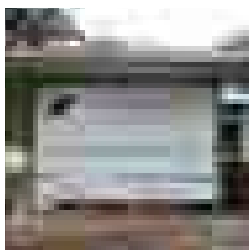
THP Saribas Sdn Bhd
Ladang Raja Udang
No. 1, Jln Feeder Pusa Ground
Floor, New Shophouse Pusa
Bazaar, 94950 Pusa, Sarawak
Tel: 083-465899
Fax: 083-465844
Rozali b Mohd Desa
(Senior Manager)

THP Sabaco Sdn Bhd
Kilang Sawit Ladang Mamahat
Karung Berkunci 29
89109 Kota Marudu
Sabah
Tel: 089-259166
Fax: 089-259188
Mohammad Nawawi b Nawe
(Acting Manager)



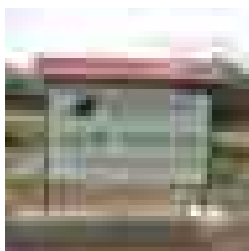
THP Saribas Sdn Bhd
Ladang Enggang
No. 1, Jln Feeder Pusa Ground
Floor, New Shophouse Pusa
Bazaar, 94950 Pusa, Sarawak
Tel: 083-465877
Fax: 083-465855
Mahya b Masrom
(Manager)

THP Bukit Belian Sdn Bhd
Ladang Bukit Belian
WDT 167, Kota Kinabatangan
90200 Sandakan, Sabah
Tel: 089-622339
Fax: 089-622339
Usran b Mohd Zin
(Manager)



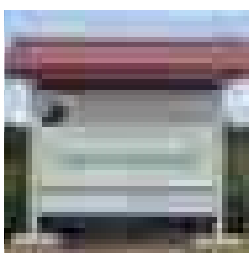
THP Saribas Sdn Bhd
Ladang Merbok
No. 1, Jln Feeder Pusa Ground
Floor, New Shophouse Pusa
Bazaar, 94950 Pusa, Sarawak
Tel: 083-465466
Fax: 083-465855
Alinan b Kadar
(Manager)

THP Saribas Sdn Bhd
Ladang Kenyalang
No. 1, Jln Feeder Pusa Ground
Floor, New Shophouse Pusa
Bazaar, 94950 Pusa, Sarawak
Tel: 083-465822
Fax: 083-465811
Mukhtar b Yusof
(Manager)



Managed by THP Group

TH Pelita Gedong Sdn Bhd
Ladang Gedong
P.O. Box 32, KM 8, Jalan
Gedong
94700 Serian, Sarawak
Tel: 082-895514
Fax: 082-895542
Mohamad Sakri b Idris
(Manager)



TH Bakti Sdn Bhd
Ladang TH Bakti
Peti Surat 3
Bandar Al-Muktafi Billah Shah
23400 Dungun, Terengganu
Tel: 09-8221884
Fax: 09-8222884
Mustaming b Abu
(Acting Manager)

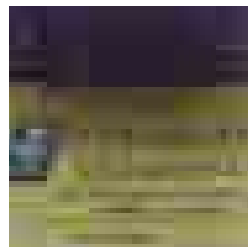
TH Pelita Gedong Sdn Bhd
Ladang Sematan
P.O. Box 32, KM 8, Jalan
Gedong
94700 Serian, Sarawak
Tel: 019-8293657
Fax: 082-895542
Nor Hasrin b Musa
(Manager)



Corporate Directory

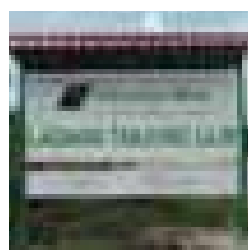
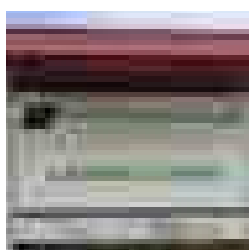
Managed by THP Group

TH Pelita Sadong Sdn Bhd
Ladang Sadong
P.O. Box 32, KM 8, Jalan
Gedong
94700 Serian, Sarawak
Tel: 082-895512
Fax: 082-895542
Martin Soili
(Manager)



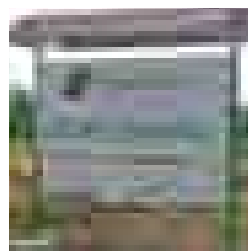
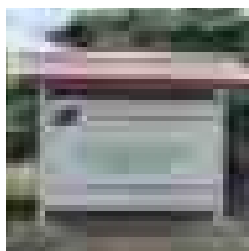
TH Bonggaya Sdn Bhd
Ladang Klagan
Peti Surat 3480
90739 Sandakan
Sabah
Tel: 089-514721
Fax: 089-514721
Hamidun b Hamzah
(Manager)

TH Pelita Sadong Sdn Bhd
Ladang Lupal
P.O. Box 32, KM 8, Jalan
Gedong
94700 Serian, Sarawak
Tel: 019-8898657
Fax: 082-895542
Md Johari b Md Daud
(Manager)



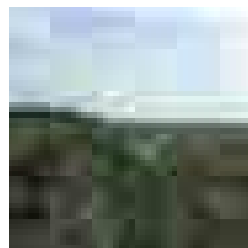
TH Pelita Meludam Sdn Bhd
Ladang Tg Lilin
No. 1, Jln Feeder Pusa Ground
Floor, New Shophouse Pusa
Bazaar, 94950 Pusa, Sarawak
Tel: 083-466342
Fax: 083-465899
Nor Ali Akmar b. Mahadi
(Manager)

TH Pelita Gedong Sdn Bhd
Kilang Sawit Gedong
P.O. Box 32, KM 8, Jalan
Gedong
94700 Serian, Sarawak
Tel: 082-893515
Fax: 082-895542
Adnan b Arifin
(Senior Manager)



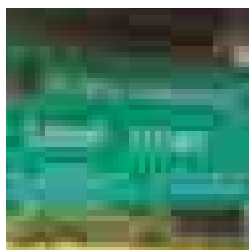
TH Pelita Meludam Sdn Bhd
Ladang Semarang
No. 1, Jln Feeder Pusa Ground
Floor, New Shophouse Pusa
Bazaar, 94950 Pusa, Sarawak
Tel: 083-466566
Fax: 083-466966
Girman @ Perman b Sirah
(Manager)

Ladang Jati Keningau Sdn Bhd
Ladang Jati Keningau
Peti Surat 3480
90739 Sandakan
Sabah
Tel: 089-514721
Fax: 089-514721
Hamidun b Hamzah
(Manager)



TH Pelita Beladin Sdn Bhd
Ladang NCR
No. 1, Jln Feeder Pusa Ground
Floor, New Shophouse Pusa
Bazaar, 94950 Pusa, Sarawak
Tel: 083-466342
Fax: 083-465899
Nor Ali Akmar b Mahadi
(Manager)

TH Usia Jatimas Sdn Bhd
Ladang Jatimas
Peti Surat 3480
90739 Sandakan
Sabah
Tel: 089-514721
Fax: 089-514721
Hamidun b Hamzah
(Manager)



TH Pelita Simunjan Sdn Bhd
Ladang Simunjan
KM.25, Jalan Simujan
Kg Semalatong-Kepayang
98400 Simunjan, Sarawak
Tel: 083-412100
Fax: 083-412101
Muhammad Shukri b Othman
(Senior Manager)



Corporate Directory

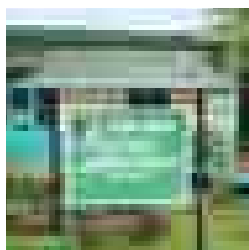
Managed by THP Group

PT. TH INDO PLANTATIONS

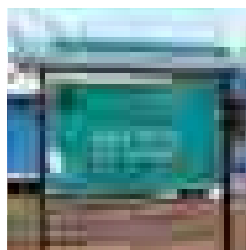
Kompleks PT THIP, Saka Pasir, Ulu Sungai Guntung, Kec. Kateman KAB Indragiri, Hilir Riau 29255 Indonesia
Tel : 0062778 429053. Fax : 0062778 429056



**PT TH Indo Plantations
Wilayah I**
Cendana, Angsana, Pulau,
Keruing, Gaharu,
Sengkawang, Jati, Belian &
Suntai
Yazit b. Ab Jalil
(General Manager)



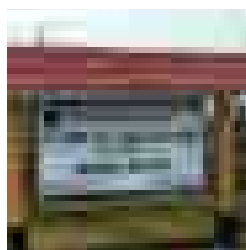
**PT TH Indo Plantations
Wilayah III**
Kulim, Cengal, Eboni,
Mahoni, Seraya,
Nagasari, Jelutung, Tembusu
& Terentang
Mohd Zuzari b Abd. Aziz
(General Manager)



**PT TH Indo Plantations
Wilayah II**
Sungkai, Sentigi, Mersawa,
Kempas, Resak,
Ramin, Merbau, Meranti &
Beringin
Mohd Jafri b Arshad
(General Manager)



**PT TH Indo Plantations
Wilayah IV**
Rosewood, Tayuman,
Kemuning, Nyato, Balam,
Agatis, Bintangur,
Geronggang & Mahang
Asmadi b Jani
(General Manager)

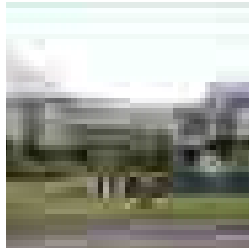




Corporate Directory

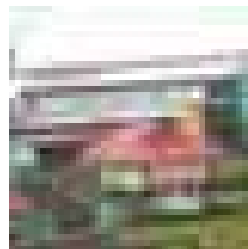
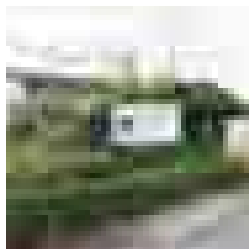
Managed by THP Group

**PT TH Indo Plantations
Kilang Sawit Pulau**
Kompleks PT THIP
Saka Pasir
Ulu Sungai Guntung
Kec. Kateman KAB Indragiri,
Hilir Riau
29255 Indonesia
Tel: 0062778429053
Fax: 0062778429056
Idenan Yahya
(Senior Manager)



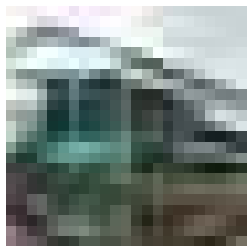
**PT TH Indo Plantations
Kilang Sawit Ramin**
Kompleks PT THIP
Saka Pasir
Ulu Sungai Guntung
Kec. Kateman KAB Indragiri,
Hilir Riau
29255 Indonesia
Tel: 0062778429053
Fax: 0062778429056
Ahmad Arifin Hasibuan
(Manager)

**PT TH Indo Plantations
Kilang Sawit Nyato**
Kompleks PT THIP
Saka Pasir
Ulu Sungai Guntung
Kec. Kateman KAB Indragiri,
Hilir Riau
29255 Indonesia
Tel: 0062778429053
Fax: 0062778429056
Denny Swadaya Putra
Sebayang
(Manager)



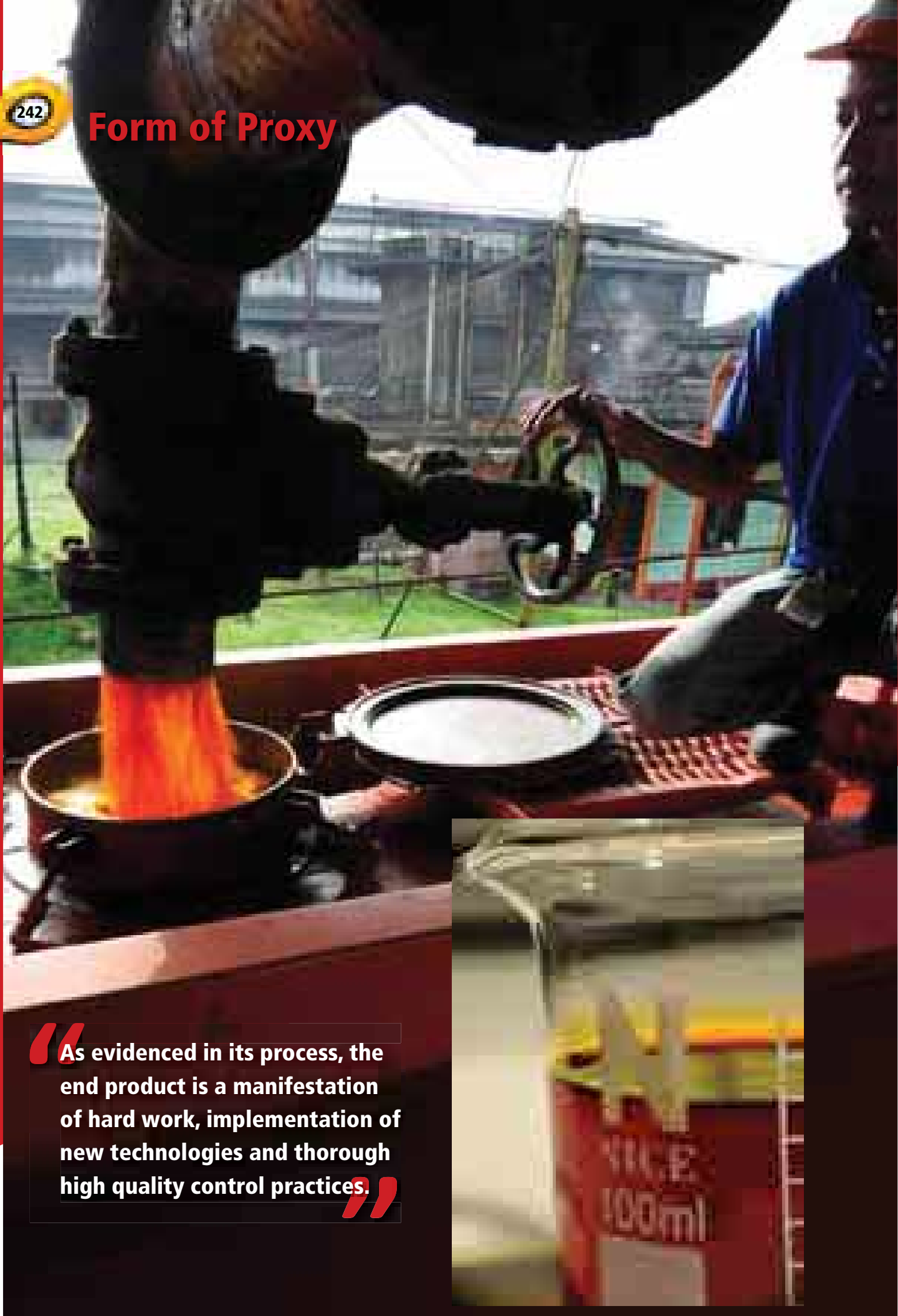
**PT TH Indo Plantations
Kilang Sawit Jati**
Kompleks PT THIP
Saka Pasir
Ulu Sungai Guntung
Kec. Kateman KAB Indragiri,
Hilir Riau
29255 Indonesia
Tel: 0062778429053
Fax: 0062778429056
Suhaimin Kasim
(Senior Manager)

**PT TH Indo Plantations
Kilang Sawit Tembusu**
Kompleks PT THIP
Saka Pasir
Ulu Sungai Guntung
Kec. Kateman KAB Indragiri,
Hilir Riau
29255 Indonesia
Tel: 0062778429053
Fax: 0062778429056
Thomas Muda Nasution
(Manager)



**PT TH Indo Plantations
Kilang Sawit Agatis**
Kompleks PT THIP
Saka Pasir
Ulu Sungai Guntung
Kec. Kateman KAB Indragiri,
Hilir Riau
29255 Indonesia
Tel: 0062778429053
Fax: 0062778429056
M Irsan Iqbal Pane
(Manager)

Form of Proxy



“As evidenced in its process, the end product is a manifestation of hard work, implementation of new technologies and thorough high quality control practices.”

I/We, _____ (FULL NAME IN BLOCK LETTERS)

NRIC No./Passport No./Company No. _____ of _____ (ADDRESS)

being a member/members of TH PLANTATIONS BERHAD ("the Company") hereby appoint _____ (FULL NAME IN BLOCK LETTERS)

NRIC No./Passport No./Company No. _____ of _____ (ADDRESS)

or failing him/her _____ (FULL NAME IN BLOCK LETTERS)

NRIC No./Passport No./Company No. _____ of _____ (ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Eighth Annual General Meeting ("AGM") of the Company to be held at the Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Wednesday, 25 April 2012 at 10:00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below. (Please indicate with an "X" how you wish your vote to be casted. If no specific direction as to the voting is given, the proxy will vote or abstain at his/her own discretion).

ORDINARY BUSINESS		FOR	AGAINST
Ordinary Resolution 1	To receive the Audited Financial Statements for the year ended 31 December 2011 and the Reports of Directors and Auditors thereon.		
Ordinary Resolution 2	To approve a First and Final Single Tier Dividend of 12.50 sen per ordinary share for the year ended 31 December 2011.		
Ordinary Resolution 3	To approve the payment of Directors' Fees of RM580,500 for the year ended 31 December 2011.		
Ordinary Resolution 4	To re-elect Tan Sri Datuk Dr Abdul Samad bin Haji Alias as Director.		
Ordinary Resolution 5	To re-elect Dato' Paduka Ismee bin Haji Ismail as Director.		
Ordinary Resolution 6	To re-elect Dato' Zainal Azwar bin Zainal Aminuddin as Director.		
Ordinary Resolution 7	To re-elect Dato' Amran bin Mat Nor as Director.		
Ordinary Resolution 8	To re-appoint Messrs KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
SPECIAL BUSINESS		FOR	AGAINST
Ordinary Resolution 9	Proposed Renewal of Existing 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.		

For the appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:

	NO OF SHARES	PERCENTAGE
Proxy 1		
Proxy 2		
TOTAL		100%

Number of Ordinary Shares Held _____

Dated this _____ day of _____ 2012

Signature/Common Seal of Shareholder

NOTES:

- A member entitled to attend and vote at the AGM, is entitled to appoint not more than two (2) 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)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
- 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 100 shares. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- The instrument in appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorized by the corporation.
- The instrument in appointing a proxy shall be deposited at the Company's Registered Office at Tingkat 23, Bangunan TH Selborn, 153, Jalan Tun Razak, 50400 Kuala Lumpur in not less than forty-eight (48) hours before the time set for holding the Meeting or at any adjournment thereof.

The Company Secretary
TH Plantations Berhad

Tingkat 23, Bangunan TH Selborn
153, Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Affix
Stamp
Here



www.thplantations.my



THE PLANTATIONS BERHAD (12696 MY)

Ringkat 28, Bangunan The Surfers,
113, Jalan Titi Rusa,
40150 Kuala Lumpur, Malaysia

toll-free 1800 800000 | fax - 60 3200 0714 / 0709