

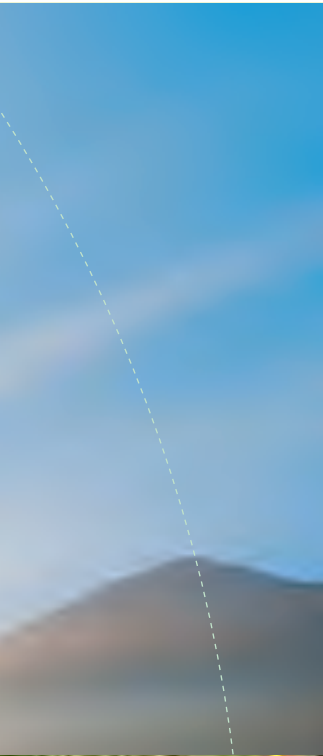


TH PLANTATIONS BERHAD (12696-M)

2012 ANNUAL REPORT

REACHING FOR
**GREATER
HEIGHTS**

GROWTH AND SUSTAINABILITY



The oil palm (*Elaeis guineensis jacq.*) has given life by laying down the foundation for the dawn of the palm oil industry, one that has provided livelihood for many. As the oil palm grows towards the sunlight, its roots bind it more firmly to the earth from which it draws nourishment. In a similar analogy, the growth of the palm oil industry has contributed towards the transformation of the national economy, with a greater aim of achieving a developed nation status.



Like the oil palm, THP Group continues to spread the bountiful benefits of its golden harvests among the community, the people, the environment and the stakeholders. In leading the growth and sustainability of the company into the future of the plantation industry, THP Group will continue to reach for greater heights.



HIGHLIGHTS



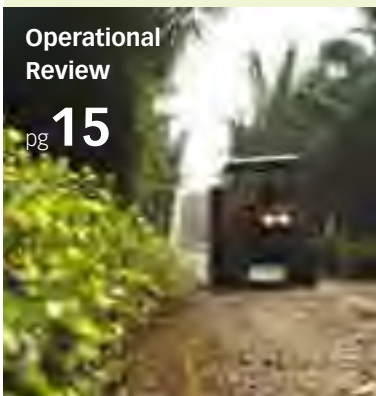
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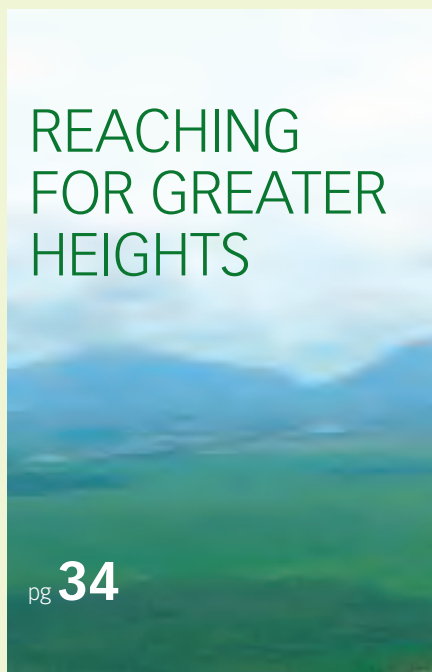
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FOR GREATER
HEIGHTS

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TH PLANTATIONS BERHAD

39TH

ANNUAL GENERAL
MEETING

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth Annual General Meeting (“AGM”) of TH Plantations Berhad (“THP” or “the Company”) will be held at the Mahkota 2, Ballroom Level, Hotel Istana Kuala Lumpur, 73, Jalan Raja Chulan, 50200 Kuala Lumpur on Monday, 20 May 2013 at 10:00 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 December 2012 and the Reports of Directors and Auditors thereon. **Ordinary Resolution 1**
2. To approve the payment of a Final Single Tier Dividend of 1.00 sen per ordinary share for the year ended 31 December 2012. **Ordinary Resolution 2**
3. To approve the payment of Directors’ Fees of RM611,000.00 for the year ended 31 December 2012. **Ordinary Resolution 3**
4. To re-elect Tan Sri Datuk Dr Yusof bin Basiran who shall retire by rotation in accordance with Article 84 of the Company’s Articles of Association, and being eligible, offers himself for re-election. **Ordinary Resolution 4**
5. To re-elect Dato’ Haji Wan Zakaria bin Abd Rahman who shall retire by rotation in accordance with Article 84 of the Company’s Articles of Association, and being eligible, offers himself for re-election. **Ordinary Resolution 5**
6. To re-elect Encik Mahbob bin Abdullah who shall retire by rotation in accordance with Article 84 of the Company’s Articles of Association, and being eligible, offers himself for re-election. **Ordinary Resolution 6**
7. To consider, and if thought fit, to pass the following Resolution pursuant to Section 129 of the Companies Act, 1965:

“**THAT** Tan Sri Dr Abdul Samad bin Haji Alias, who has exceeded the age of 70 years, retiring in accordance with Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as Independent Non-Executive Director of the Company in accordance with Section 129(6) of the Companies Act, 1965 and to hold office until the conclusion of the next Annual General Meeting of the Company.” **Ordinary Resolution 7**
8. To re-appoint Messrs KPMG Desa Megat & Co. as Auditors of the Company in respect of the financial year ending 31 December 2013 and to authorise the Board of Directors to determine the Auditors’ remuneration. **Ordinary Resolution 8**

SPECIAL BUSINESS

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

9. **Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature**

Ordinary 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 nature as set out in Section 2.4.1 of the Circular to Shareholders dated 27 April 2013 with the related parties described therein 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 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 nature as set out in Section 2.4.2 of the Circular to Shareholders dated 27 April 2013 with the related parties described therein 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 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 take effect immediately upon passing of this Resolution and shall continue to be in force until:

- i. the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming 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;
- ii. the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 143(1) of the Companies Act 1965, (but shall 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 THAT the Directors of the Company and/or its Subsidiaries be and are hereby authorised to do all such acts and things as may be necessary in the best interest of the Company to give full effect to the Recurrent Related Party Transactions as authorised by this Resolution."

10. **Proposed Increase in THP's Authorised Share Capital and Proposed Amendments to THP's Memorandum of Association to Facilitate Proposed Increase in Authorised Share Capital** **Special Resolution 1**

"THAT the authorised share capital of the Company be and is hereby increased from Ringgit Malaysia Five Hundred Million (RM500,000,000.00) divided into One Billion (1,000,000,000) Ordinary Shares of RM0.50 each to Ringgit Malaysia Two Billion (RM2,000,000,000.00) divided into Four Billion (4,000,000,000) Ordinary Shares of RM0.50 each by the creation of an additional Three Billion (3,000,000,000) new Ordinary Shares of RM0.50 each ranking pari passu in all respects with the existing shares of the Company;

AND THAT Clause 5 of the Company's Memorandum of Association be and is hereby amended accordingly to read as follows:

Clause 5

"The authorised share capital of the Company is Ringgit Malaysia Two Billion (RM2,000,000,000.00) divided into Four Billion (4,000,000,000) Ordinary Shares of RM0.50 each with power for the Company to increase or reduce the said capital, and to vary or abrogate the rights attached to any class of shares in the Company and to issue any part of its capital, original or increased, with or without any preference, priority, or special privilege, or subject to any postponement of rights, or to any conditions or restrictions, and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained."

AND FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and to execute, sign and deliver for and on behalf of the Company all such documents as may be necessary to complete and give full effect to the Proposed Increase in Authorised Share Capital and the Proposed Amendments to the Memorandum of Association and with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as may be deemed necessary and/or expedient in the best interest of the Company."

11. **Proposed Amendments to THP's Articles of Association** **Special Resolution 2**

"THAT the Proposed Amendments to the Articles of Association of the Company as set out in Appendix 1 attached to the 2012 Annual Report be and are hereby approved and in consequence thereof, the new set of Articles of Association incorporating the amendments be adopted **AND THAT** the Directors and the Secretaries be and are hereby authorised to do all such acts, deeds and things and to execute, sign and deliver for and on behalf of the Company all such documents as may be necessary to complete and give full effect to the Proposed Amendments to the Articles of Association of the Company."

12. To transact any other business for which due notice has been received in accordance with the Companies Act, 1965 and the Company's Articles of Association.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the Thirty-Ninth AGM of the Company, a Final Single Tier Dividend of 1.00 sen per ordinary share for the year ended 31 December 2012 will be paid on Friday, 7 June 2013 to the shareholders whose names appear in the Record of Depositors at the close of business on Thursday, 23 May 2013.

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

- i. Shares transferred into the Depositor's Securities Account before 4:00 p.m. on 23 May 2013 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: 27 April 2013

NOTES:

1. 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.
2. Only a depositor whose name appears on the Record of Depositors as at 14 May 2013 shall be regarded as a member and entitled to attend the AGM or appoint proxy/proxies to attend and vote on his/her behalf.
3. 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.
4. 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.
5. In order to be valid, the instrument in appointing a proxy must 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 AGM or at any adjournment thereof.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

Ordinary Resolution 9

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 or 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 27 April 2013 for more information.

Special Resolution 1

The Proposed Special Resolution 1 is to facilitate the issuance of shares of THP arising from the Company's Employees' Share Option Scheme as well as any future increase in the paid up share capital of the Company.

Special Resolution 2

The Proposed Special Resolution 2 is to streamline the existing Articles of Association of the Company with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

STATEMENT ACCOMPANYING THE NOTICE OF THE THIRTY-NINTH 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-Ninth Annual General Meeting are set out in their profiles which appear in the Directors' Profile on pages 45 to 53 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 pages 128 to 129 of this Annual Report.

APPENDIX 1

Special Resolution 2

Proposed Amendments to the Company's Articles of Association

THAT the Articles of Association of the Company be and are hereby amended in the following manner:

Article No.	Existing Articles	Amended Articles
2.1	-	<p>Definition</p> <p>WORDS Share Issuance Scheme</p> <p>MEANINGS a scheme involving a new issuance of shares to the employees.</p>
10	<p><u>Allotment of Shares</u></p> <p>Subject to the provisions of the Act and to Article 12 the shares shall be under the control of the Board who may issue, allot, place under option or otherwise deal with or dispose of them to such persons at such times and generally on such terms and conditions as they think proper but so that no shares shall be issued at a discount except in accordance with the provisions of the Act.</p> <p>Provided that:</p> <p>(a) The Company shall not issue shares which will have the effect of giving a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members duly signified at a general meeting called for that purpose;</p> <p>(b) No Director shall participate in an issue of shares to employees unless shareholders in general meeting have approved of the specific allotment to be made to such Director;</p> <p>(c) In the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same;</p> <p>(d) In the event of the Company at any time issuing preference capital it shall at the same time indicate whether it reserves the right to issue further preference capital ranking equally with, or in priority to, preference shares already issued.</p>	<p>[No Change.]</p> <p>[No Change.]</p> <p>[No Change.]</p> <p>[No Change.]</p> <p>(b) No Director shall participate in an issue of shares to employees a Share Issuance Scheme unless shareholders in general meeting have approved of the specific allotment to be made to such Director;</p> <p>[No Change.]</p> <p>[No Change.]</p>
56	<p><u>Notice of Meeting</u></p> <p>The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in the daily press and in writing to each exchange upon which the Company is listed.</p>	<p>[No Change.]</p> <p>The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in the at least one (1) nationally circulated Bahasa Malaysia or English daily press newspaper and in writing to each stock exchange upon which the Company is listed.</p>

Article No.	Existing Articles	Amended Articles
59	<p><u>Requirement in Notice Calling Meeting</u></p> <p>In every notice calling a meeting of the Company there shall appear with reasonable prominence statement that a Member entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him, and that a proxy need not also be a Member and the provisions of Section 149(1)(a) and (b) of the Act shall not apply to the Company.</p>	<p>[No Change.]</p> <p>In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him the Member at the meeting, and that a proxy need not also be a Member and the provisions of Section 149(1)(a) and (b) of the Act shall not apply to the Company and there shall be no restriction as to the qualification of the proxy.</p>
69	<p><u>Right to Vote</u></p> <p>Subject to Article 57 above, a Member of the Company shall be entitled to be present and to vote at any General Meeting in respect of any share or shares upon which all calls due to the Company have been paid. Subject to any rights or restrictions for the time being attached to any class or classes of shares, at meetings of Members or classes of Members each Member entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person present and entitled to vote who is a Member, which shall include a holder of ordinary shares or preference shares (as the case may permit) or a representative or proxy of a Member shall have one (1) vote, and on a poll every Member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each share he holds. A proxy or attorney shall be entitled to vote both on a show of hands or on a poll on any question at any General Meeting.</p>	<p>[No Change.]</p> <p>[No Change.]</p> <p>A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.</p>
76	<p><u>Appointment of at least one (1) Proxy but not more than two (2) Proxies</u></p> <p>A holder may appoint more than one proxy but not more than two proxies to attend the same meeting. Where a holder appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. Where a Member of 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.</p>	<p><u>Appointment of at least one (1) Proxy but not more than two (2) Multiple Proxies</u></p> <p>A holder may appoint more than one (1) proxy but not more than two (2) proxies to attend the same meeting. Where a holder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. Where a Member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each securities omnibus account it holds. with ordinary shares of the Company standing to the credit of the said securities account.</p> <p>An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SIDCA") which is exempted from compliance with the provisions of subsection 25A(1) of SIDCA.</p>



EVOLVE

GROWING FROM
STRENGTH TO STRENGTH,
Bigger and Bolder





بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allah, the most Gracious, the most Merciful

السلام عليكم ورحمة الله وبركاته

Dear Shareholders,

ON BEHALF OF THE BOARD OF DIRECTORS,
IT IS MY PLEASURE TO PRESENT THE ANNUAL
REPORT OF TH PLANTATIONS BERHAD AND
ITS SUBSIDIARIES ("THP GROUP") FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012.



Business Environment

The year 2012 continued to be yet another tumultuous and volatile global economy due to the prolonged European sovereign debt crisis, less favourable outlook for the United States of America and cooling off for Asia's two economy powerhouses namely China & India. On the back of these challenging markets, the domestic economy registered a growth of 5.6%, driven by our nation's robust economic fundamentals along with the management policies and initiatives introduced by the government, resulting in further progress towards bolstering the economy.

The local plantation industry has experienced a challenging and taxing episode for the year 2012. Based on the Malaysian Palm Oil Board ("MPOB") statistics, the Crude Palm Oil ("CPO") production declined marginally by 0.7% to 18.79 million metric tonnes ("MT") compared to 18.91 million MT in 2011. The national average of the Fresh Fruit Bunches ("FFB") production per hectare ("Ha") weakened by 4.1% to 18.89 MT (2011: 19.69 MT). The decrease was due to stress on the trees after experiencing high FFB production in 2011. Export earnings from palm oil and oil palm products have

plunged by 11.2% to RM71.4 billion from RM80.4 billion in 2011 due to lower export prices despite the increase in export volume by 1.2% to 24.56 million MT (2011: 24.27 million MT). China maintained its position as the largest palm oil export market for the 11th consecutive year, followed by India, the European Union, Pakistan, USA, Japan and Iran. These seven (7) markets combined accounted for 11.83 million MT or 67.4% of total Malaysian palm oil exports in 2012.

According to MPOB, the closing stocks increased by 27.7% to 2.63 million MT from 2.06 million MT in 2011, mainly attributed to the high palm oil opening stocks and decline in palm oil exports by 2.4%. Due to bearish market sentiments resulting from the unresolved Euro-zone financial crisis that led to poor demands of oils and fats, coupled with the seasonal uptrend in palm oil production, the average CPO price was down by 14.1% to RM2,764 from RM3,219 in 2011.





Financial Performance

Corresponding to the challenging ambience of the plantation industry, THP Group's revenue for financial year 2012 has declined by 13.6% to RM375.8 million compared to RM434.8 million registered in 2011. The diminution in revenue was mainly due to softer commodity selling prices for CPO and PK which were realised at an average of RM2,661 per MT and RM1,602 per MT, respectively, coupled with lower CPO sales volume. (2011: CPO price of RM3,096 per MT and PK price of RM2,187 per MT). The profit after tax ("PAT") has improved by 11.9% from the previous year to RM167.5 million mainly due to higher operating income, being surplus over fair value of the net assets acquired amounting to RM101.2 million, arising from acquisition of new subsidiaries, although the amount was partly offset by higher production costs. Meanwhile, earnings per share fell by 12.4% from 24.52 sen in 2011 to 21.49 sen but market capitalisation gained 33.6% to RM1.4 billion from RM1.1 billion in the preceding year.

For the financial year of 2012, THP Group's balance sheet registered a growth of 76.3% in shareholders' funds from RM624.0 million to RM1.1 billion mainly due to issuance of new shares in relation to acquisition of new subsidiaries. The cash & cash equivalents declined by 25.1% amounting to RM125.2 million compared to RM167.2 million in the preceding year.

Dividend

As a testament of continuously rewarding and appreciating our shareholders, the Board of THP recommended a final single tier dividend of 1.00 sen per share for the financial year ended 31 December 2012. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 20 May 2013. Combined with the earlier single tier interim dividend of 3.60 sen per ordinary share paid on 15 January 2013, the total dividend for this year is 4.60 sen compared to 12.50 sen in 2011.

The dividend is recommended in concurrence with our sustainable dividend policy of distributing approximately 50% of our annual profit after tax and minority interests ("PATAMI") based on realised profits. At the same time, we will rigorously continue to balance the need between shareholders' interests and retaining adequate reserves for our long-term growth aspirations.



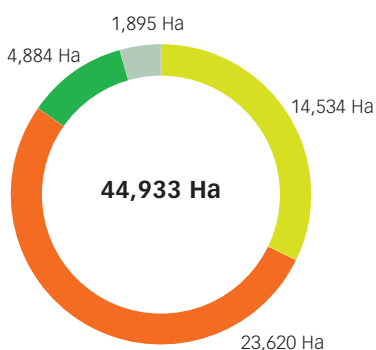
Operational Review

THP Group's 37 estates are located in the states of Pahang, Johor, Negeri Sembilan, Terengganu, Sabah and Sarawak. As at 31 December 2012, our plantation land banks reached 91,078 hectares ("Ha") of which 53,805 Ha have been fully planted with palms and 2,818 Ha planted with rubber trees. From the total oil palm planted area, approximately 61% (or 32,579 Ha) are at the mature stage while the remaining 39% (or 21,226 Ha) are immature.

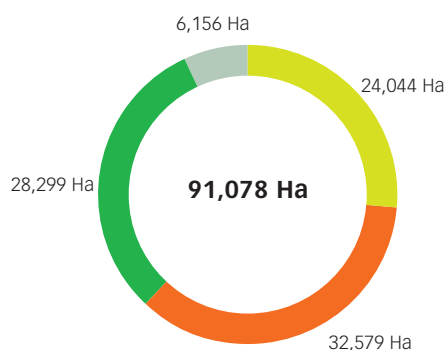
THP Group's production of FFB increased by 2% to 524,665 MT compared to 513,276 MT in 2011. The additional production of FFB was mainly due to the contribution from the newly acquired mature oil palm plantations covering 8,959 Ha from Lembaga Tabung Haji ("TH") in November 2012. Nevertheless, the challenges faced by the plantation industry, predominantly due to adverse weather factors and biological tree stress, have resulted in a lower cropping pattern. THP Group's average FFB yield per Ha declined to 21.51 MT per Ha in 2012 from 22.39 MT per Ha in 2011.

AREA STATEMENT

Pre-Acquisitions



Post-Acquisitions



- Immature Area
- Greenfield
- Mature Area
- Others

On the milling front, THP Group has six (6) palm oil mills located within our plantation estates in Johor, Pahang, Negeri Sembilan, Sabah and the newly acquired mill in Sarawak with a capacity of 60 mt per hour. The mills have an annual FFB total milling capacity of approximately 1,140,000 MT. In 2012, FFB processed from our own plantations and external crop purchases was lower from 492,437 MT to 489,789 MT. The total CPO produced in 2012 declined by 2% to 98,975 MT from 100,896 MT while the production of PK recorded an increase of 4% to 27,151 MT from 26,087 MT in 2011. On average, we achieved an Oil Extraction Rate ("OER") and Kernel Extraction Rate ("KER") of 20.21% and 5.54% respectively. (2011: OER of 20.49% and KER of 5.30%).

For the financial year under review, the average oil yield declined to 4.35 MT per Ha as compared to 4.59 MT per Ha in the preceding year.

The plantation industry for the year 2012 has also been characterised as challenging amidst lower average CPO price coupled with weather abnormalities. Against this landscape, we have continued to focus on our Performance Improvement Program ("PIP") anchored on two principles of Good Agriculture & Milling Practices ("GAMP") and effective cost management. The PIP mapped out initiatives to achieve higher yields & OER while maximising productivity and efficiency.

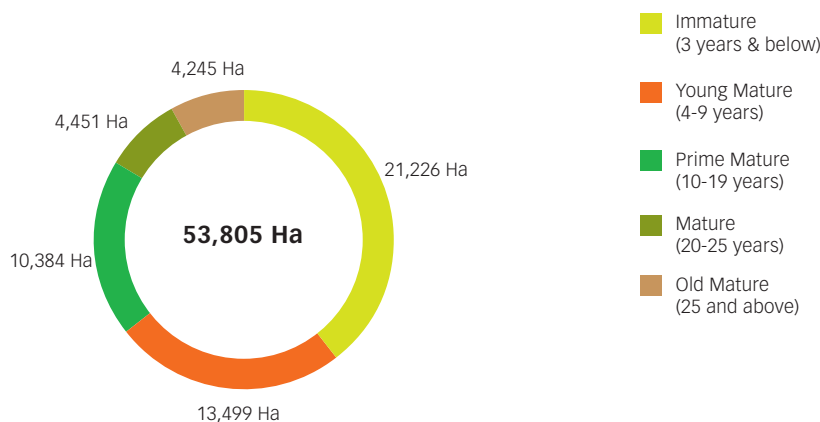
The initiatives encompass management of operational aspects such as maintenance of mature & immature areas, harvesting, replanting and mill processing. Among the practices embedded in PIP for estates operations are selection of superior planting materials, soil & water conservation, fertiliser application, drainage & water management, efficient harvesting, as well as integrated pest management. On the milling front, harvesting standards, good FFB quality & transportation to the mills and immediate processing of FFB at the mills are pivotal practices adopted in attaining good extraction efficiencies.

The plantation industry is currently facing labour shortage and failure to address this would be detrimental to the industry especially in the long run. In light of this, efforts have been undertaken to reduce labour dependency by enhancing mechanisation in our operations particularly in the area of harvesting and evacuation of FFB. At the mills, we are constantly innovating by investing in new and more efficient plant and machinery to enable us to produce high quality CPO at optimum quantity with minimal wastage.

In facilitating monitoring and decision making activities within our operations, we have adopted and placed greater emphasis on new technologies, such as THP Management Information System, Global Positioning System and Geographic Information System. This has enabled us to sustain our business model by enhancing efficiency and productivity, resulting in positive earnings and shareholders' value. Most importantly, our strong pool of employees is the greatest nexus to the continuous momentum needed to achieve our business goals. We promote an ecosystem that recruit, retain and remunerate them for their invaluable contributions and talents in transforming us towards a dynamic, effective and competitive player of the industry. Insya-Allah.

We reiterate our commitment to improve the quality of life, contributing positively to the society particularly within the vicinity of our plantations. This is clearly reflected by the adoption of the sound Sustainable Plantation Operations ("SPO") framework in our daily business activities that emphasises environmental and societal conservation. Zero burning replanting technique, soil management & conservation, integrated pest management, palm oil mill effluent treatment, water & moisture content management and Environmental Impact Assessments are among the SPO practices in our estates and mills. And we will continue with our quest to become a responsible corporate entity in prospering together in a sustainable manner.

OIL PALM HECTARAGE BY AGE (2012)



Corporate Developments

I am pleased to announce that for this year, we undertook several strategic initiatives to strengthen our position as an upstream medium size plantation player by enhancing the value creation and competitiveness of our business through the following exercises:

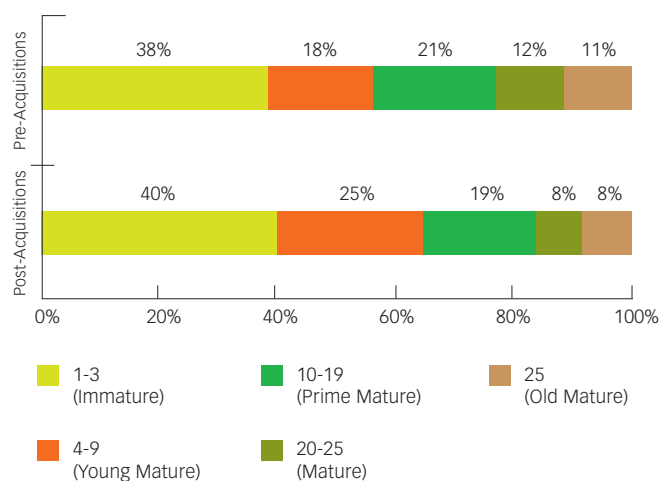
- Acquisitions by THP of the entire equity interest in TH Ladang (Sabah & Sarawak) Sdn. Bhd. ("THLSS") and 70% equity interest in TH Bakti Sdn. Bhd. ("TH Bakti") from **TH** for a total purchase consideration of RM535.64 million, both fully satisfied via the issuance of 209,234,375 ordinary shares of RM0.50 each in THP. These acquisitions doubled our land banks to 91,078 Ha from 44,933 Ha and also improved the age profile of THP Group's oil palms from an average of 16 years to 14 years.
- A conditional share sale agreement with Weida (M) Bhd., Enerstar Sdn. Bhd., Liew Tien How and Bong Sen Kui for the acquisition of the entire equity interest in Bumi Suria Ventures Sdn. Bhd. for an indicative total cash consideration of RM212.504 million; and a conditional share sale agreement with Weida (M) Bhd. for the acquisition of the entire equity interest in Maju Warisanmas Sdn. Bhd. for an indicative cash consideration of RM42.081 million (collectively known as "Proposed Acquisitions"). Upon completion of the Proposed Acquisitions, the total plantation land banks held by THP Group will increase from the current 91,078 Ha to 97,592 Ha. The Proposed Acquisitions represent a strategic move to further solidify THP Group's footprint in Malaysia, in line with our target to acquire plantation land banks at strategic locations to complement our existing growth strategy.
- The establishment of Sukuk Murabahah Programme ("Sukuk Programme") of up to RM1.0 billion in nominal value with tenure of up to 15 years with **TH** as the sole investor. The proceeds from this issuance will be utilised for repayment of bridge facilities, cash reserve for THP Group's future expansion plans including potential acquisition opportunities, capital expenditure and other general purposes. The successful landmark issuance of the Sukuk Programme will support THP Group's strategy by strengthening balance sheet, maximising financial flexibility and enhancing our position to execute internal & external growth plans.

In regard to our Key Performance Indicators ("KPIs") for this year, we have achieved the dividend distribution of approximately 50% of our annual PATAMI by proposing a total single tier dividend of 4.60 sen per share based on realised profits. However, our Return on Equity ("ROE") fell short to 17.96% from the targeted ROE of 19% due to the corporate exercises undertaken that involved equity which resulted in a higher shareholders' fund. The FFB production also declined by 2.5% to 21.51 MT per Ha from the targeted FFB yield of 22.07 MT per Ha.

Sustainable Growth Initiatives

On the newly acquired plantations totaling 46,145 Ha from **TH**, they represent a strategic move in fortifying our footprints domestically and improving the overall age profile of oil palms from 16 years to 14 years. It has also provided an opportunity for crop and earnings diversification as the available land totalling approximately 15,714 Ha is earmarked for planting with rubber trees. The acquisitions have increased our presence in market share and growth opportunities through economies of scale and synergies due to the regional location of the enlarged plantation area of approximately 45,000 Ha sited in Sarawak.

IMPROVEMENT OF AGE PROFILE



Moving forward, we are focused on the identified three Key Growth Nodes namely value enhancement of the enlarged plantation platform, land bank expansion and humanizing our business operation. The process of enhancing value to the enlarged plantation encompasses estates and milling operations. We will be leveraging on our PIP, to continually build momentum and derive sustained value creation from the planted area of 56,623 Ha and developing the plantable reserve of 28,299 Ha over a few years. On the milling front, as part of our continuous effort towards operational excellence, we have adopted various OER improvement initiatives for the existing six mills with a combined milling capacity of 1,140,000 MT per annum. The construction of a new 60 MT per hour mill in Pusa, Sarawak with a processing capacity of approximately 360,000 MT per annum is scheduled for completion next year, a timely investment to cater to the expected rapid growth of THP Group's crop production in that region. This first Key Growth Nodes is aimed to achieve higher FFB yields and OER on the back of lower production cost.

THP Group is driven to undertake new expansion and strategic acquisitions to strengthen our upstream plantation portfolio. The second Key Growth Nodes on expansion of plantation land bank to complement our existing growth strategy is focused at scaling new heights to deliver greater value to our entire stakeholders. We have in place a robust protocol to address any proposed acquisitions carefully to ensure we acquire assets that are a strategic fit. The establishment of the Sukuk Programme will support the strategic expansion plans, a landmark commitment to lift us to be one of the larger medium size plantation companies in Malaysia. In addition, shareholders can potentially gain from the exercise as land bank expansion generally acts as a re-rating catalyst.



We acknowledge that environment, community, workplace and shareholders are an integral part of the success of our business model. The final Key Growth Nodes of humanising the business operations demonstrate our commitment to attain profitable growth in a sustainable manner. To meet our goals and deliver the sustainable returns expected of us, THP Group embraces the SPO, societal advancement, nurturing & enriching our people talents and best practices in corporate governance; these are embedded in our daily operations. These sit at the heart of our guiding principle to the framework of sustainability that contributes the positive relationships with our stakeholders.

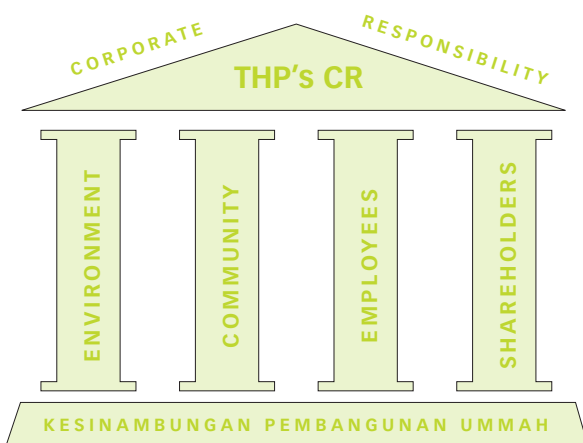
Besides the Key Growth Areas, we are also keen to augment our role in providing management services as it enables us to diversify the earnings. THP Agro Management Sdn. Bhd. ("THPAM"), our wholly-owned subsidiary, manages THP Group's oil palm and rubber operations in Malaysia totaling approximately 91,078 Ha and **TH's** oil palm operations in Indonesia totaling approximately 83,878 Ha, contributing 6.2% or RM23.3 million of the revenue in the year 2012 (2011: RM25.8 million). However, income from the management fees is expected to decline next year due to the disposal of THLSS and TH Bakti by **TH** to THP mentioned earlier. Nevertheless, **TH** is keen to capture more opportunities domestically and regionally for plantation development to maximise the returns to their depositors. Barring unforeseen circumstances, on the back of yet again challenging economic landscape, the Board is therefore of the view that THP Group would weather the storm and achieve sustainable performance in 2013, Insyaa-Allah.





Corporate Responsibility

Corporate Responsibility ("CR") is a journey that THP Group explores in achieving the state of sustainability. With the tagline *Kesinambungan Pembangunan Ummah*, our corporate philanthropy focused principally on the four pillars of CR namely the Environment, Community, Employees and Shareholders. In addition to creating opportunities and growth through our businesses, we aim to fulfill our social responsibility by fostering sustainable values that have positive impact on the society. This simple guiding principle ensures that CR, as we see it, is part and parcel of how we do business as we continuously implement programmes and practices that benefit and meet the needs of not only our customers, employees, investors and partners, but also of the regional economy.



Reducing our ecological footprint and promoting green activities are our approach in conserving the environment. Driven by the principles and criteria of the Roundtable on Sustainable Palm Oil, I am pleased to inform that THP Group has adopted the SPO as a way of reducing the environmental impact of our operations, hence, providing better value for our stakeholders and efficiently consuming precious resources. Apart from that, THP Group is dedicated to promoting thriving communities, particularly within the vicinity of our estates and mills. THP Group's operations provide jobs and business opportunities through our Vendor Development Initiatives for the locals, thus generating income as well as achieving better and steady livelihood. Education is also an important aspect that we emphasise within our CR and we enhance the significance of education by adopting schools located within the perimeter of our plantations known as "Program Pintas Pintar". THP Group through our CR practices, pledge our support & commitment in eradicating poverty and improving rural infrastructure as underlined in the National Key Result Areas of the Government Transformation Programme. These are demonstrated by our efforts in jointly developing the Native Customary Rights land with the States Agency and the Natives in Sarawak.

THP Group deem solid and committed workforce to be the foundation for a sustainable business operation. Therefore, to boost and instill the working spirit of our employees, we equip them with personas and dexterities that encourage personal as well as professional growth through various learning opportunities. Furthermore, we invest in their wellbeing as well as reward them on par with their notable effort. These, shall create an atmosphere where employees will deliver outstanding and brilliant performances.

Additionally, THP Group is steadfast in exercising best practices of corporate governance which build upon transparency, accountability, risk management performance and good management practices along with the timely and precise dissemination of information thus ascertaining the long term sustainable investment returns to our shareholders.



Prospects

While the emerging markets set to set to be more favourable, we expect recovery still remains at risk, with the intercontinental economies remaining unstable, giving an outlook of challenging growth in the global markets for the year 2013. Mirroring the emerging economies, our local economy is foreseen to grow with improvements in exports and strong domestic demands driven by robust private investments and strong private consumption.

Despite such uncertainties in the global landscape, the palm oil industry's outlook is expected to remain positive, mainly due to the surge in demand for the edible oil by the high populated nations. The need for palm oil is also attributable to non-traditional use of palm oil as an alternate source of eco-friendly fuel. Additionally, the demand for palm oil will be more evident, underpinned by shortage of other vegetable oils due to the unfavourable weather conditions. The high yielding factor and its perennial nature enable palm oil to be in the run as a reliable supplier and producer of vegetable oils globally. As the population grows surpassing 7 billion people, the provision of palm oil for edible purposes will escalate, hence the agricultural growth, mainly the oil palm industry is expected to be the fore runner in tackling global poverty and hunger.

Acknowledgements

Before signing off for this year, I would like to take this opportunity to express my appreciation to the management team and all staff for their relentless support and commitment especially during these challenging times. Without their support, the continued success of THP Group would not have been possible.

Additionally, I wish to express my sincere gratitude to the shareholders, our holding company namely **TH**, associates, government authorities and all other stakeholders for their unremitting support and immense faith in THP Group.

Finally, I wish to record my utmost appreciation towards my colleagues of the Board for their outstanding dedication, constructive critiques and intellectual insights. With everyone's magnificent collaboration and wise philosophies as a team, THP Group shall be able to propel towards achieving greater success in years to come, Insha-Allah.

*There is great reward for you in planting a tree and growing crop
– Hadith Bukhari*

THANK YOU.

Assalamualaikum Warahmatullahi Wabarakatuh.

Tan Sri Datuk Dr Yusof bin Basiran
Chairman



EXPLORE

OPENING UP TO
NEW PROSPECTS,
Ready and Inspired





TOWARDS
A BRIGHTER
FUTURE

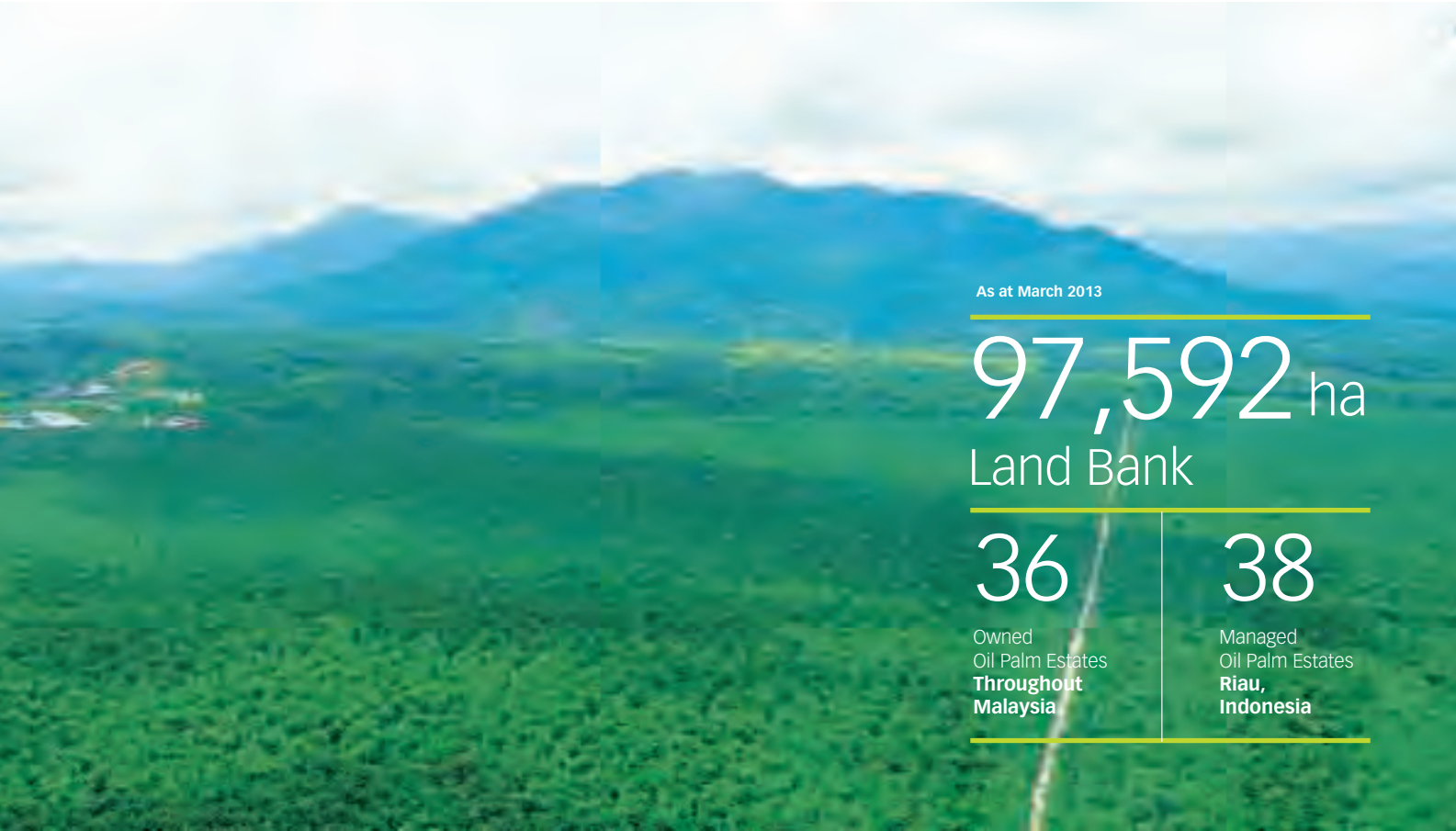
DEAR SHAREHOLDERS,

Assalamualaikum Warahmatullahi Wabarakatuh

In celebrating our growth thus far, I invite you to take a journey with me to see where we came from, and what we are doing in the path towards a brighter future.

TH Plantations Berhad ("THP") was formally incorporated in 1971 as the plantation arm of Lembaga Tabung Haji. Originally known as Perbadanan Ladang-Ladang Tabung Haji Sendirian Berhad ("PLLTH"), THP was listed on the local stock exchange in 2006 and has grown by leaps and bounds since. Starting with merely 4,000 hectares of land to our name, Ladang Sungai Mengah in Keratong, Pahang, was the very first estate that was developed and managed

by the Company. To date, we have grown our land bank to 97,592 hectares, with 36 oil palm estates and 6 palm oil mills in our stable spread throughout Malaysia. THP Group also manages 38 oil palm estates (measuring over 85,000 hectares) in Riau, Indonesia, for Lembaga Tabung Haji. Additionally, the Company owns 3 teak/rubber plantations within the ambit of the Forest Management Unit in Sabah.



As at March 2013

97,592 ha
Land Bank

36

Owned
Oil Palm Estates
Throughout
Malaysia

38

Managed
Oil Palm Estates
Riau,
Indonesia

We are proud of our immense growth and achievements to date, yet we are mindful of the unrelenting competition and challenges that we face in the business and the industry. Challenges in the form of increasing costs, fluctuating commodity prices, manpower constraints and unpredictable weather all contribute towards the drive for greater operational excellence. We shall scrutinise and strengthen every point of our supply chain. From seeking the best planting materials, to improving our planting and milling efficiencies, and all the way to enhancing our marketing initiatives, our focus is to increase our bottom line and ultimately the value that we deliver to our shareholders. We shall work towards strengthening the foundation we have set in the past, in reaching for greater heights, anchored on these four pillars of growth.

Enhancing
the Value
of Planted
Areas

Development
of Plantable
Reserves

Exploring
Prospective
Land Banks

Humanising
Business
Operations

GROWTH

Enhancing the value of planted areas

As at 29 March 2013, our total land bank measured 97,592 hectares, and 66,890 hectares or 69% have been planted with oil palm. For us to maximise the value that we can derive from the planted area, a number of initiatives have been and shall continue to be instituted across the board. These initiatives will collectively contribute towards increasing our FFB yields and OER, optimise costs and mitigate manpower shortage to a certain extent.



Improved Replanting Exercise

With our latest land bank acquisitions made in early 2013, we have further improved our average age profile of oil palms to about 12 years. We have also now embarked on a more structured replanting programme to ensure we achieve the optimal average age profile of about 10-12 years within the next 3-4 years. In addition, newer, high quality planting materials are being used in the replanting exercise that will ensure better yields in future. We envision that as a result of our improved replanting programme, we shall be able to achieve a healthy mix of mature and immature oil palms across our portfolio of estates, and consequently sustain optimal FFB yields and oil extraction rates in the long run.



Precision Agriculture

The objective of precision agriculture is to vary the input and management operations on a palm-by-palm basis to ensure each palm or field reaches its maximum economic yield. Practices can vary according to the characteristics and variability of each field operation. With the use of new technologies, such as the Global Positioning System ("GPS"), sensors, satellite or aerial images, and information management tools such as the Geographical Information System ("GIS"), we will be able to assess and understand those variations more accurately and in a more timely manner.



To this effect, we are working towards establishing our own integrated oil palm database system that will collate and analyse data on bunch production, fertiliser application, the climate and environment surrounding each block of plantation, pest, diseases, leaf and soil analysis on top of general plantation data and information. The integrated database will then be interpreted and used to support operational decision-making, for example evaluate optimum planting density, estimate fertiliser and other input needs as well as to more accurately predict oil palm yields. Ultimately, the database system and corresponding precision agriculture practices will catalyse a concerted improvement in the quality of management across all our plantations with better work efficiency, increased productivity and effective decision making. In addition, equipped with better information at hand, we expect to see a more judicious use of fertiliser and pest control throughout our plantations and consequently see the optimisation of agriculture inputs in the longer run.

Mechanisation

In an effort to reduce dependency on labour, we are constantly looking for ways to automate and mechanise processes, both at the estates and at our palm oil mills. For example, in the labour-intensive harvesting process, we have intensified the use of motorised cutters, which have proven to reduce the number of labour needed to perform the harvesting, as well as reduce the time spent on the process. The same can be seen in the process of FFB collection, where the use of mini tractors, in-field collectors and buffaloes, have somewhat reduced our dependency on labour.



We have also started using hand-held devices, used to record data such as daily roll call, store issues and daily produce, in some of our estates. These devices not only aid us in collecting and disseminating FFB collection and manpower data in real time, they have also proved to be useful in reducing the usage of paper records as well as minimise human error. Such mechanisation practices shall be extended across all our estates within the next year or so, and we hope to see more significant tangible and intangible benefits from mechanisation in the longer term.

Supporting the Economic Transformation Programme ("ETP")

Taking cognisance of the ETP and the National Key Economic Area (NKEA), the initiatives that we put in to develop our plantations are anchored around the four Entry Point Projects (EPP) as detailed in the following page.

EPP 1

Accelerating the Replanting Programme

Post acquisitions, THP's palms averaged 12 years, a reduction from the pre-acquisition age profile of 16 years. In support of the government's aspiration, THP has implemented a structured replanting programme to reduce the age profile of our palms further to between 10-12 years.



EPP 3

Improving Worker Productivity

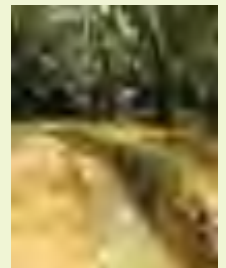
As the plantation industry is a labour-intensive industry, efforts are currently underway to improve worker's productivity in many areas of the industry. THP has unwaveringly supported this aspiration, going full swing on our mechanisation by adapting the available tools in the market to suit our terrain and operations. In moving forward, all our new generation estates will be planned to accommodate mechanisation.



EPP 2

Improving FFB Yield

Through this age profiling management along with other Precision Agriculture techniques, THP has succeeded in improving the FFB yield of our estates. An interim target of 25 tonnes per hectare has been set, but we are striving towards achieving the government's aspiration of 28 tonnes per hectare under this EPP.



In 2011 our average yield was recorded at 22 tonnes per hectare. In 2012, a number of our estates recorded good yields, some exceeding the 25 tonnes per hectare target as follows:

High Yielding Estates (>25 Mt/Ha)		
Estate	Location	Mt/Ha
Sungai Tenegang	Lahad Datu	26.91
Gedong	Serian	26.18
Sungai Koyah	Lahad Datu	25.82
Sungai Buan	Keratong	25.78
Sungai Mengah	Keratong	25.55
Kota Bahagia	Keratong	25.12

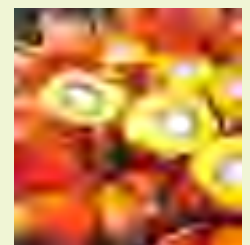
The practices in these estates will be replicated and improved group-wide, to ensure that we eventually meet the target under this EPP.

EPP 4

Increasing the Oil Extraction Rates

The objective of this EPP is to increase OER from the current 20.5 percent in 2009 to 23 percent by 2020 by implementing strict quality-control parameters at the mills and improve overall mill efficiency.

At THP, our existing mills are being upgraded to ensure higher capacity and better efficiency and controls. In fact, our efforts to ensure the best possible OER for FFBS from our plantations begin much earlier in the process flow, i.e. during the selection of our planting materials. This will ensure that our fruits have good mesocarp to produce better oil yields.



Development of Plantable Reserves

With sizeable plantable reserves totalling 23,578 hectares, efforts are currently underway to develop these reserves. Our plantable areas include newly-acquired green fields, as well as pockets of undeveloped land within the brown fields acquired. Additionally, we also have existing plantable reserves in the Beladin and Simunjan areas of Sarawak that are situated within the Native Customary Rights ("NCR") area, as well as state land at the in-course stages of development. With our years of experience in the industry, we are confident that we will be able to work hand-in-hand with the natives in developing these areas and enriching the surrounding communities.

Our aim is to develop all of our plantable reserves within the next 5 years and subsequently derive optimal value from these areas.



On the other hand, although oil palm has been and will continue to be our main source of income, opportunity has arisen in rubber. THP currently owns 3 rubber estates, in a land bank measuring 15,714 hectares, under a 99-year concession from the Forest Management Unit ("FMU") in Sandakan, Sabah. While the concession's restriction on the land utilisation (As a forestry conservation effort, only timber crops are allowed to be planted on FMU lands) has catalysed our diversification into rubber plantations, we are optimistic that there is ample potential for the development of rubber as a secondary crop.

Our fields are being planted with latex timber clones, which yields latex from the 6th year onwards and depending on market demands, can subsequently be harvested for rubber wood at year 11 onwards. About 1,400 hectares of THP's land have been planted with this crop and 400 hectares of these are expected to mature beginning 2014. A comprehensive feasibility study is being conducted to analyse our rubber development plans and chart our future strategy for this crop, and shall be tabled to the Board for approval in due course.



A greater emphasis is now placed on consolidating our position, streamlining our operations and deriving maximum value from the enlarged land bank

Exploring Prospective Land Banks

With the acquisition of PT Persada Kencana Prima (“PTPKP”) expected to complete in the first half of 2013, our total land bank shall be further enlarged to approximately 110,000 hectares, thus putting us at par with other mid-sized plantation companies in Malaysia. A greater emphasis is now placed on consolidating our position, streamlining our operations and deriving maximum value from the enlarged land bank. Future acquisitions, if any, shall be highly opportunistic in nature, particularly for sizeable green or brown fields with good soil conditions in line with our business strategies.

Should we venture overseas, we view Indonesia as being our priority, given the similarities in industry environment, business practices and climate, but we do not exclude the possibility of exploring feasible offers in other countries such as Papua New Guinea in the longer term. These ventures, should they be undertaken, shall be guided by our future business strategies and comprehensive feasibility studies shall be conducted beforehand to evaluate the risks and rewards of such ventures.





Future acquisitions, if any, shall be highly opportunistic in nature, particularly for sizeable green or brown fields with good soil conditions in line with our business strategies



Humanising Business Operations

People, encompassing our employees, customers, vendors, the communities we operate within and other stakeholders, are pivotal in our efforts to maximise the value we deliver to our shareholders. Over the years, we continue to humanise our operations to ensure that we also deliver value to the people and we remain the preferred choice for our stakeholders.



Throughout the years, our employees have been the backbone of our operations and represent our most prized asset. We recognise that in order to unleash the hidden talents and hone the skills of our employees, we need to create the right conditions to motivate and inspire them. To this effect, we are looking into making changes to our work environment and processes so that we can harness the passion and drive that we see in our employees and ensure our people perform at their best, at all departments and across every level in the company. Meanwhile the rapid growth of the Company provides the opportunity for our employees to sharpen their skills as we engage them in training and development to enable them to handle the expanded operations better, increasing their value as human capital.

With our enlarged land bank, we see more opportunities to contribute towards enhancing the livelihood of the communities we operate within. Our activities have consistently proven that



the developments we bring into a community have contributed towards alleviating poverty. Not only do our ventures provide jobs, but also opportunities for the locals to start up new businesses and grow existing ones. Our Vendor Development Initiative that we started 3 years ago is a good example. A total of 70 local vendors and contractors have benefited under this scheme, collectively providing goods and services valued at RM28 million to THP's plantations. In addition, in our effort to help improve the standards of education for the children and the communities they belong to, we adopted 4 schools under the PINTAR initiative in year 2012. We shall continue to adopt and support schools within the locality of our plantations and contribute towards improving the livelihood of these communities by means of better education.

For our customers, vendors and other stakeholders, we will strive to ensure that we remain fair and accessible in our business practices and operations.

Our aim is to ultimately nurture a sense of belonging and loyalty in our employees, customers, vendors, communities and other stakeholders who shall each be proud to be associated with THP.

REACHING FOR GREATER HEIGHTS

The plantation industry is faced with continued challenges in the form of fluctuating prices, increasing costs, manpower shortage and unpredictable weather conditions. Nevertheless, with robust demand for food from the vegetable oils industry, plantations are expected to remain responsive to these challenges and continue to prosper in times to come.





“We shall work towards strengthening the foundation we have set in the past, in our path towards reaching for greater heights”

For THP, we are moving into our second phase of growth. Thus, the focus has shifted from being a small-sized pure upstream industry player, to becoming a medium-sized industry player poised to moving further downstream in the business. The time has come for us to seize the opportunities presented by the rapidly growing food and vegetable oils business. We are considering a number of business options and opportunities that shall help us secure our future success. One of the options being considered is building our own refinery to cater for the demand for vegetable oils and thus extending our supply chain for the business. At the same time, we are also exploring the idea of trapping methane gases from our effluents to generate electricity. This generated power, in turn, can be used to reduce our diesel consumption on top of improving our Biological Oxygen Demand ("BOD") levels in those effluents. Hence, while we strengthen our position in our core business, that is producing FFB and CPO, we are actively seeking for opportunities to secure new businesses that shall help bolster our future income stream and deliver greater value to our stakeholders.



Alhamdulillah, I am grateful to have had the opportunity to steer the Company's progress in the past 4 years, and I am optimistic that we shall be able to scale greater heights in the years ahead, InsyaAllah. *Together, we shall make THP a respected player in the industry, and a source of pride and admiration for all stakeholders.*

Assalamualaikum Warahmatullahi Wabarakatuh.

Dato' Zainal Azwar bin Zainal Aminuddin

Chief Executive Officer

March 2013





EMBARK

TAKING ON
NEW CHALLENGES,
*Passionate and
Determined*

Board of Directors

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

Dato' Zainal Azwar bin Zainal Aminuddin
Chief Executive Officer/Executive Director

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

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

Datuk Azizan bin Abd Rahman
Independent Non-Executive Director

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

Dato' Noordin bin Md Noor
Independent Non-Executive Director

Dato' Amran bin Mat Nor
Independent Non-Executive Director

Mahbob bin Abdullah
Independent Non-Executive Director

Audit Committee

Tan Sri 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 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

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
(LS 0008841)

Wan Nurul Hidayah binti Wan Yusoff
(LS 0008555)

Auditors

KPMG Desa Megat & Co.
Level 10 KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
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 Darul Ehsan
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

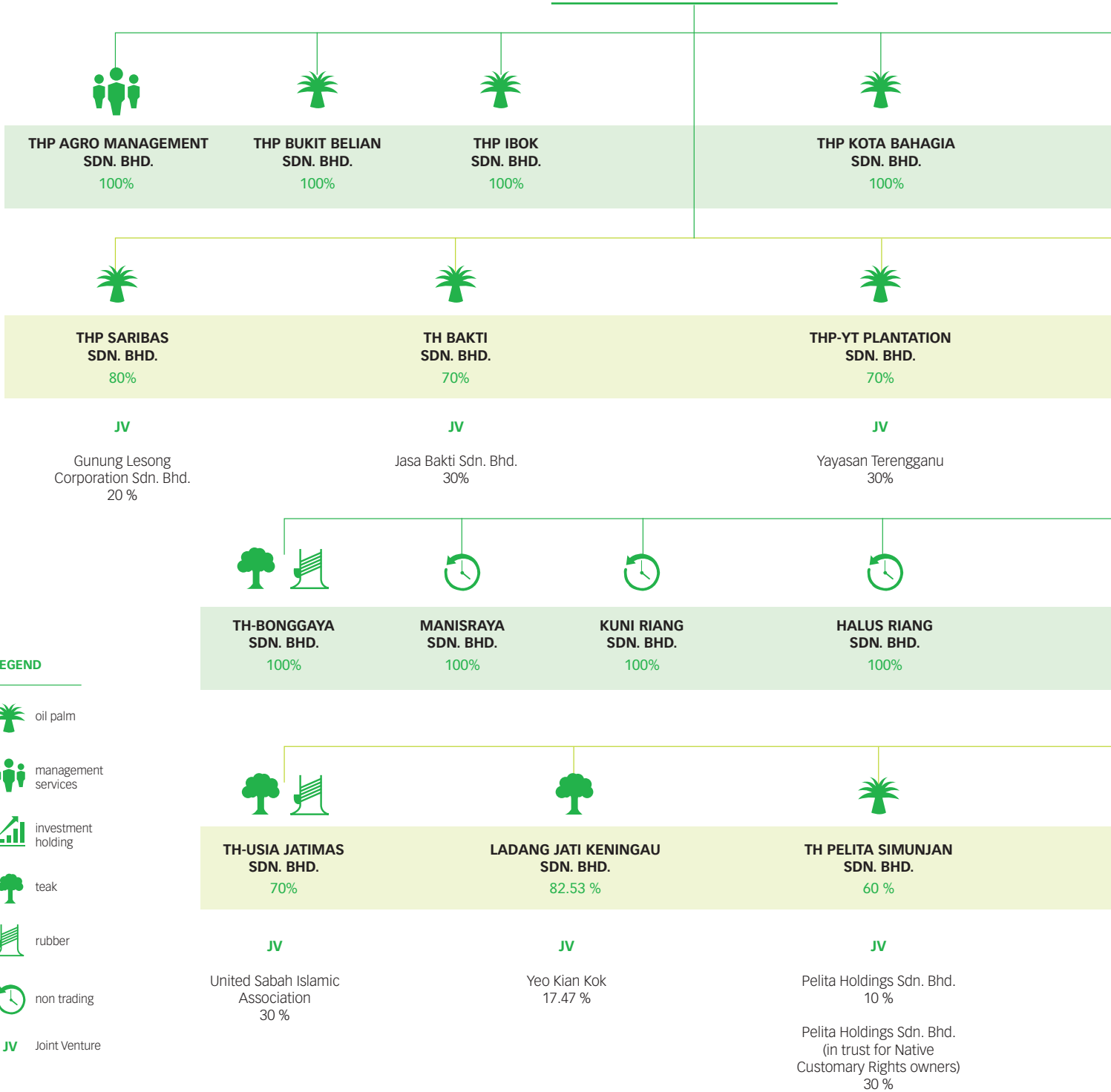
Place of Incorporation and Domicile

Malaysia

Website

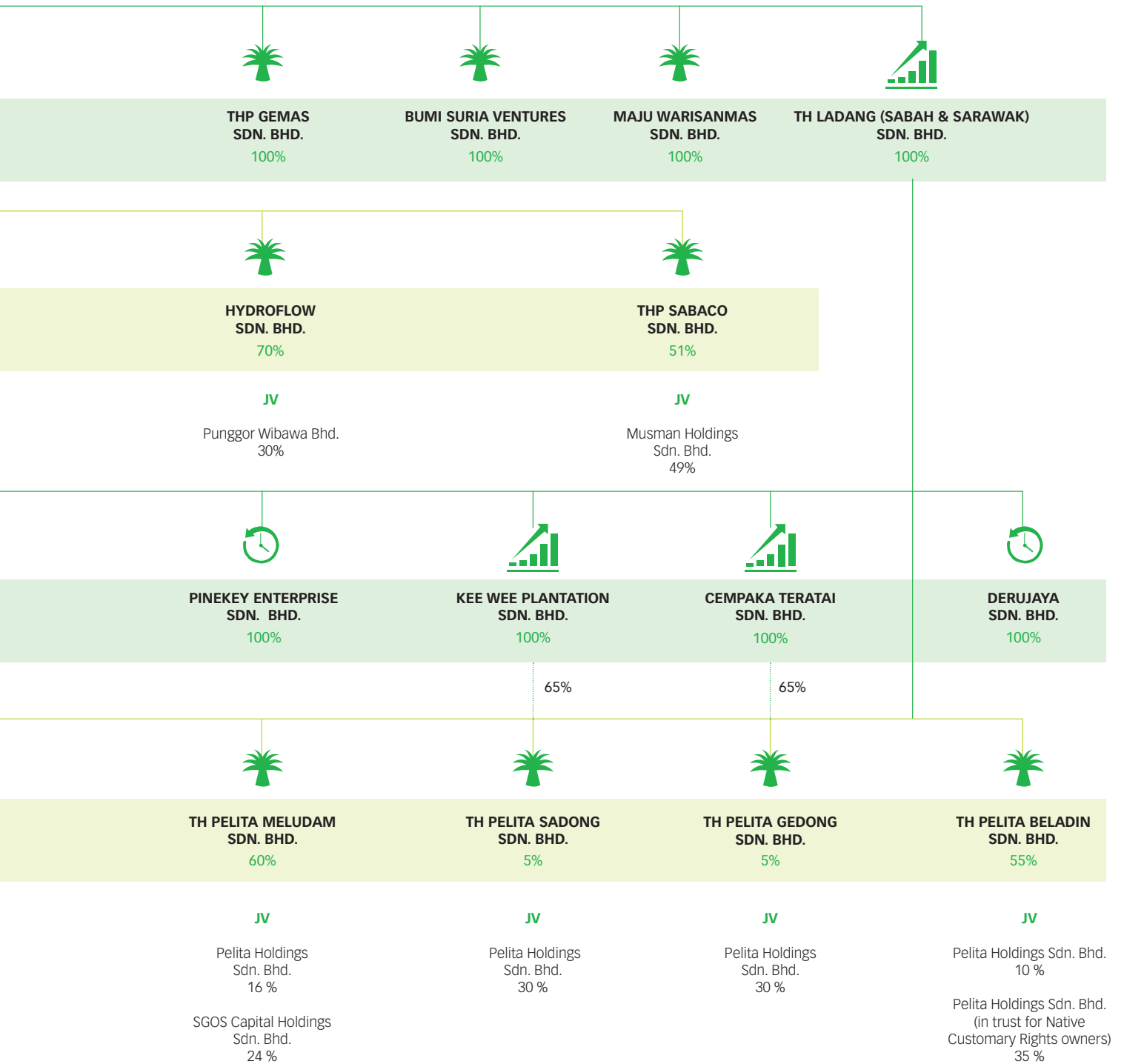
www.thplantations.my

TH PLANTATIONS BERHAD



LEGEND

- oil palm
- management services
- investment holding
- teak
- rubber
- non trading
- JV** Joint Venture







LEFT PAGE, FROM LEFT:

- 1. Dato' Paduka Ismee bin Haji Ismail**
Non-Independent
Non-Executive Director
- 2. Dato' Zainal Azwar bin Zainal Aminuddin**
Chief Executive Officer/
Executive Director

- 3. Tan Sri Datuk Dr Yusof bin Basiran**
Independent Non-Executive
Chairman
- 4. Tan Sri Dr Abdul Samad bin Haji Alias**
Independent Non-Executive
Director

RIGHT PAGE, FROM LEFT:

- 5. Datuk Azizan bin Abd Rahman**
Independent Non-Executive
Director
- 6. Dato' Haji Wan Zakaria bin Abd Rahman**
Independent Non-Executive
Director

- 7. Dato' Noordin bin Md Noor**
Independent Non-Executive
Director
- 8. Dato' Amran bin Mat Nor**
Independent Non-Executive
Director
- 9. Mahbob bin Abdullah**
Independent Non-Executive
Director

Tan Sri Datuk Dr Yusof Bin Basiran

Independent Non-Executive Chairman
Chairman of the Remuneration Committee

Malaysian, 64 years of age



Tan Sri Datuk Dr Yusof bin Basiran, is an Independent Non-Executive Chairman of THP. He was appointed to the Board of THP on 1 June 2005. He is also the Chairman of the Remuneration Committee of the Company.

Tan Sri Datuk Dr Yusof obtained a Bachelor's Degree in Chemical Engineering from the University of Canterbury, New Zealand, in 1972. He then continued his studies in the United Kingdom, where he obtained his Post Graduate Degree in Rubber Technology (ANCRT). In 1976, he obtained a Masters Degree in Engineering, specialising in Industrial Management (M.E), as well as a Masters in Business Administration (MBA) from the Catholic University of Leuven in Belgium.

Tan Sri Datuk Dr Yusof's began his career as a Technologist/Techno-Economist with the Rubber Research Institute (RRI)/Malaysian Rubber Research Development Board (MRRDB). He subsequently joined the Palm Oil Research Institute of Malaysia (PORIM) in 1979.

In 1986, Tan Sri Datuk Dr Yusof obtained his Doctorate with a PhD in Applied Economics and Management Science from the 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 which resulted from the merging 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, namely:

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

Tan Sri Datuk Dr Yusof bin Basiran has no family relationships with any director(s) and/or major shareholder(s) of the Company nor conflict of interest with the Company. He has had no conviction(s) for any offences within the past ten (10) years. He attended all eight (8) Board of Directors' meetings held for the year ended 31 December 2012.

Dato' Zainal Azwar Bin Zainal Aminuddin

Chief Executive Officer/Executive Director
Member of the Employees' Share Option Scheme Committee

Malaysian, 54 years of age



Dato' Zainal Azwar bin Zainal Aminuddin, is an Executive Director and the Chief Executive Officer of THP. He was appointed as the Chief Executive Officer of THP on 1 July 2009 and subsequently appointed as an Executive Director on 1 September 2009. He also sits as a member of the Employees' Share Option Scheme Committee of the Company.

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

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

He is a member of the Malaysian Society of Soil Science and the Incorporated Society of Planters.

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

Dato' Zainal Azwar bin Zainal Aminuddin has no family relationship with any director(s) 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. He attended all eight (8) Board of Directors' meetings held for the year ended 31 December 2012.

Tan Sri Dr Abdul Samad Bin Haji Alias

Independent Non-Executive Director
Chairman of the Audit Committee
Chairman of the Nomination Committee
Member of the Investment, Risk & Compliance Committee

Malaysian, 70 years of age



Tan Sri Dr Abdul Samad bin Haji Alias, is an Independent Non-Executive Director of THP. He was appointed to the Board of THP on 1 June 2005. He is also the Chairman of the Audit and the Nomination Committees and sits as a member of the Investment , Risk & Compliance Committee of the Company.

Tan Sri Dr Abdul Samad is a professional accountant, with a Bachelor's Degree in Commerce from the University of Western Australia. He is a Fellow of the Institute of Chartered Accountants, Australia, a member of the Malaysian Institute of Accountants (MIA), as well as 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 and Financial Reporting Foundation. He was also the President of MIA from September 2000 to August 2005. Tan Sri Dr Abdul Samad was also the first Malaysian to be elected to the 22-member Board of the International Federation of Accountants.

Tan Sri Dr Abdul Samad's current chairmanships and/or directorships are as follows:

- Chairman of Malaysian Venture Capital Management Berhad;
- Chairman of Malaysia Debt Ventures Berhad;
- Chairman of Perbadanan Insurans Deposit Malaysia; and
- Director of Bursa Malaysia Berhad.

Tan Sri Dr Abdul Samad bin Haji Alias has no family relationship with any director(s) and/or major shareholder(s) of the Company nor conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years. He attended all eight (8) Board of Directors' meetings held for the year ended 31 December 2012.

Dato' Paduka Ismee Bin Haji Ismail

Non-Independent Non-Executive Director
Member of the Remuneration Committee
Member of the Tender Committee A

Malaysian, 48 years of age



Dato' Paduka Ismee bin Haji Ismail, is a Non-Independent Non-Executive Director of THP. He was appointed to the Board of THP on 1 January 2006. He also sits as a member of the Remuneration Committee and the Tender Committee A of the Company.

He began his career as a Management Accountant in Arab Malaysian Development 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 a member of the Malaysian Institute of Accountants (MIA).

Subsequently, he joined Shell Group of Companies in Malaysia and held various positions, which include 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 Berhad as a General Manager, holding the post for two (2) years before joining Pengurusan Danaharta Nasional Berhad in 1998 as its Chief Accountant/Treasurer.

Dato' Paduka Ismee also gained further corporate experience when he joined Medical Online (M) Sdn. Bhd. as its Senior Vice-President in 2000, Lembaga Tabung Haji as its Senior General Manager (Finance) in 2001 and ECM Libra Securities Sdn. Bhd. as its Chief Executive Officer in 2003.

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 BIMB Holdings Berhad;
- Director of Felda Global Ventures Holdings Berhad;
- Director of Bank Islam Malaysia Berhad; and
- Director of 1Malaysia Development Berhad.

Dato' Paduka Ismee bin Haji Ismail has no family relationship with any director(s) and/or major shareholder(s) of the Company nor conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years. He attended six (6) out of eight (8) Board of Directors' meetings held for the year ended 31 December 2012.

Datuk Azizan Bin Abd Rahman

Independent Non-Executive Director
Member of the Audit Committee
Member of the Nomination Committee
Member of the Investment, Risk & Compliance Committee

Malaysian, 63 years of age



Datuk Azizan bin Abd Rahman, is an Independent Non-Executive Director of THP. He was appointed to the Board of THP on 1 June 2005. He also sits as a member of the Audit Committee, the Nomination Committee and the Investment, Risk & Compliance Committee of the Company.

Datuk Azizan's career began as a Shipping Executive at Harper Gilfillan (M) Sdn. Bhd. in 1973 after graduating from the University of Malaya with a Bachelor of Arts Degree. In 1975 he joined the Malaysian International Shipping Company Group as a Branch Manager and was later appointed as the Marketing Manager of the Tanker Division.

His experiences in the corporate world include the following:

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

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, namely MBF Group of Companies, Tongkah Holdings Berhad and Bina Darulaman Berhad. He was actively involved in these companies' debt restructuring plans as well as helped identify new business strategies.

Datuk Azizan currently holds the position of Chairman and Business Development Advisor of Eastern & Oriental Berhad. His other chairmanships and/or directorships are as follows:

- Chairman of the Investment Panel of Lembaga Tabung Haji;
- Chairman and Director of TH Heavy Engineering Berhad (Formerly known as Ramunia Holdings Berhad);
- Director of MBF Holdings Berhad; and
- Director of Apex Equity Holdings Berhad.

Datuk Azizan bin Abd Rahman has no family relationship with any director(s) and/or major shareholder(s) of the Company nor conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years. He attended six (6) out of eight (8) Board of Directors' meetings held for the year ended 31 December 2012.

Dato' Haji Wan Zakaria Bin Abd Rahman

Independent Non-Executive Director
Member of the Remuneration Committee
Member of the Tender Committee A

Malaysian, 68 years of age



Dato' Haji Wan Zakaria bin Abd Rahman, is an Independent Non Executive Director of THP. He was appointed to the Board of THP on 1 June 2005. He also sits as a member of the Remuneration Committee and the Tender Committee A of the Company.

Dato' Haji Wan Zakaria's career began as a teacher with the Education Department in 1966 after graduating from the University of Malaya with an Honour's Degree in Malay Studies. In 1974, he joined the Terengganu State Government as an Administrative Officer. Between 1978 to 1982 Dato' Haji Wan Zakaria served as the Political Secretary to the Menteri Besar of Terengganu. He then became an Executive Committee Member (Exco) of the Terengganu State Government from 1982 to 1995.

Dato' Haji Wan Zakaria's previous directorships, among others were 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.

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

Dato' Haji Wan Zakaria bin Abd Rahman has no family relationship with any director(s) 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. He attended seven (7) out of eight (8) Board of Directors' meetings held for the year ended 31 December 2012.

Dato' Noordin Bin Md Noor

Independent Non-Executive Director
Chairman of the Employees' Share Option Scheme Committee
Member of the Audit Committee

Malaysian, 55 years of age



Dato' Noordin bin Md Noor, is an Independent Non-Executive Director of THP. He was appointed to the Board of THP on 22 December 2008. Dato Noordin is also the Chairman of Employees' Share Option Scheme Committee and a Member of the Audit Committee of the Company.

Dato' Noordin began his career upon his graduation with a Diploma in Business Studies from MARA University of Technology (UiTM) in 1976. His experiences are vast and varied encompassing 21 years, and covering fields which include business, information technology, construction, services and manufacturing, as well as transportation.

Dato' Noordin has also been actively involved in the nation's political scene since 1976. He has held various positions in the United Malays National Organisation of Malaysia (UMNO) at the Division, State and National level. Some of the positions held include:

- 1993 to 2002: UMNO Youth Exco Member;
- 1993 to 1996: Vice-Chairman of UMNO Youth Education Bureau;
- 1993 to 1998: UMNO Youth Chief, Pulau Pinang;
- 1996 to 1998: Chairman of UMNO Youth Entrepreneur Development Council;
- 1998 to 2002: Chairman of UMNO Youth Economy and Entrepreneur Development Council; and
- Committee member of the UMNO Youth Management and Administration.

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

Dato' Noordin bin Md Noor has no family relationship with any director(s) and/or major shareholder(s) of the Company nor conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years. He attended seven (7) out of eight (8) Board of Directors' meetings held for the year ended 31 December 2012.

Dato' Amran Bin Mat Nor

Independent Non-Executive Director

Malaysian, 47 years of age



Dato' Amran bin Mat Nor, is an Independent Non-Executive Director of THP. He was appointed to the Board of THP on 1 December 2011.

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

Dato' Amran's experience includes the following:

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

He has also held various positions in the United Malays National Organisation of Malaysia (UMNO) at the Division and State level from as early as 1988, 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 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 has no family relationship with any director(s) and/or major shareholder(s) of the Company nor conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years. He attended seven (7) out of eight (8) Board of Directors' meetings held for the year ended 31 December 2012.

Mahbob Bin Abdullah

Independent Non-Executive Director
Chairman of the Tender Committee A
Chairman of the Tender Committee B
Chairman of the Investment, Risk & Compliance Committee
Member of the Nomination Committee

Malaysian, 68 years of age



Mahbob bin Abdullah, is an Independent Non-Executive Director of THP. He was appointed to the Board of THP on 1 June 2010. He is also the Chairman of Tender Committees A and B, as well as the Investment, Risk & Compliance Committee and sits as a 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 the Plantations Agency Limited as their rubber plantation's Assistant Manager. 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 Sabah Area, and was promoted to be the Managing Director of Sime Darby Services Sdn. Bhd. in 1989. During his tenure, the company was involved in consultation services mainly in Indonesia, with assignments for the World Bank as well as various private clients. From 1993 to 2000, he served as a Director of the Refineries Division in Sime Darby. He was responsible for supervising 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 his outstanding services rendered to the industry. He was also a member of the Malaysian Palm Oil Board (MPOB) Programme Advisory Committee.

He is currently a Board member of Greenyield Berhad and a Director of FIMA Bulking Sdn. Bhd., a subsidiary of Kumpulan Fima Berhad. He was also a Board member of Felda Plantations Berhad, Felda Products Industry Sdn Berhad and Felda Vegetable Oil Products Sdn Berhad, for several years.

Mahbob bin Abdullah has no family relationship with any director(s) and/or major shareholder(s) of the Company nor conflict of interest with the Company. He has had no convictions for any offences within the past ten (10) years. He attended all eight (8) Board of Directors' meetings held for the year ended 31 December 2012.





1. Dato' Zainal Azwar bin Zainal Aminuddin
Chief Executive Officer/
Executive Director

2. Mat Saad bin Ramli
Chief Operations Officer
(Domestic)

3. Hassan Fikri bin Mohamad
Chief Operations Officer
(Overseas)

4. Mhamod bin Mokhtar
Chief Operations Officer
(Domestic),
Seconded to Trurich
Resources Sdn. Bhd. as
Chief Executive Officer

5. Mohamed Azman Shah bin Ishak
Chief Financial Officer

6. Radin Rosli bin Radin Suhadi
Senior General Manager
(Plantation Controller –
Sarawak Operations)

7. Roslan bin Baba
Senior General Manager
(Finance - Overseas)

8. Syed Ali bin Syed Idros
General Manager
(Plantation Controller –
Overseas)

9. Muhamad Ariff bin Ariffin
General Manager
(Planting Advisor)

10. Abd Rashid bin Sahibjan
General Manager
(Planting Advisor)

11. Ir. Ramli bin Mohd Tahar
Chief Engineer



12



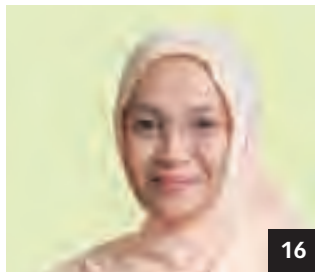
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21

12. Ghazali bin Limat
General Manager
(Plantation Controller –
Overseas)

**13. Aruludin Raj
bin Azman Arasu**
General Manager
(Estate Department &
Administration)

14. Aliatun binti Mahmud
Company Secretary/
General Manager
(Legal & Secretarial)

15. Othman bin Somadi
General Manager
(Marketing)

16. Maizura binti Mohamed
General Manager
(Corporate Services)

17. Fadzil bin Abdullah
General Manager
(Human Resource)

18. Ahmad Anuar bin Sairi
General Manager
(Agronomy & Innovation)

19. Jamaluddin bin Hanafiah
Assistant General Manager
(Internal Audit)

20. Hamidon bin Hassan
Assistant General Manager
(Information Technology)

**21. Ahmad Nordzri
bin Razali**
Assistant General Manager
(Operations & Administration
- Overseas)

The background image shows a scenic landscape with a river or stream flowing through a green area. In the foreground, there are numerous bright yellow flowers. The sky is overcast. Overlaid on the image are several concentric circles in shades of green and yellow, creating a layered effect. The text is centered within the innermost circle.

EXECUTE

ENERGISING
THE WORKFORCE,
Eager to Deliver



25 February 2012

My Career Fair

Universiti Putra Malaysia,
Serdang, Selangor



13 April 2012

**Signing Ceremony of the
Corporate Integrity Oath
between Lembaga Tabung Haji
and its group of companies**

Bangunan Lembaga Tabung Haji,
Kuala Lumpur



25 April 2012

38th Annual General Meeting
Hotel Istana, Kuala Lumpur





15 May 2012

Perhimpunan Hari Pekerja 2012: THP's Ladang Bukit Lawiang and Ladang Gunung Sumalayang awarded "Anugerah Ladang Bahagia"

Malaysia Agro Exposition Park, Serdang, Selangor



28 August 2012

**2012 Hari Raya Aidilfitri
Open House**

Dewan Perdana Felda,
Kuala Lumpur





13 September 2012

Corporate Briefing & Dialogue Session on the Development of NCR Land
Hotel Grand Margherita, Kuching, Sarawak



4 October 2012

Signing Ceremony for the Sukuk Murabahah Programme
Bangunan TH Selborn, Kuala Lumpur



22-23 October 2012

Nusajaya Career Expo
Nusajaya, Johor Bahru, Johor



25 October 2012

**Signing Ceremony of the
Share Sale Agreement
between THP and
Weida (M) Bhd**
Bangunan TH Selborn,
Kuala Lumpur





12 November 2012

Extraordinary General Meeting

Hotel Istana, Kuala Lumpur



THE EDGE MALAYSIA

TH Plantations aims to be among big boys

Further plans to expand its operations in the United States, TH Plantations Berhad (THP) is looking to be among the big boys in the palm oil industry. The company is targeting a market cap of RM1 billion by 2015, according to its CEO, Datuk Seri Dr. Lim Guan Eng.

Lim Guan Eng, THP's CEO, said the company is targeting a market cap of RM1 billion by 2015, according to its CEO, Datuk Seri Dr. Lim Guan Eng. He said the company is targeting a market cap of RM1 billion by 2015, according to its CEO, Datuk Seri Dr. Lim Guan Eng.

Lim Guan Eng, THP's CEO, said the company is targeting a market cap of RM1 billion by 2015, according to its CEO, Datuk Seri Dr. Lim Guan Eng. He said the company is targeting a market cap of RM1 billion by 2015, according to its CEO, Datuk Seri Dr. Lim Guan Eng.

Planter will try to maintain 50% dividend payout

THP is targeting a market cap of RM1 billion by 2015, according to its CEO, Datuk Seri Dr. Lim Guan Eng. He said the company is targeting a market cap of RM1 billion by 2015, according to its CEO, Datuk Seri Dr. Lim Guan Eng.

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TH Plantations pays RM254.58 per for two weeks palm oil
THP is targeting a market cap of RM1 billion by 2015, according to its CEO, Datuk Seri Dr. Lim Guan Eng. He said the company is targeting a market cap of RM1 billion by 2015, according to its CEO, Datuk Seri Dr. Lim Guan Eng.

BUSINESS TIMES

NEW STRAITS TIMES

BRITISH

TH Plantations sees healthy growth with land purchases

KUALA LUMPUR: TH Plantations Bhd is poised for a stronger balance sheet for future growth with the completion of its acquisition of two companies, which collectively own 11,424ha of land.

TH Plantations, the plantation arm of Lembaga Tabung Haji, primarily engages in the business of oil palm plantations here.

Maybank Investment Bank Research said the acquisition is expected to be completed by the fourth quarter of this year.

Investors' perception may be slightly negative, given the potential earnings per share dilution of 8.2 per cent.

Over time, we believe TH Plantations will be re-rated, given its new plantation size of about 88,400ha, making it one of the largest players in Malaysia," Maybank Investment Bank Research said in a research note.

Post-acquisition, its gross gearing would remain healthy and conducive for growth, at 22 per cent, it said.

"We estimate the proposed acquisitions to add RM33.5 million to TH Plantations' bottomline," the research house added. **Bernie ONG**

TH eyes 20,000ha land in Sarawak, East Kalimantan

PLANTATION NEWS Group acquires 10,000ha of land in Sarawak and East Kalimantan

TH Plantations Bhd is eyeing 20,000ha of land in Sarawak and East Kalimantan, according to a report by Maybank Investment Bank Research.

The report said that TH Plantations is planning to acquire 10,000ha of land in Sarawak and 10,000ha in East Kalimantan. The acquisition is expected to be completed by the fourth quarter of this year.



THP investors approve plan to buy more land from parent

THP investors have approved a plan to buy more land from parent TH Plantations Bhd. The plan is expected to be completed by the fourth quarter of this year.



THP to neutralise dilutive effect in 2015

a CEO: EPS will be diluted for the first five years. After that, earnings will become better as revenues increase

THP CEO said that the company's earnings per share (EPS) will be diluted for the first five years after the IPO. However, after that, earnings will become better as revenues increase.

The CEO also mentioned that the company's revenue will increase significantly after the IPO. This is due to the company's expansion into new markets and the acquisition of new land.

THP's management team is confident that the company's long-term growth prospects are strong. They believe that the company's revenue will continue to grow at a steady pace over the next several years.



TH Plantations to complete estate buys in three months

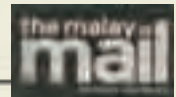
TH Plantations Bhd is expected to complete its estate purchases within the next three months. The company has already acquired several large tracts of land in Sarawak and East Kalimantan.

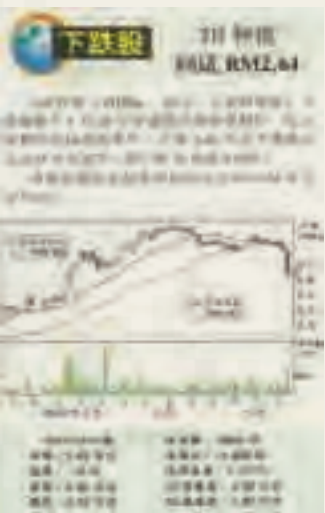
The company's management team is confident that the acquisition process will be completed smoothly. They believe that the new land will significantly increase the company's plantation size and revenue.

RM725 million for palm oil capex

THP's management team has announced that the company will spend RM725 million on capital expenditure (capex) for its palm oil plantation expansion. This includes the acquisition of new land and the construction of new processing facilities.

The company's management team is confident that the capex will be well-utilized and will result in significant long-term growth for the company. They believe that the new land and facilities will increase the company's production capacity and revenue.





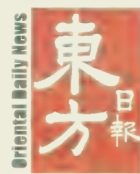
未来4年投7.25亿 TH种植 擴充資本開支

TH 种植 4 年投 7.25 亿 擴充資本開支

TH 种植 4 年投 7.25 亿 擴充資本開支

TH 种植 4 年投 7.25 亿 擴充資本開支

TH 种植 4 年投 7.25 亿 擴充資本開支



TH 擴大地庫 晉升中型種植公司

TH 擴大地庫 晉升中型種植公司



TH 擴大地庫 晉升中型種植公司

TH 擴大地庫 晉升中型種植公司

星洲日報

SIN CHEW DAILY



TH Plantations ripe for re-rating

Investment Analysts
Optimistic About the Edge
Optimistic About the Edge
Optimistic About the Edge

TH Plantations Berhad (THP) is ripe for re-rating, according to investment analysts, as the company's financial performance improves and its operations expand. Analysts note that the company's strong growth and diversification into new markets, such as Sarawak, have significantly enhanced its value proposition. The company's focus on sustainable forestry practices and its commitment to social and environmental responsibility are also seen as key drivers of its long-term success.



THP's operations are well-positioned to benefit from the growing demand for palm oil and other agricultural products. The company's strategic investments in land acquisition and infrastructure development are expected to further drive its growth. Analysts believe that THP's strong financial performance and expanding operations make it a compelling investment opportunity for investors looking for long-term growth in the natural resources sector.

TH Plantations seeks more land

THP is actively seeking additional land for its operations, particularly in Sarawak. The company's land bank is a key asset, and expanding it will allow THP to increase its production capacity and diversify its operations. The company is currently in discussions with various stakeholders regarding land acquisition and is committed to ensuring that all acquisitions are done in a transparent and sustainable manner.

The company's focus on land acquisition is a strategic move to support its long-term growth plans. By expanding its land bank, THP can ensure a steady supply of raw materials for its operations, which is essential for maintaining its competitive edge in the market. The company's commitment to sustainable land management practices is also a key factor in its land acquisition strategy.

TH Plantations acquires more land from Sarawak

THP has successfully acquired additional land in Sarawak, further expanding its land bank. This acquisition is a significant milestone for the company, as it allows THP to increase its production capacity and diversify its operations. The company is committed to ensuring that all land acquisitions are done in a transparent and sustainable manner, and it is pleased with the progress made in this regard.



LTH unit gets green light to expand operations in Sabah

The LTH unit has received approval to expand its operations in Sabah. This expansion is a key part of the company's growth strategy and will allow the unit to increase its production capacity and diversify its operations. The company is committed to ensuring that all operations are conducted in a sustainable and responsible manner.



The expansion in Sabah is expected to drive significant growth for the LTH unit and contribute to the overall success of the company. The company's focus on sustainable land management and its commitment to social and environmental responsibility are key factors in its expansion strategy.

TH Plantations to buy land in Sarawak for RM255mil

THP is planning to acquire additional land in Sarawak for a total value of RM255 million. This acquisition is a key part of the company's growth strategy and will allow THP to increase its production capacity and diversify its operations. The company is committed to ensuring that all land acquisitions are done in a transparent and sustainable manner.

The proposed acquisition would also improve the age profile of THP's plantation palms, as the plantation lands to be acquired consist of a mixture of immature and young mature palms. This acquisition is expected to drive significant growth for the company and contribute to its overall success.

The acquisition is a strategic move to support THP's long-term growth plans. By expanding its land bank, THP can ensure a steady supply of raw materials for its operations, which is essential for maintaining its competitive edge in the market. The company's commitment to sustainable land management practices is also a key factor in its acquisition strategy.

The acquisition is expected to drive significant growth for the company and contribute to its overall success. The company's focus on sustainable land management and its commitment to social and environmental responsibility are key factors in its acquisition strategy.



TH Plantations to complete land deal in Q3

THP is expected to complete its land deal in the third quarter of the year. This deal is a key part of the company's growth strategy and will allow THP to increase its production capacity and diversify its operations. The company is committed to ensuring that all land acquisitions are done in a transparent and sustainable manner.

The completion of the land deal is a significant milestone for the company, as it allows THP to increase its production capacity and diversify its operations. The company is committed to ensuring that all land acquisitions are done in a transparent and sustainable manner.

The completion of the land deal is expected to drive significant growth for the company and contribute to its overall success. The company's focus on sustainable land management and its commitment to social and environmental responsibility are key factors in its acquisition strategy.

The Malaysian Reserve

IN ASSOCIATION WITH
International Herald Tribune
THE GLOBAL ECONOMIC TIMES NEWSPAPER

TH Plantation to focus RM725m on planting, maintenance of land

Company to continue landbank expansion in the next 12 months, focusing on planting, maintenance and harvesting

Malaysia
TH Plantations Berhad (THP) is set to continue its landbank expansion in the next 12 months, focusing on planting, maintenance and harvesting. The company's chief executive officer (CEO) Tan Sri Dr Abdul Samad Alix, chairman Tan Sri Dr Yusof Kadir, and chief financial officer (CFO) Mohamed Azman Shah Ishak, are seen in a meeting discussing the company's strategy.



THP is set to continue its landbank expansion in the next 12 months, focusing on planting, maintenance and harvesting. The company's chief executive officer (CEO) Tan Sri Dr Abdul Samad Alix, chairman Tan Sri Dr Yusof Kadir, and chief financial officer (CFO) Mohamed Azman Shah Ishak, are seen in a meeting discussing the company's strategy.

TH Plantations to spend RM90m to acquire more landbank

Company to continue landbank expansion in the next 12 months, focusing on planting, maintenance and harvesting



THP is set to continue its landbank expansion in the next 12 months, focusing on planting, maintenance and harvesting. The company's chief executive officer (CEO) Tan Sri Dr Abdul Samad Alix, chairman Tan Sri Dr Yusof Kadir, and chief financial officer (CFO) Mohamed Azman Shah Ishak, are seen in a meeting discussing the company's strategy.



AMBITIOUS EXPANSION PLAN TH Plantations Berhad plans to spend RM90m to acquire landbank in Indonesia and Sarawak to transform itself into a medium-sized plantation company within this year, according to its chief executive officer and executive director (ED) Datuk Zakaria Azwar Zakaria Amhuddin, (left) TH Plantations CEO Tan Sri Dr Abdul Samad Alix, chairman Tan Sri Dr Yusof Kadir, Zainal Azwar and chief financial officer Mohamed Azman Shah Ishak at the company's annual general meeting in Kuala Lumpur. SEE P5



TH Plantations tambah aset

Tahun RM90.32j beli 19,780 hektar ladang sawit di Sumatera, Kalimantan

Selama tahun 2012, TH Plantations Berhad telah menambah aset ladang sawitnya dengan membeli 19,780 hektar di Sumatera dan Kalimantan. Jumlah ini merupakan peningkatan berbanding dengan pembelian 15,000 hektar pada tahun 2011. Nilai pembelian ini berjumlah RM90.32 juta.



TH Plantations Berhad telah menambah aset ladang sawitnya dengan membeli 19,780 hektar di Sumatera dan Kalimantan.

TH Plantations Berhad telah menambah aset ladang sawitnya dengan membeli 19,780 hektar di Sumatera dan Kalimantan. Jumlah ini merupakan peningkatan berbanding dengan pembelian 15,000 hektar pada tahun 2011. Nilai pembelian ini berjumlah RM90.32 juta.



Bajet besar THP

TH Plantations Berhad telah mengumumkan bajet besar untuk tahun 2013. Bajet ini merangkumi pembelian aset ladang sawit yang bernilai RM90.32 juta. TH Plantations Berhad juga mengumumkan bahawa ia akan menambah aset ladang sawitnya dengan membeli 19,780 hektar di Sumatera dan Kalimantan.



TH Plantations peruntuk RM725j perluas operasi

TH Plantations Berhad telah mengumumkan bahawa ia akan menambah aset ladang sawitnya dengan membeli 19,780 hektar di Sumatera dan Kalimantan. Jumlah ini merupakan peningkatan berbanding dengan pembelian 15,000 hektar pada tahun 2011. Nilai pembelian ini berjumlah RM90.32 juta.



TH Plantations kukuhkan kupes 'kera-kera'



TH Plantations gandakan pemilikan tanah

TH Plantations Berhad telah mengumumkan bahawa ia akan menambah aset ladang sawitnya dengan membeli 19,780 hektar di Sumatera dan Kalimantan. Jumlah ini merupakan peningkatan berbanding dengan pembelian 15,000 hektar pada tahun 2011. Nilai pembelian ini berjumlah RM90.32 juta.



TH Plantations kukuhkan kupes 'kera-kera'

TH Plantations Berhad telah mengumumkan bahawa ia akan menambah aset ladang sawitnya dengan membeli 19,780 hektar di Sumatera dan Kalimantan. Jumlah ini merupakan peningkatan berbanding dengan pembelian 15,000 hektar pada tahun 2011. Nilai pembelian ini berjumlah RM90.32 juta.



THP peruntuk RM725 juta

TH Plantations Berhad telah mengumumkan bahawa ia akan menambah aset ladang sawitnya dengan membeli 19,780 hektar di Sumatera dan Kalimantan. Jumlah ini merupakan peningkatan berbanding dengan pembelian 15,000 hektar pada tahun 2011. Nilai pembelian ini berjumlah RM90.32 juta.



TH Plantations Berhad telah mengumumkan bahawa ia akan menambah aset ladang sawitnya dengan membeli 19,780 hektar di Sumatera dan Kalimantan. Jumlah ini merupakan peningkatan berbanding dengan pembelian 15,000 hektar pada tahun 2011. Nilai pembelian ini berjumlah RM90.32 juta.



THP terima bidaan untuk AIA dan perolehan Tahang Hill

TH Plantations Berhad telah mengumumkan bahawa ia akan menambah aset ladang sawitnya dengan membeli 19,780 hektar di Sumatera dan Kalimantan. Jumlah ini merupakan peningkatan berbanding dengan pembelian 15,000 hektar pada tahun 2011. Nilai pembelian ini berjumlah RM90.32 juta.

TH Plantations beli tanah perladangan

TH Plantations Berhad telah mengumumkan bahawa ia akan menambah aset ladang sawitnya dengan membeli 19,780 hektar di Sumatera dan Kalimantan. Jumlah ini merupakan peningkatan berbanding dengan pembelian 15,000 hektar pada tahun 2011. Nilai pembelian ini berjumlah RM90.32 juta.

THP beli tanah RM92 juta

TH Plantations Berhad telah mengumumkan bahawa ia akan menambah aset ladang sawitnya dengan membeli 19,780 hektar di Sumatera dan Kalimantan. Jumlah ini merupakan peningkatan berbanding dengan pembelian 15,000 hektar pada tahun 2011. Nilai pembelian ini berjumlah RM90.32 juta.





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Price RM2.81
Fair Value RM3.25
52-week High/Low RM2.59/RM1.85

Key Changes
Fair value Unchanged
EPS Unchanged

YE to Dec	FY11	FY12F	FY13F	FY14F
Revenue (RMmil)	434.8	482.3	496.4	517.0
Net Profit (RMmil)	124.8	131.2	135.6	139.6
EPS (sen)	24.5	25.8	26.6	27.4
EPS growth (%)	33.8	5.1	3.3	2.7
Consensus net (RMmil)	115.5	106.2	112.1	112.1
DPS (sen)	12.5	13.0	14.0	15.0
PE (x)	11.5	10.9	10.5	10.3
EV/EBITDA (x)	6.4	5.5	5.2	4.8
Div yield (%)	4.4	4.6	5.0	5.3
ROE (%)	21.9	20.0	19.8	17.8
Net Gearing (%)	na	na	na	na

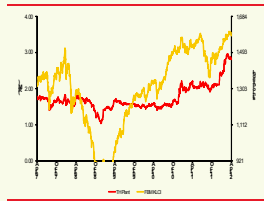
Stock and Financial Data

Shares Outstanding (million) 509.1
Market Cap (RMmil) 1,430.6
Book value (RM/share) 1.23
P/BV (x) 2.3
ROE (%) 21.9
Net Gearing (%) na

Major Shareholders
Lembaga Tabung Haji (64.8%)
EPF (4.3%)

Free Float (%) 35.2
Avg Daily Volume (RMmil) 2.7

Price performance	3mth	6mth	12mth
Absolute (%)	+19.1	+37.1	+28.9
Relative (%)	+14.7	+25.8	+24.2



PP 12247/06/2012 (030106)

PLANTATION
TH PLANTATIONS
(THP.MK, THPB.KL) 25 April 2012

Squeeze in operating margin in 1QFY12

BUY
(Maintained)

Rationale for report: Company Result

Investment Highlights

- TH Plantations Bhd (THP) is the first plantation company under our stock universe to release its 1QFY12 financial results. At first glance, THP's 1QFY12 results were below expectations.
- However, we expect THP to realise a higher average CPO price in the remaining months of the year, which should improve the group's profitability in the coming financial quarters. Also, first quarter of the financial year is usually the weakest quarter for THP.
- THP's net profit declined 40.2% YoY to RM13mil in 1QFY12 due to higher costs of production.
- THP's costs of production rose on the back of higher amount of fertiliser applied and an increase in labour costs.
- As a result, THP's production costs (excluding depreciation) climbed from RM1,252/tonne in 1QFY11 to RM1,624/tonne in 1QFY12.
- According to Bursa Announcement, THP achieved 25% of the annual fertiliser budgeted for FY12F in 1QFY12 compared to 21% in 1QFY11. Due to heavy rains, fertiliser could not be fully applied in 1QFY11. We believe that fertiliser costs had also risen 15% to 20% YoY in 1QFY12.
- Going forward, we reckon that operating margins would improve in 2HFY12 as most of the fertiliser would have already been applied in 1HFY12. Also according to Bloomberg, average CPO price was RM3,313/tonne year-to-date.
- THP's revenue rose 26.6% YoY to RM95mil in 1QFY12 as an increase in the volume of CPO production helped compensate for lower average CPO price realised. Recall that CPO prices were surging to almost RM3,900/tonne in 1QFY11.
- THP's FFB production improved 7.6% YoY to 104,391 tonnes in 1QFY12. However, CPO production expanded 22.9% YoY to 22,606 tonnes in 1QFY12 due to higher FFB purchases from external parties.
- The double-digit YoY jump in CPO production in 1QFY12 helped offset an 11.4% decline in average CPO price realised. THP realised an average CPO price of RM3,076/tonne in 1QFY12 compared to RM3,471/tonne in 1QFY11.



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Price RM2.42
Fair Value RM3.10
52-week High/Low RM2.59/RM1.85

Key Changes
Fair value Up
EPS Up

YE to Dec	FY11	FY12F	FY13F	FY14F
Revenue (RMmil)	434.8	474.2	522.5	543.1
Net Profit (RMmil)	124.8	95.9	126.9	131.1
EPS (sen)	24.5	19.0	24.9	25.9
EPS growth (%)	33.8	-22.4	31.0	2.4
Consensus net (RMmil)	6.0	121.0	127.0	131.7
DPS (sen)	12.5	13.0	14.0	15.0
PE (x)	8.9	12.7	9.7	9.5
EV/EBITDA (x)	5.5	5.9	4.7	4.5
Div yield (%)	6.2	5.4	5.8	6.2
ROE (%)	21.9	15.1	16.6	17.7
Net Gearing (%)	na	na	na	na

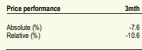
Stock and Financial Data

Shares Outstanding (million) 509.1
Market Cap (RMmil) 1,222.0
Book value (RM/share) 1.23
P/BV (x) 2.3
ROE (%) 21.9
Net Gearing (%) na

Major Shareholders
Lembaga Tabung Haji (63.7%)
EPF (7.2%)

Free Float (%) 40.3
Avg Daily Volume (RMmil) 1.7

Price performance	3mth	6mth	12mth
Absolute (%)	-7.6	-0.8	+11.0
Relative (%)	-10.6	-6.7	+4.9



- TH Plantations Bhd's (THP) 1HFY12 results were below expectations due to an increase in production costs, resulting from a climb in labour and fertiliser costs.
- THP's cost of production was an estimated RM1,246/tonne (after factoring in PK credit) in 1HFY12. This was 16.8% higher than the operating cost of RM1,067/tonne recorded in 1HFY11.
- We have cut THP's FY12F net profit by 26% to account for the erosion in operating margins. Our new fair value for THP is RM3.50/share (versus RM3.25/share previously), based on an FY13F PE of 12x.
- There are a few takeaways from THP's 20FY12 results. First, its net profit was 52.2% higher QoQ. This was contrary to expectations that the group's 20FY12 results would be flat or weaker compared to 1QFY12.
- The QoQ jump in net profit was underpinned by a low effective tax rate of 6.2% in 20FY12 versus 37.2% in 1QFY12. THP attributed the decline in effective tax rate to an increase in capital allowances.
- At the pre-tax profit level, THP's earnings were relatively flat QoQ. Gross profit margin was unchanged at 40.8%.
- Second, THP's CPO production grew 2.4% YoY in 1HFY12. In spite of a 5.4% YoY fall in FFB production in 1HFY12, THP managed to record an improvement in CPO output due to a higher amount of FFB purchases. FFB purchases surged 7.2% from RM3,351/tonne in 1HFY11 to 42,979 tonnes in 1HFY12.
- Due to the increase in CPO production and sales, THP's revenue inched up 3.5% YoY to RM194.4mil in 1HFY12. In terms of selling prices, THP's average CPO price realised shrank 7.2% from RM3,351/tonne in 1HFY11 to RM3,106/tonne in 1HFY12.
- Third, and interestingly, THP indicated that the cost to control pest and disease was marginally higher YoY in 20FY12 due to the Trithabax infestation (fruits infested by Trithabax moth) in Sarawak and Engawm outbreak in Pahang.
- Going forward, THP would benefit from the acquisition of 25,490ha of oil palm estates in the long term. This is due to the young age of the oil palm trees of one to 14 years old. The acquisition is expected to be completed in 4QFY12.



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AmWatch

25 July 2012



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Price RM2.81
Fair Value RM3.25
52-week High/Low RM2.59/RM1.85

Key Changes
Fair value Unchanged
EPS Unchanged

YE to Dec	FY11	FY12F	FY13F	FY14F
Revenue (RMmil)	434.8	482.3	496.4	517.0
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EPS growth (%)	33.8	5.1	3.3	2.7
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DPS (sen)	12.5	13.0	14.0	15.0
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EV/EBITDA (x)	6.4	5.5	5.2	4.8
Div yield (%)	4.4	4.6	5.0	5.3
ROE (%)	21.9	20.0	19.8	17.8
Net Gearing (%)	na	na	na	na

Stock and Financial Data

Shares Outstanding (million) 509.1
Market Cap (RMmil) 1,430.6
Book value (RM/share) 1.23
P/BV (x) 2.3
ROE (%) 21.9
Net Gearing (%) na

Major Shareholders
Lembaga Tabung Haji (64.8%)
EPF (4.3%)

Free Float (%) 35.2
Avg Daily Volume (RMmil) 2.7

Price performance	3mth	6mth	12mth
Absolute (%)	+19.1	+37.1	+28.9
Relative (%)	+14.7	+25.8	+24.2



PP 12247/06/2012 (030106)

PLANTATION
TH PLANTATIONS
(THP.MK, THPB.KL) 25 July 2012

Acquires landbank from Lembaga Tabung Haji

BUY
(Maintained)

Rationale for report: Company Result

Investment Highlights

- TH Plantations Bhd (THP) has proposed to acquire two companies from Lembaga Tabung Haji for RM935.6mil via the issuance of 209,391 new shares at RM2.56/share.
- The two companies own palm oil landbank measuring 28,490ha as well as 16,714ha of rubber and teak landbank. One of the companies also owns a 69 farms per hour palm oil mill.
- About 24,312ha of the acquired palm oil landbank is located in Sarawak, and another 1,178ha in Terengganu. The teak and rubber landbank is located in Sabah.
- Most of the oil palm trees in Sarawak are young at between one and 14 years old.
- Although earnings contributions are not expected to be significant due to the EPS dilution resulting from the increase in the number of shares, we are of the view that THP will benefit from the acquisitions.
- The acquisitions would increase THP's total landbank from 44,932ha to more than 68,000ha. In addition, THP's planted areas would rise from 38,154ha to 57,407ha. Comparing on the basis of the size of landbank in Malaysia, THP would be larger than Kulim Bhd's estimated 54,000ha and Sarawak Oil Palm Bhd's 72,633ha.
- We estimate that the acquisitions would improve THP's FY13F EPS marginally. The number of THP shares would rise 4% from 517ml to 527ml. Lembaga Tabung Haji's shareholding in THP would increase from 64.8% to 70.7%. The proposed acquisitions are targeted for completion in 4QFY12.
- The acquisition cost of RM935.6mil implies a PE of 15.7x on the acquired company's FY11 earnings. The other company, which would be acquired, recorded a small net loss of RM1.7mil in FY11.
- Indicative of borrowings but disregarding the cash and palm oil mill, the acquisition cost of RM935.6mil also implies a market value of about RM25,000/ha on the palm oil landbank.
- We believe this to be fair. In March 2012, Tradewinds Plantation bought 10,000ha land in Sabah from Tradewinds (M) Bhd at RM21,618/ha while in November 2011, THP acquired 8,024ha of newly gazetted land in Sarawak from Sawit Green Plantation at RM13,120/ha.
- According to the Bursa Announcement, professional valuers had valued the acquired companies' landbank at RM158. This implies that THP is buying the landbank at 52% below the market value.

BURSA MALAYSIA

KLCI 1,632.57 (3.60)
52-week Range 1,310.53 - 1,647.54
Mkt Cap (RMbil) 1,397.73
Daily Volume (in shares) 888.22
Daily Value (RMbil) 1,606.16

TOP 5 GAINERS

Company	Closing Price (RM)	Chg (RM)
BAT	61.00	2.58
DGL	1.32	0.23
FEN	18.50	0.22
JAMPS	4.80	0.20
BRANAM	18.50	0.18

TOP 5 LOSERS

Company	Closing Price (RM)	Chg (RM)
NESTLE	59.02	-0.88
TASEX	9.50	-0.38
PPB	15.20	-0.30
KELK	22.70	-0.28
PHARMA	6.52	-0.25

REGIONAL MARKETS

Market	Index	1D	YTD
KLCI	1,632.6	-0.2%	6.7%
Singapore	2,966.4	0.5%	13.3%
Thailand	1,187.6	0.2%	15.8%
Philippines	6,159.7	0.4%	17.3%
Indonesia	3,992.1	-0.4%	4.8%
Hong Kong	16,903.2	-0.8%	2.5%
Korea	1,793.9	0.3%	-1.7%
Taiwan	7,203.4	-0.5%	0.6%
Japan	6,688.1	-0.2%	0.4%
Dow Jones	12,817.3	-0.6%	3.3%
Nasdaq	2,963.0	-0.9%	9.9%

ECONOMIC STATISTICS

Comd	1D	YTD	
RMUSD	3.1789	-0.2%	0.0%
OPR (%)	3.0	0.0%	0.0%
BLR (%)	6.6	0.0%	0.0%
WTSEX crude oil			
US spot (USD/barrel)	88.28	0.4%	-10.7%
CPO spot price (RM/tonne)	2,547	-1.7%	-7.0%

PP12260/06/2011(032378)

STOCK FOCUS OF THE DAY

TH Plantations : Acquires landbank from Lembaga Tabung Haji Buy

TH Plantations Bhd (THP) has proposed to acquire two companies from Lembaga Tabung Haji for RM935.6mil via the issuance of 209,391 new shares at RM2.56/share. The two companies own palm oil landbank measuring 28,490ha as well as 16,714ha of rubber and teak landbank. One of the companies also owns a 69 farms per hour palm oil mill. About 24,312ha of the acquired palm oil landbank is located in Sarawak, and another 1,178ha in Terengganu. The teak and rubber landbank is located in Sabah. Most of the oil palm trees in Sarawak are young at between one and 14 years old. The acquisitions would increase THP's total landbank from 44,932ha to more than 68,000ha. In addition, THP's planted areas would rise from 38,154ha to 57,407ha. Comparing on the basis of the size of landbank in Malaysia, THP would be larger than Kulim Bhd's estimated 54,000ha and Sarawak Oil Palm Bhd's 72,633ha. We estimate that the acquisitions would improve THP's FY13F EPS marginally. The number of THP shares would rise 4% from 517ml to 527ml. Lembaga Tabung Haji's shareholding in THP would increase from 64.8% to 70.7%. The proposed acquisitions are targeted for completion in 4QFY12.

NEWS HIGHLIGHTS

Asiata Group : Celcom completes purchase of DMSB Aviation Sector : Airlines' deal still on MYCC radar: Steel Sector : M&P, Myiron Steel raise concerns

Equity Beat

06 August 2012 | 20F12 Results Review

TH Plantation

Lower on-year earnings amidst weak production year

Maintain NEUTRAL
Unchanged Target Price (TP): RM2.40

INVESTMENT HIGHLIGHTS

- Earnings in-line with our expectation.** TH Plantation's earnings of RM36.3m in 1H12 (-32.8%YoY) kept pace with our previously lowered expectation, representing 44% of our full year forecast. However, by comparing with the consensus, TH Plantation's earnings came in below expectation, accounting for only 30% of total year forecast.
- Earnings improved on sequential basis.** Earnings in 2Q12 (RM22.2m) grew stronger at 77.7%QoQ attributable to lower tax rate resulted from higher capital allowance available compared to that of the preceding quarter. The increase in earnings was also supported by higher CPO output but nonetheless the effect was moderated by subdued CPO prices in 2Q12.
- But on-year performance was underwhelming.** However, earnings in 2Q12 declined by 27.8%YoY. This was by reason of lower on-year CPO production due to higher base effect from the bumper crop last year. In addition, higher cost from product depressed margin.
- Higher cost from yield enhancement plan.** TH Plantation incurred substantially higher cost of production in 2Q12 as a result of the yield enhancement plan. The manufacturing rate increased by RM1.28m (+14%YoY) due to increase in dosage applied and higher fertilizer cost. However, pest and disease cost were also higher by RM0.87m (+152%YoY) due to Tranzhaha infection in Sarawak and Bapemom outbreak in Pahang.
- Earnings are expected to remain subdued.** We do not expect TH Plantation's earnings in 2H12 to increase rapidly as CPO prices is expected to remain subdued. We also believe the on-going yield enhancement plan will continue to drag margins within these two years.

RETURN STATS	
Price (3 Aug 12)	RM2.42
Target Price	RM2.40
Expected Share Price Return	-0.83%
Expected Dividend Yield	+2.93%
Expected Total Return	1.47%

STOCK INFO	
KLCI	1,639.15
Bursa / Bloomberg	THPL.MK
Board / Sector	Manv / Plantation
Special Dividend	Yes
Issued shares (mil)	517.3m
Par Value (RM)	0.50
Market cap (RMm)	1,252.59
Price over NA	1.85x
52-wk price range	RM1.85 - RM2.99
Beta (against KLCI)	0.67
3-mth Avg Daily Vol	68,427
3-mth Avg Daily Value	RM1.67m
Major Shareholders	
Lembaga Tabung Haji	58.55%
EPF	8.25%

Equity Beat

28 July 2012 | Corporate Update

TH Plantation

Doubled its landbank!

Upgrade to NEUTRAL
From Trading Buy
Revised Target Price (TP): RM2.42
(From RM2.12)

INVESTMENT HIGHLIGHTS

- Acquired Tabung Haji estates.** TH Plantation announced that it acquired the offer from Lembaga Tabung Haji (LTH) to acquire 100% equity stake in TH Ladang (Sabah & Sarawak) Sdn Bhd and (ii) 70% equity stake in TH Baka Sdn Bhd, for a total consideration of RM62.54m. This acquisition will be done via the issuance of 209,23m of TH Plantation shares at RM2.96 per share.
- Doubled its landbank.** This acquisition will enlarge TH Plantation's total landbank by 102% to 90,671ha, plus a mB with timber capacity. Out of the total 45,738ha landbank acquired, 63.7% or 24,566ha is planted with oil palm. Hence the acquisition will also increase TH Plantation's total planted areas by 59.4% to 57,407ha.
- Strategic acquisition at a cheaper price.** We view the price tag of RM62.54m which translates into RM12,000 per ha as inexpensive vis-à-vis prevailing market price of RM15,000ha to RM20,000ha for developed estates.
- Immediate earnings impact.** Currently, 53% of the acquired estates comprise of immature trees while the remaining is still at young mature stage, aged between 4 years to 14 years old. We expect positive earnings contribution to TH Plantation arising by 43% and will result in earnings dilution moving forward.
- Earnings Dilution.** The issuance of new shares at RM2.96 per share is deemed reasonable as (i) it reflects TH Plantation's acquisition earnings potential, and (ii) the price is in line with prevailing market valuation. Nonetheless the issuance of the new shares will increase the total number of TH Plantation shares by 43% and will result in earnings dilution moving forward.
- Upgrade to NEUTRAL with higher TP.** We upgrade TH Plantation to NEUTRAL from TRADING BUY with a higher TP of RM2.42. We rebase our valuation and apply higher PE multiple of 16x EPS13 (previously 13x) which is in-line with other medium-sized plantation stocks. Post-acquisition, TH Plantation has grown to be a medium-sized plantation hence warranted the higher PE valuation. We are positive on the long-term prospect of TH Plantation but nonetheless the dilution effect is expected to cause short-term pressure on the share price.

RETURN STATS	
Price (28 Jul 12)	RM2.51
Target Price	RM2.42
Expected Share Price Return	-4.38%
Expected Dividend Yield	+1.65%
Expected Total Return	-2.78%

STOCK INFO	
KLCI	1,632.57
Bursa / Bloomberg	THPL.MK
Board / Sector	Manv / Plantation
Special Dividend	Yes
Issued shares (mil)	517.3m
Par Value (RM)	0.50
Market cap (RMm)	1,268.5
Price over NA	2.24x
52-wk price range	RM1.85 - RM2.99
Beta (against KLCI)	0.66
3-mth Avg Daily Vol	88,058
3-mth Avg Daily Value	RM3.35m
Major Shareholders	
Lembaga Tabung Haji	58.25%
EPF	8.25%

BIMB SECURITIES RESEARCH MARKET INSIGHT

Thursday, 26 April, 2012

Result Review

TH Plantations

Below Hits by higher production costs

Price: RM2.55
Target Price: 1.70x=RM2.80

Stock Data	Current	1M	3M	6M	1Y
Market Cap (RMm)	1,268.5	1,268.5	1,268.5	1,268.5	1,268.5
52-week high	2.99	2.99	2.99	2.99	2.99
52-week low	1.85	1.85	1.85	1.85	1.85
Price/Share Value (RM)	2.42	2.42	2.42	2.42	2.42
Price/Earnings	16.0x	16.0x	16.0x	16.0x	16.0x
Price/Book Value	1.85x	1.85x	1.85x	1.85x	1.85x
Share Performance (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend Yield	1.65%	1.65%	1.65%	1.65%	1.65%

Company	2009	2010	2011	2012E	2013E
Revenue (RMm)	66.8	61.1	101.7	179.4	268.1
Net Profit (RMm)	10.2	6.4	40.4	42.4	46.7
EPS (RM)	19.7	12.4	78.1	82.0	90.1
Dividend (RM)	14.4	18.0	17.4	17.4	17.4
Dividend Yield (%)	72.6%	145.2%	22.3%	21.2%	19.3%
ROE (%)	18.2	12.0	21.0	21.0	20.0
EPS Growth (%)	12.1	12.0	532.3	4.8	10.9
Revenue Growth (%)	1.2	4.2	67.1	4.1	4.5
Net Profit Growth (%)	2.0	2.4	305.0	5.0	6.3
EPS Growth (%)	14.2	14.2	532.3	4.8	10.9
Revenue Growth (%)	1.2	4.2	67.1	4.1	4.5
Net Profit Growth (%)	2.0	2.4	305.0	5.0	6.3
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Company Update

Hold (unchanged)

Share price: MYR 51
Target price: MYR 45 (unchanged)

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Stock Information
Description: Medium sized pure oil palm plantation player
(Planted land 2010 = 37,79 ha)

Total Shares Issued (m)	517.3	THP MK
Market Cap (MYR m)	1,268.6	
3-mth Avg Daily Turnover (USD m)	1.66	
KLD	1,625.57	
Free float (%)	32.8	
Major Shareholders	%	
EMERCOM (28.02%)	88.8	
EPF	8.3	

Key Indicators

Net cash (debt) (MYR m)	(22.3)
NTA per (MYR)	1.26
Net gearing (%)	0.0

Historical Chart



Performance: 52-week High/Low: MYR 59/MYR 15

1-mth	3-mth	6-mth	1-yr	YTD	
Absolute (%)	8.7	(14.0)	25.5	16.2	18.4
Relative (%)	6.8	(17.6)	6.0	11.5	11.7

SEE APPENDIX I FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

TH Plantations
Re-Rating Catalyst?

Doubling of land bank to ~86,400 ha. THP is proposing to acquire two companies from its parent Lembaga Tabung Haji (LTH) that collectively own 41,420ha of land. The purchase price of MYR355.6m is to be paid via 209.23m new THP shares to LTH (+40.4% of existing share base). At 16x FY11 PER, the acquisition will dilute EPS by 8.2%. However, this may be offset by a re-rating, as THP doubles in size and has a stronger balance sheet for future growth. We maintain our HOLD call on THP for now with an unchanged TP of MYR42.45 on 11x FY13 PER.

Acquires landbank in Malaysia. THP is proposing to acquire from LTH a 100% equity stake in TH Ladang (Sabah & Sarawak) SB and 70% in TH Bakti SB, which collectively own 41,420ha of land in Malaysia. Of this, 23,598ha have been planted; 15,651ha (66%) with oil palm trees, 2,818ha (12%) with rubber and 5,129ha (22%) with teak. We estimate that the average age of the oil palm trees is 4.5 years, while the rubber and teak plantations are also young, ranging in age from 1-6 years. Its FFB production grew by ~43% in 2011.

Valuation is fair considering future growth. Based on the scanty details provided in the Bursa announcement, we gather that the deal prices the oil palm estates at an EV per planted hectare of MYR48.463 and a historical PER of 16x. Pricing is slightly above average, but justifiable, we believe, given the young palm trees. Such a young age profile is expected to result in strong future earnings growth amid double-digit FFB production growth. The acquisition will lift the average age of THP's oil palm trees to ~8 years, from ~11 years presently.

Positive for the medium term. Investors' perception may be slightly negative given the potential EPS dilution. That this is a related party transaction should not come as a total surprise, as THP has guided for such possibilities for many years now. Over time, we believe THP will be re-rated given its new plantation size of ~86,400ha, which makes it one of the largest planters in Malaysia. IPOOL acquisition, its gross gearing will remain healthy at 22%, conducive for growth.

TH Plantations - Summary Earnings Table

FYE Dec (MYR m)	2010A	2011A	2012F	2013F	2014F
Revenue	395.6	494.1	607.7	681.4	761.1
EBITDA	189.2	226.7	251.7	248.9	263.9
EBITDA (%)	47.8	45.9	41.4	36.5	34.7
Recurring Net Profit	89.5	124.8	116.0	113.7	124.1
Recurring Basic EPS (cents)	18.3	24.5	22.8	22.3	24.4
EPS growth (%)	68.3%	33.7%	(7.1%)	(2.0%)	15.7%
EPS (cents)	9.4	12.5	11.6	11.4	12.5
PER	13.7	10.2	11.0	11.2	10.3
EV/EBITDA (x)	6.2	5.6	6.3	6.1	4.6
Div Yield (%)	3.7	5.0	4.6	4.5	5.0
P/BV (x)	2.4	2.0	1.9	1.7	1.6
Net Gearing (%)	7.0	NA	7.0	NA	NA
ROCE (%)	18.5%	21.9%	17.8%	16.0%	16.2%
ROA (%)	8.7%	10.0%	9.1%	8.7%	8.1%
Consolidated Net Profit (MYR m)	na	na	121.3	127.3	132.0

Source: Maybank KE



Results Review

Hold (unchanged)

Share price: MYR 24
Target price: MYR 28 (MYR 42)

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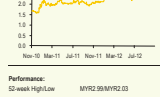
Stock Information
Description: Medium sized pure oil palm plantation player
(Planted land 2010 = 37,79 ha)

Total Shares Issued (m)	510	THP MK
Market Cap (MYR m)	1,216.1	
3-mth Avg Daily Turnover (USD m)	1.33	
KLD	1,634.40	
Free float (%)	31.5	
Major Shareholders	%	
EMERCOM (28.02%)	88.3	
EMPLOYEES PROVIDENT	8.1	

Key Indicators

Net cash (debt) (MYR m)	(187.1)
NTA per (MYR)	1.16
Net gearing (%)	0.2

Historical Chart



Performance: 52-week High/Low: MYR 29/MYR 10

1-mth	3-mth	6-mth	1-yr	YTD	
Absolute (%)	(0.7)	(7.8)	(14.0)	14.4	8.4
Relative (%)	(0.4)	(10.5)	(20.0)	(8.8)	1.0

SEE APPENDIX I FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

TH Plantations
Stocks Piled Up on Weak Sales

Results below expectations. 3Q12 net profit of MYR19m (-3% QoQ, -42% YoY) brings THP's 9M12 net profit to MYR52m (-40% YoY), accounting for 53% and 55% of our and consensus forecasts respectively. Results underperformed (although 9M12 FFB output is on track to meet our 2012 estimates) as CPO sales volume and ASP contracted sharply in 3Q12. We cut our FY12-14F earnings forecasts by 22%/75%/8% respectively, and lowered our TP to MYR28 (previously MYR42.45) based on an unchanged 1x 2013 PER. Maintain HOLD.

Weak CPO sales and ASP in 3Q12. THP's 3Q12 EBIT declined 17% QoQ (-55% YoY) to MYR22m. This is in stark contrast to its seasonally stronger FFB production that grew 26% QoQ (-3% YoY), as FFB was not fully monetised owing to lower CPO sales of 18,213 tonnes (20% QoQ, -35% YoY) in 3Q12. This resulted in a steep buildup of CPO inventories of 5,391 tonnes (+315% QoQ, +17% YoY). Weaker CPO ASP of MYR2,827/t (-10% QoQ, -6% YoY) further exacerbated the drop in earnings. However, the weak 3Q12 operational performance was mitigated by deferred tax assets (i.e. income recognition) of MYR0m.

Falling to maximise profits when it matters most. After weak H112 results on low FFB yields (due to tree stress), investors had anticipated a stronger 2H12 as production rebounded. But weak CPO demand (due to refiners' unwillingness to buy at market prices), coupled with a CPO price correction towards end-3Q12, took a toll on THP's 9M12 results. Its 9M12 EBIT fell 45% YoY on: (i) lower CPO sales of 62,570 tonnes (-5% YoY), (ii) lower CPO ASP at MYR3,025/t (-6% YoY), and (iii) higher-than-expected cost of production as manuring and pest and disease costs all rose, and on the imposition of higher minimum wages in 4Q11.

Equally challenging 4Q12. We expect CPO prices to stay low in Oct-Nov 2012 at MYR3,000-2,700/t in order to flush out Malaysia's excess inventory. Hence, we believe THP will have an equally challenging 4Q12. Therefore, we cut our FY12-14F net profit forecasts by 7-22% mainly on: (i) a lower 2012 CPO ASP assumption of MYR2,900/t (-8%, previously MYR3,150/t) and (ii) higher cost of production. Our 2013 CPO ASP assumption of MYR3,000/t remains unchanged.

TH Plantations - Summary Earnings Table

FYE (MYR m)	2010A	2011A	2012F	2013F	2014F
Revenue	395.6	494.1	607.7	681.4	761.1
EBITDA	189.2	226.7	251.7	248.9	263.9
Recurring Net Profit	89.5	124.8	116.0	113.7	124.1
Recurring Basic EPS (cents)	18.3	24.5	22.8	22.3	24.4
EPS growth (%)	68.3%	33.7%	(7.1%)	(2.0%)	15.7%
EPS (cents)	9.4	12.5	11.6	11.4	12.5
PER	13.7	10.2	11.0	11.2	10.3
EV/EBITDA (x)	6.2	5.6	6.3	6.1	4.6
Div Yield (%)	3.7	5.0	4.6	4.5	5.0
P/BV (x)	2.4	2.0	1.9	1.7	1.6
Net Gearing (%)	7.0	NA	7.0	NA	NA
ROCE (%)	18.5%	21.9%	17.8%	16.0%	16.2%
ROA (%)	8.7%	10.0%	9.1%	8.7%	8.1%
Consolidated Net Profit (MYR m)	na	na	121.3	127.3	132.0



TH Plantations

Below Dampened by low production cycle

Stock Data	THP MK	Altman Z score	3.42
Bloomberg Ticker	1.211	YTD price chg	10.38
Market Cap (RM/m)	517	YTD KLD chg	7.10
Issued shares (m)	2.99	Beta	0.66
52-week high	1.85	Major Shareholders	58.80%
52-week low	7.048	Lembaga Tabung Haji	58.80%
3-mth avg daily volume (DO)	32.88	EPF	8.23%
Free float	Y CMB Principal Asst	8.23%	
Shareholder Compliance			
Share Performance (%)	1-mth	3-mth	12-mth
Absolute	(6.02)	(10.69)	15.12
v. KLD	(7.11)	(13.66)	2.15

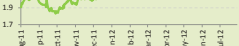
Financial Highlights

FYE 31 Dec	2010	2011	2012E	2013E	2014E
FFB Prod. (1000 mt)	461.9	513.8	485.1	673.7	703.0
Turnover	366.0	434.8	431.4	522.3	590.8
EBIT	152.3	184.4	138.0	206.1	235.2
Pretax profit	144.6	183.0	135.1	201.6	224.2
Net Profit	89.5	124.8	91.2	136.1	151.4
EPS (pen)	18.32	24.52	17.53	18.66	20.71
DPS (sen)	12.50	12.50	10.00	10.50	11.00
Div Yield (%)	5.34	5.34	4.27	4.49	4.70
NTA/share (RM)	1.05	1.23	1.66	2.34	2.45
PE Ratio	12.77	9.54	13.35	12.54	11.30
EBIT Margin	41.62%	42.41%	34.98%	39.46%	39.8%
Pretax Margin	39.50%	42.09%	31.33%	38.60%	37.93%
Effective tax rate	25.00%	18.17%	25.00%	25.00%	25.00%
ROE	18.50%	21.95%	14.17%	16.69%	11.56%
ROA	8.23%	10.60%	7.17%	7.69%	6.56%
Net Gearing (x)	0.05	N. Cash	0.03	0.10	0.12

Growth Ratios

Turnover	20.24%	18.82%	-0.79%	21.08%	13.11%
EBIT	99.28%	21.00%	-25.18%	-49.39%	10.0%
Pretax profit	103.85%	26.61%	-26.20%	-49.26%	11.23%
Net profit	66.30%	39.50%	-26.96%	-49.26%	11.23%

Share Price Chart



Ng Keat Yung
cl.yung@bimbsec.com.my
03-26918887 ext 181

Buy Price: RM2.34
Target Price: (+35.5%)RM3.17

Lower sales on lower production. For the Q212, TH Plantations (THPLANT) registered revenue of RM99.4m, which is 11.9% lower y-o-y. The decline was mainly due to lower sales volume of crude palm oil (CPO) and palm kernel (PK) coupled with lower average selling prices (ASP).

	2011	2012	%
CPO (tonne)	24,416	22,702	-7.02
PK (tonne)	6,312	5,761	-8.73
FFB (tonne)	16,371	19,872	21.39
ASP of CPO (RM/mt)	3,282	3,134	-4.51
ASP of PK (RM/mt)	2,526	1,907	-24.51
ASP of FFB (RM/mt)	623	568	-8.83

Higher production costs. Production costs were all higher namely manuring cost (+RM1.28m or +14%), pest and disease cost (+RM0.87m or 152%), and harvesting cost (+RM2.18m or +38%). The surge in total pest and disease cost was due to the outbreaks of Tirathaba infestation and Bagworm in Sarawak and Pahang respectively. Higher harvesting cost was due to incentive payment of RM200 per month for eligible workers in compliance with MAPA regulations. As a result, EBIT margins declined from 48.1% to 26.7% y-o-y.

Positive catalyst to PE multiple. Subsequent to the recent acquisition announcement, THPLANT's landbank size will be more than double to 90,671 hectares once the exercise is completed. The acquisition of PT Persada Kencana Prima (PKP) will push Group's total landbank size >100,000 hectares. Subsequently, THPLANT will become the 4th largest planter under our coverage overtaking ILM Plant. However, in term of P/E multiple, it is still lacking. Hence, we believe it will slowly but surely play catch up to ILM Plant's valuation of approximately 17.0x.

View and Valuation. We have revised downward our FFB production estimate by 11.3% for FY12 following the lower than expected production and outbreaks of pest and disease in THPLANT's estates. As such, net profit for FY12 is lowered by 18.1% due to the unexpected additional costs. However, the recent acquisition announcement is expected to boost its FY13 and FY14 results. By rolling over to FY13 EPS of 18.7 sen and a higher P/E ratio of 17.0x, we have derived a target price of RM3.17. Buy.



TH Plantations

Big acquisition in the pipeline

Stock Data	THP MK	Altman Z score	3.42
Bloomberg Ticker	1.211	YTD price chg	10.38
Market Cap (RM/m)	517	YTD KLD chg	7.10
Issued shares (m)	2.99	Beta	0.66
52-week high	1.85	Major Shareholders	58.80%
52-week low	7.048	Lembaga Tabung Haji	58.80%
3-mth avg daily volume (DO)	32.88	EPF	8.23%
Free float	Y CMB Principal Asst	8.23%	
Shareholder Compliance			
Share Performance (%)	1-mth	3-mth	12-mth
Absolute	(6.02)	(10.69)	15.12
v. KLD	(7.11)	(13.66)	2.15

Financial Highlights

FYE 31 Dec	2010	2011	2012E	2013E	2014E
FFB Prod. (1000 mt)	461.9	513.8	485.1	673.7	703.0
Turnover	366.0	434.8	431.4	522.3	590.8
EBIT	152.3	184.4	138.0	206.1	235.2
Pretax profit	144.6	183.0	135.1	201.6	224.2
Net Profit	89.5	124.8	91.2	136.1	151.4
EPS (pen)	18.32	24.52	17.53	18.66	20.71
DPS (sen)	12.50	12.50	10.00	10.50	11.00
Div Yield (%)	5.34	5.34	4.27	4.49	4.70
NTA/share (RM)	1.05	1.23	1.66	2.34	2.45
PE Ratio	12.77	9.54	13.35	12.54	11.30
EBIT Margin	41.62%	42.41%	34.98%	39.46%	39.8%
Pretax Margin	39.50%	42.09%	31.33%	38.60%	37.93%
Effective tax rate	25.00%	18.17%	25.00%	25.00%	25.00%
ROE	18.50%	21.95%	14.17%	16.69%	11.56%
ROA	8.23%	10.60%	7.17%	7.69%	6.56%
Net Gearing (x)	0.05	N. Cash	0.03	0.10	0.12

Growth Ratios

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Share Price Chart



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03-26918887 ext 181

Buy Price: RM2.51
Target Price: (+11.6%)RM2.80

Offer accepted. TH Plantations (THPLANT) announced that it has accepted an offer from its major shareholder, Lembaga Tabung Haji (LTH), for the proposed acquisition of the entire equity interest in TH Ladang (Sabah & Sarawak) S/B and 70% equity interest in TH Bakti S/B for an aggregate consideration of RM355.6m. The payment will be satisfied via issuance of 209.23m new THPLANT shares at an issue price of MYR2.56 per share. As a result, Tabung Haji's stake will increase from the current 58.82% to 70.68%. The proposed acquisition is expected to be completed in the 4Q2012 subject to all the requisite approvals being obtained.

Brief details on the companies. TH Ladang (Sabah & Sarawak) was incorporated on 9th July 1982 engaged in cultivation of oil palm, processing of FFB, sales and marketing of FFB, CPO, and palm kernel as well as teak and rubber plantations. TH Bakti was incorporated on 26th October 2004 and principally involved in the cultivation of oil palm and selling of FFB.



EMBRACE

GIVING BACK TO
THE COMMUNITY,
*Compassionate and
Empathetic*



CARING BY SHARING

Since we began in 1971 as Lembaga Tabung Haji's plantation arm, our promise of sustainability has never played second fiddle to achieving our bottom line targets. Sustainability has always been THP's central theme, even more so now, that we are embarking on growth in a big way. We are cognisant that our surrounding has a profound impact on our long term future, and as such, we advocate and embark on efforts to ensure a 360-degree value creation and sharing among our stakeholders, which encompass our people, the community we operate in, the environment as well as individuals and entities in the marketplace.

Our promise of sustainability is rigorously kept by upholding our 4 pillars of corporate responsibility covering the following areas:



Workplace



THP has grown from strength to strength since its inception. We are conscious that this achievement is possible only through the hard work, loyalty and competencies of our most valuable asset, our people. As such, we make it our goal to ensure that our people work in an environment that provides job satisfaction under good safety and health conditions, imbued with Islamic spirituality.



Training

We understand that to demand results, our people must be given the opportunity to polish and upgrade their skills, besides acquiring new ones. Our staff are constantly given ample opportunities to do so. Some of the training conducted and seminars attended by our staff during the year were as follows:

- Course on Management and Planting of Oil Palm Series
- THP Leadership Programme
- MAPA Regional Seminar
- Trainings to upgrade computer and software skills



Health & Safety

THP is committed to promote all possible measures in efforts to protect the health and safety of our people, and in consequence reduce risks of accidents.

For this purpose, at the head office level, a dedicated Occupational Health and Safety Unit has been established, headed by a qualified OSHA officer to handle and coordinate Health and Safety issues throughout the Company.



Staff Welfare

Staff welfare in THP is high on the priority list. Besides being covered under SOCSO, staff are additionally covered under various insurance plans. Compensation disbursements were also made from time to time where unfortunate incidents resulting in loss of life or disability occurs.



Worklife Balance

We realise that a big part of our people's time is spent at the workplace. As such, we strive to make their time at work as pleasant and fruitful as possible. We maintain an environment of a holistic work-life balance, and assimilate Islamic values and THP cultures in our practices and activities across all our offices, estates and mills, including newly-acquired ones.

Various facilities are provided to cater to the needs of our employees. To this effect, we have built suraus, multi-purpose halls and sports facilities, among others, in many of our plantations. In 2012, our Ladang Raja Udang in Sarawak saw the opening of its own Surau Al-Insan, officiated by our Sarawak Regional Plantation Controller.



On 27 to 29 May 2012, THP celebrated her family day at the Universal Studios in Singapore. The trip has helped bridge gaps and strengthen ties between staff from various departments and locations.

Achievements are also cause for celebration at THP, and is not limited to staff alone. Academic achievements of THP's employees' children are also celebrated and recognised under the Recognition of Employees's Children's Achievement in Learning or RECAL for short. An award giving ceremony for the high achievers in 2011 was held at Hotel Putra Kuala Lumpur on 1 June 2012.



Sharing
the bounties with
our people and the
community



Loyalty and commitment is never forgotten at THP, regardless of position within the company. To convey the Company's appreciation towards the contribution provided by the employees at the estates and mills, our Chief Executive Officer, Dato' Zainal Azwar presented some Hari Raya contribution for all the employees during a function at Kompleks Bukit Lawiang, Kluang Johor on 13 August 2012.

The contribution was extended across all our estates and mills, presented by members of our senior managements in time for Hari Raya celebrations.

As recognition for our efforts in providing the best possible facilities within our estates, Ladang Bukit Lawiang and Gunung Sumalayang have been conferred the Anugerah Ladang Bahagia by the Ministry of Human Resource during the 2012 Labour Day celebration. The award was presented by the Prime Minister of Malaysia, Dato' Seri Mohd Najib bin Tun Abdul Razak during an event held at the Malaysia Exposition Park, Serdang, on 12 May 2012.



It has been the THP's tradition to bid farewell to retiring staff with a special function to honour their contributions during their tenure. This year Tuan Haji Mohd Fuzi bin Jaafar, Senior Manager Ladang Kota Bahagia, and our Chief Engineer, Tuan Haji Marzuki Abd Rahman were honoured with such a celebration.



The activities in THP are imbued with Islamic spirituality and ethos. Fridays begin with the recitation of the Surah Yasin, followed by a religious sermon or Tazkirah.

Other religious functions conducted were the Prophet's Birthday Celebration for 1433 Hijrah/2012 at the Kompleks Kota Bahagia on 5 February 2012, themed, Persefahaman Asas Perpaduan Ummah, or Understanding, the Foundation of Unity.



Our employees are also encouraged to take part in sports activities, to enhance the camaraderie among themselves as well as with others. Our employees have taken part in a Sports Carnival organised by our parent, Lembaga Tabung Haji, which brought together all of TH's group of companies and also made us proud by excelling in externally-organised bowling competitions with participation from among industry players.

Community



Poverty alleviation is at the heart of this Corporate Responsibility philosophy. Throughout THP's existence, enduring economic progress has followed the trail of THP's land development into oil palm plantations.

Partnership with the Natives/NCR Land

Through experience and conducting our business in a transparent and ethical manner, we have succeeded in forging a good relationship of trust and goodwill among the local communities. THP now helps to manage 3,680 hectares out of 11,732 hectares alienated for Native Customary Rights ("NCR"), providing lucrative sustainable incomes for 1,843 local land owners, a major effort contributing to poverty alleviation in the rural areas.



Caring

for our people
and community
through sharing



Creating Economic Spin-offs

THP consistently strives to ensure that our developments create and maximise shared values in the area, generating positive spin-offs from our core business in support of the Government's aspiration to alleviate poverty.

The Vendor Development Initiative has been introduced and has benefited many existing and new local entrepreneurs. Besides creating jobs for the local communities by proactively recruiting local talents, these local vendors have also opened up job markets further, while sales of local content result in a thriving local economy. The total contracts awarded to local vendors in all THP plantations for 2012 amount to RM28 million an increase of more than 20% from RM22.9 million in 2011, creating opportunities for more than 100 local entrepreneurs.





PINTAR

THP is conscious that education is the single most powerful means to improve the quality of life - the single most powerful weapon against poverty. Bearing this in mind, we embrace Khazanah's initiative of Promoting Intelligence, Nurturing, Talent and Advocating Responsibility ("PINTAR") wholeheartedly.

Under the initiative, the following schools within the vicinity of our plantations have been adopted:

- i. Sekolah Kebangsaan Ladang Kota Bahagia, Keratong Pahang
- ii. SK Seri Bandi 2, Kemaman Terengganu
- iii. Sekolah Menengah Kebangsaan Bandar T6 Kluang Johor
- iv. Sekolah Menengah Kebangsaan Pusa Sarawak



PINTAR's programmes are geared towards helping students from these schools prepare for their major public examinations through motivational seminars and examination technique workshops. These activities may be common in urban schools but a rare privilege in the rural areas. This programme also indirectly helps THP staff's children, as they also attend these schools.

Some of the programmes conducted were as follows:

- Workshop on Examination Answering Techniques for UPSR
- Kempen Jaya UPSR (UPSR Success Campaign) at SK Seri Bandi 2, Kemaman Terengganu
- Examination Techniques for PMR & SPM 2012 at SMK Pusa, Sarawak.



This programme has indeed proven to be a success, as illustrated by the achievement of Sekolah Kebangsaan Seri Bandi 2, Kemaman Terengganu which has shown a marked increase in the percentage of students passing the UPSR, from 60% in the previous year to 90% in 2011. They are now one of the top 10 national primary schools in the state of Terengganu.

Motivational seminars and examination technique workshops - a rare privilege in the rural areas.





*Education is the
cornerstone of individual
and community success
and the most powerful
tool against poverty.*

Environment



Besides the common environmentally-friendly practices, such as zero burning, soil conservation and integrated pest management, THP has made a leap in furthering its efforts to operate in a sustainable manner through innovation.

Precision Agriculture

With the use of new technologies and innovation, such as the Global Positioning System ("GPS"), sensors, satellite or aerial images, and the Geographical Information System ("GIS"), we are able to intensify our precision agriculture management practices. We are now working towards establishing our own integrated oil palm database system that will collate and analyse data on variables affecting our plantations on top of general plantation data and information. This database will then be interpreted and used to support operational decision-making and eventually improve the quality of management across all our estates. Consequently, with better information and decision-making, we expect a more judicious use of fertiliser and pest control at our estates, in line with our efforts towards observing more environmentally-friendly methods across our plantations.



Zero BOD Target

While we have consistently kept our BOD levels below the required 20mg/L set by the authorities, we are exploring other avenues to further improve the effluent levels towards zero. A pilot project on effluent water treatment is being conducted, and if proven successful, will be expanded across all mills. In addition, we are exploring the idea of trapping methane gases from these effluents to generate electricity, which will also help us in reducing the BOD levels.



Stakeholders



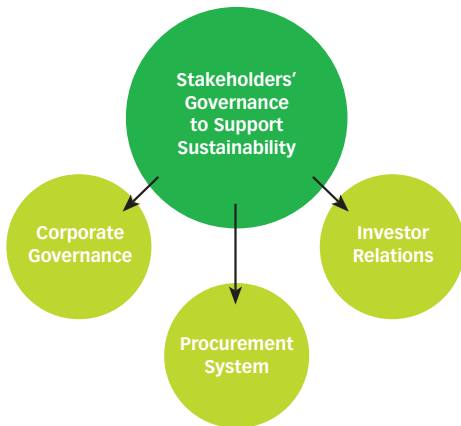
In ensuring sustainability of long term shareholders' value, THP is focused on building a corporate climate founded on strong Islamic ethical values. Instilling an ethical culture which promotes ethical leadership helps ensure that all our business transactions are conducted in a fair and professional manner, mitigating risks and raising the confidence level of our customers.

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 corporate 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 93 to 105 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.

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.



A dedicated Investor Relations Department has been established to engage with current and potential investors.



EMERGE

REALISING OUR POTENTIAL,
Capable and Relentless



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

The Board is vested with duties and responsibilities in ensuring that the Company upholds corporate governance as an integral part of its business, ensuring maximum shareholders' value and enhancing investors' interests. As the guardian of corporate governance, the Board has to ensure that the Company does not compromise in complying with the best practices of the Malaysian Code on Corporate Governance 2012 ("the Code") and the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements"). Towards this end, THP Group has made great efforts to adopt all of the recommendations on corporate governance as contained in the "Green Book on Enhancing Board Effectiveness" initiated by the Putrajaya Committee on GLC ("Government Linked Companies") High Performance as part of the GLC Transformation Programme, as well as the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad.

The Board consistently strives towards strengthening and raising high standards for the Company, and to ensure that they are in line with corporate governance requirements, as well as ensure that those qualities which are essential in fulfilling its responsibilities of protecting and enhancing the Group's shareholders' value and financial performance is maintained and upheld.

This statement provides a description of how THP has applied the key principles and the extent of its compliance to the best practices set out in the Code throughout the year ended 31 December 2012.

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. Their knowledge, background and judgments are invaluable in ensuring that THP Group achieves the highest standards of performance, accountabilities and ethical behaviours, as are expected of the Company by its stakeholders.

THP's Board of Directors consists of nine (9) members, of whom, seven (7) are Independent Non-Executive Directors, one (1), an Executive Director and one (1), a Non-Independent Non-Executive Director. This composition is in compliance with the Listing Requirements, which require one-third (1/3) of the members 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 are sufficient and well-balanced to ensure that duties are carried out effectively and to provide greater assurance that no individual or small groups of individuals are allowed to 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. The division of responsibilities between the Chairman and the Chief Executive Officer is to ensure that there is a balance of power and authority between them, thus avoiding any unfettered power of decision-making in any one individual.

Therefore, it is made apparent that the roles of the Chairman and the 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 a Non-Independent Non-Executive Director representing Lembaga Tabung Haji, being the majority shareholder of the Company. His background in business and finance and his professional experience have contributed to the policy formulation efforts 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 involve in any other form of relationships with the Company, ensures that they remain free from any conflict of interests situation and facilitates the effective discharge of 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 had proven to be particularly important in ensuring that all business strategies proposed by the management are fully discussed and scrutinised, 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 member of the Board are outlined in pages 45 to 53 of this Annual Report.

2. DUTIES AND RESPONSIBILITIES OF THE BOARD

In discharging their duties, the Board is constantly mindful that the interests of THP Group's customers, investors and all other stakeholders are 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 needs arise, the Board assesses whether projects, proposed acquisitions and disposals, as well as other strategic considerations proposed during Board meetings for the year in 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 ensure that it is being properly managed. All operational matters are discussed during Board meetings, and expert advice or independent advice are sought where necessary.

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

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

- c. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.

THP Group has setup a Risk Management Committee comprising senior members of the Management team to assist the Board in overseeing and monitoring 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 area has now become an on-going agenda which is being reviewed at various high-level management and operational meetings of THP Group.

- e. Developing and implementing an investor relations policy or shareholders' communications policy for the Company.

The Board has approved the Company's Investor Relations Policy ("IR Policy") on 9 August 2007. The IR Policy sets out to ensure that investors and shareholders are well-informed about THP Group's affairs and developments through selected spokespersons from the senior management, together with the Chairman and the Chief Executive Officer. These personnel are authorised to communicate with financial analysts, shareholders and investors regarding the industry overview and they represent as points of reference for press interviews, investor analyst briefings as well as announcements of THP's yearly and quarterly results to Bursa Securities Malaysia Berhad.

- 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 the management levels. They are aided by the Internal Audit Department, which provides a strong check and balance as well as reasonable assurance on the adequacy of the Company's internal controls system, through regular meetings and discussions.

Details on the Internal Audit functions are further discussed in the Audit Committee Report as set out on page 113 to 117 of this Annual Report.

The Company also subscribes to the principles in the Green Book which has been adopted as the Board's Policy Manual to assist in effectively discharging its duties. The Board is therefore guided by the Green Book, among others, in the following areas:

- 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 diligently sustains a dynamic and robust corporate climate, 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 fortified with value-centred programmes for team-building and active subscription to core values.

3. BOARD MEETINGS AND SUPPLY OF INFORMATION TO THE BOARD

Board meetings for the ensuing financial year are scheduled before the end of the current financial year to facilitate the planning of Board meetings by the Directors.

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 each Board member in advance, prior to every 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 their confirmation, which is normally done at 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 the Board's proceedings. All conclusions of the Board meetings are duly recorded and the minutes are kept by the Company Secretary.

The Board consistently strives towards strengthening and raising high standards for the Company, and to ensure that they are in line with corporate governance requirements

The Senior Management are also invited to attend the Board meetings to supply additional detail or clarification on matters tabled for the Board's consideration and/or approval. Independent advisors and professionals appointed by the Company in relation to the various corporate exercises may also be invited to attend the meetings to provide explanation or clarification and advice for the benefit of the Directors.

A total of eight (8) board meetings were held in 2012 and all Directors have complied with the minimum fifty per centum (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 audit findings that may require the Board's attention or direction.

In addition to matters relating to the Board's six (6) principle stewardship responsibilities, other specific topics tabled for the Board's deliberation include THP Group's key financial and operational results, THP Group's strategic and corporate initiatives, such as corporate plans and budget approvals, proposed acquisitions and disposals of material assets, major investments, as well as changes to THP Group's management and control structures, encompassing key policies, procedures and authority limits.

Apart from the scheduled meetings, on separate occasions, the Board of Directors also made visits to the Company's estates and mills to better assess the operational progress, status of development and any important issues requiring their attention.

Board Meeting attendance by the Directors for the year ended 2012 is detailed below:

Director	Designation	No. of Meetings Attended	%
Tan Sri Datuk Dr Yusof bin Basiran	Independent Non-Executive Chairman	8/8	100
Dato' Zainal Azwar bin Zainal Aminuddin	Chief Executive Officer / Executive Director	8/8	100
Tan Sri Dr Abdul Samad bin Haji Alias	Independent Non-Executive Director	8/8	100
Dato' Paduka Ismee bin Haji Ismail	Non-Independent Non-Executive Director	6/8	75
Datuk Azizan bin Abd Rahman	Independent Non-Executive Director	6/8	75
Dato' Haji Wan Zakaria bin Abd Rahman	Independent Non-Executive Director	7/8	88
Dato' Noordin bin Md Noor	Independent Non-Executive Director	7/8	88
Dato' Amran bin Mat Nor	Independent Non-Executive Director	7/8	88
Mahbob bin Abdullah	Independent Non-Executive Director	8/8	100

In carrying out their duties, all Directors have unrestricted access to all information in the Company. In addition, 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 those which are qualitative in nature as they are pertinent and are of substantial necessity to enable the Board to deal with matters that are tabled at the meetings effectively. These include current updates of THP Group's performance as well as external factors that may influence its business.

4. APPOINTMENT OF NEW DIRECTORS

The number and composition of members of the Board are reviewed on a regular basis to ensure its effectiveness in safeguarding 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.

The Company Secretary ensures that all the appointments are properly made, necessary information obtained and all legal and regulatory requirements met.

5. RE-ELECTION/RE-APPOINTMENT OF DIRECTORS

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

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"). Tan Sri Datuk Dr Yusof bin Basiran, Dato' Haji Wan Zakaria bin Abd Rahman and Mahbob bin Abdullah are subject to retirement under the Company's Articles of Association and being eligible, have offered themselves for re-election.

The Company's Articles of Association also provide that newly-appointed directors shall hold office until the next AGM and shall then be eligible for re-election. There were no Directors being appointed during the year.

The Board has adopted a retirement age policy for themselves, guided in general by the Companies Act, 1965 and the Green Book, which both set the age limit for Directors at seventy (70) years. Pursuant to Section 129 (6) of the Companies Act, 1965, Directors over seventy (70) years of age are to retire at every AGM and may offer themselves for re-appointment. As at the date of this Annual Report, Tan Sri Dr Abdul Samad bin Haji Alias has attained the age of seventy (70) years and has offered himself for re-appointment.

6. BOARD COMMITTEES

To assist the Board in discharging its duties effectively whilst enhancing business and operational efficacy, the Board has established several Committees, namely:

- Audit Committee;
- Nomination Committee;
- Remuneration Committee;
- Tender Committee A;
- Tender Committee B; and
- Employees' Share Option Scheme Committee.

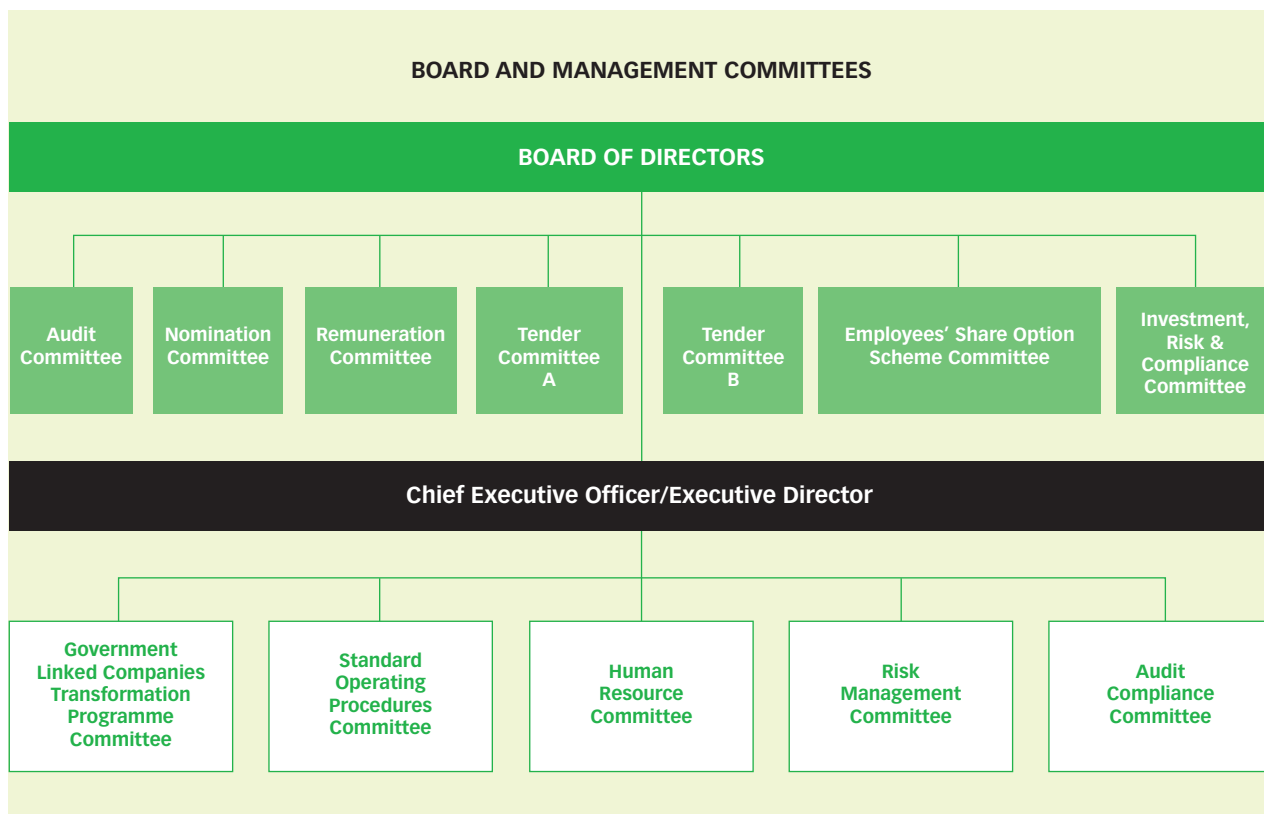
To promote the smooth running of the Board Committees, each of the Board Committees shall adhere to clear terms of references which have been approved by the Board. These committees have the authority to examine particular issues within their respective terms of reference and to make recommendations to the Board.

In August 2012, the Board had established an Investment Committee to assist on matters relating to investments made by the Company. Since its establishment, the Investment Committee had met three (3) times to consider, discuss and scrutinise investment proposals for THP Group.

On October 2012, the Board has expanded the Committee's scope to include overseeing THP Group's risks and compliance functions. Following thereto, the Board has changed the Committee's name to Investment, Risk & Compliance Committee.

Details on the Investment, Risk & Compliance Committee are as set out on page 100 of this Annual Report.

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



Details of the main Board Committees for the year ended 31 December 2012 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 2012 is presented on pages 113 to 117 of this Annual Report.

b. Nomination Committee

COMPOSITION

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

- i. Tan Sri Dr Abdul Samad bin Haji Alias
Chairman, Independent Non-Executive Director
- ii. Datuk Azizan bin Abd Rahman
Member, Independent Non-Executive Director
- iii. Mahbob bin Abdullah
Member, Independent Non-Executive Director

TERMS OF REFERENCE

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

Functions and Responsibilities

- To regularly review the Board's structure, size and composition and make recommendations to the Board on any adjustments deemed necessary;
- To identify and propose to the Board suitable candidates as Directors of the Company;
- To assess the performance of the 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;
- To consider and recommend to the Board, candidates to fill directorship vacancies in the Company and THP Group;

- To evaluate and recommend to the Board, Directors to fill seats in the Board Committees;
- To consider, in making its recommendations, candidates proposed by the Chief Executive Officer for directorship and within the bounds of practicability, by any other senior executives or any Director or shareholder;
- To recommend to the Board, the continuation of service of the Executive Director(s) and Director(s) who are due for retirement by rotation;
- To review on an annual basis, the Board's mix of skills, experience and other qualities including core competencies;
- 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;
- Such other functions as may be delegated by the Board from time to time; and
- To review and recommend promotions, extension of contracts, creation of new posts and all other human resource related matters in relation to key management of the Company and its Group i.e. the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary, Head of Human Resource, Head of Marketing, Senior General Managers and General Managers.

Meetings and Quorum

The Committee shall meet at least once a year or at any other time deemed necessary by the Chairman of the Committee. The quorum for a meeting of the Committee is two (2) members.

Reporting Procedures

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.

The Committee should report to the Board for its consideration, approval and implementation.

Meeting Attendance & Activities During The Year

During the year, the Nomination Committee held one (1) meeting duly attended by all members to inter alia review the existing Board structure, size and composition, review and assess the effectiveness and performance of the Board and Board Committees, review and recommend the extension of contracts of senior management of the Company and its Group, as well as review the retirement of Directors by rotation, who are eligible for re-election.

c. Remuneration Committee

COMPOSITION

The Remuneration Committee shall consist of at least three (3) members and shall be appointed by the Board from among the Directors of the Company, comprising wholly or mainly Non-Executive Directors. The members of the Remuneration Committee are as follows:

- i. Tan Sri Datuk Dr Yusof bin Basiran
Chairman, Independent Non-Executive Director
- ii. Dato' Paduka Ismee bin Haji Ismail
Member, Non-Independent Non-Executive Director
- iii. Dato' Haji Wan Zakaria bin Abd Rahman
Member, Independent Non-Executive Director

TERMS OF REFERENCE

The Remuneration Committee's salient terms of reference are as follows:

Functions and Responsibilities

- 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;
- To recommend to the Board the allowance and benefits of Non-Executive Directors;
- To recommend to the Board the seating allowance of Directors and Committee members;
- To recommend to the Board any review on the Company's Scheme of Service whenever deemed necessary and appropriate; and

- 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.

Meetings and Quorum

The Committee shall meet at least once a year or at any other time deemed necessary by the Chairman of the Committee. The quorum for a meeting of the Committee is two (2) members.

Structures and Procedures

- The remuneration of Directors shall be the ultimate responsibility of the Board after considering the recommendations made by the Committee.
- The Executive Director does not participate in the discussion of his own remuneration.
- The determination of remuneration packages of Non-Executive Directors, including the Non-Executive Chairman shall be a matter to be considered by the Board unanimously.
- 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.

Meeting Attendance

During the year, the Remuneration Committee held one (1) meeting duly attended by all members.

d. Tender Committee A

COMPOSITION

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

- i. Mahbob bin Abdullah
Chairman, Independent Non-Executive Director
- ii. Dato' Paduka Ismee bin Haji Ismail
Member, Non-Independent Non-Executive Director
- iii. Dato' Haji Wan Zakaria bin Abd Rahman
Member, Independent Non-Executive Director

TERMS OF REFERENCE

The Tender Committee A's salient terms of reference are as follows:

Functions and Responsibilities

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

- 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, in the event that the successful tender was not the lowest, reasons for selection;
- To ensure that the procurement process complies with the relevant procurement ethics, policies and requirements;
- 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
- To waive the requirement for the calling of formal tender for particular acquisitions, at the discretion of the Committee.

Meetings and Quorum

The Committee shall meet at least once a year or at any other time deemed necessary by the Chairman of the Committee.

The quorum for a meeting of the Committee shall consist of a majority of the committee members (excluding the Secretary) provided always that the Chairman and the Secretary of the meeting are present.

Reporting Procedures

The actual decision on successful tenders shall be the responsibility of the Board and the 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 Committee.

Meeting Attendance

Tender Committee A had a total of two (2) meetings during the year. The attendance record was as follows:

Members	Attendance
Mahbob bin Abdullah	2/2
Dato' Paduka Ismee bin Haji Ismail	2/2
Dato' Haji Wan Zakaria bin Abd Rahman	1/2

e. Investment, Risk & Compliance Committee

COMPOSITION

The Investment, Risk & Compliance Committee shall consist of at least three (3) members, comprising exclusively Non-Executive Directors, a majority of whom are independent. The term of office will be for a duration of two (2) years or as decided by the Board. The members of the Investment, Risk & Compliance Committee are as follows:

- i. Mahbob bin Abdullah
Chairman, Independent Non-Executive Director
- ii. Tan Sri Dr Abdul Samad bin Haji Alias
Member, Independent Non-Executive Director
- iii. Datuk Azizan bin Abd Rahman
Member, Independent Non-Executive Director

TERMS OF REFERENCE

The Investment, Risk & Compliance Committee's salient terms of reference are as follows:

Functions and Responsibilities

- To assist the Board of Directors on matters related to investments for the growth of the Company.
- To provide guidance for the Executive Director and his management team to prepare and recommend a strategy for the business, based on team-work through the formal hierarchy of management.

- To consider proposals from line management regarding capital expenditure related to investments or disposals. The proposals will be placed on a short-list based on considerations regarding financing through internally generated funds, or fund-raising.
- To provide business strategy guidance on growth and investments related to human capital.
- To provide guidance to line management that will include upgrading of practices including process improvements and the use of new technology. Proposals may include recommendations for diversifying including for any downstream activities.
- To ensure that all investment proposals will be evaluated in accordance with guidelines specified by the Committee with timely presentations to the Board.

Meeting and Quorum

The Committee will meet as required or at least once in three (3) months to review all activities and progress of the recommendations and shall provide a briefing at each Board meeting. The quorum for the Committee shall be at least two (2) members.

Meeting Attendance

The Investment, Risk & Compliance Committee had a total of three (3) meetings during the year. The attendance record was as follows:

Members	Attendance
Mahbob bin Abdullah	3/3
Tan Sri Dr Abdul Samad bin Haji Alias	3/3
Datuk Azizan bin Abd Rahman	2/3

f. Employees' Share Option Scheme Committee

COMPOSITION

The members of the Employees' Share Option Scheme ("ESOS") Committee are as follows:

- Dato' Noordin bin Md Noor
Chairman, Independent Non-Executive Director
- Dato' Zainal Azwar bin Zainal Aminuddin
Member, Executive Director

- Haji Hassan Fikri bin Mohamad
Member
- Mohamed Azman Shah bin Ishak
Member
- Aliatun binti Mahmud
Member
- Fadzil bin Abdullah
Member

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 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 are 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.

Meeting Attendance

ESOS Committee had a total of two (2) meetings during the year. The attendance record was as follows:

Members	Attendance
Dato' Noordin bin Md Noor	2/2
Dato' Zainal Azwar bin Zainal Aminuddin	1/2
Haji Hassan Fikri bin Mohamad	1/2
Mohamed Azman Shah bin Ishak	1/2
Aliatun binti Mahmud	1/2
Fadzil bin Abdullah	2/2

DIRECTORS' REMUNERATION

The Board believes that the level of remuneration offered by THP Group is sufficient to attract and retain Directors of calibre and with sufficient experience and talent 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.

The remuneration of the Executive Director includes salary and emoluments, bonus and benefits-in-kind. The Executive Director is also eligible to participate in the Company's ESOS that came into effect on 8 May 2009.

In the case of Non-Executive Directors, the remuneration structure reflects the level of responsibilities undertaken and contributions made by them. Currently, the Non-Executive Directors are paid Directors' fees and attendance allowance for each Board/Committee meeting that they attend. In addition, the Non-Executive Directors are entitled to certain benefits-in-kind such as, medical coverage in Malaysia and personal accident insurance coverage. The Chairman of the Board, who is a Non-Executive Director, is entitled to a company car. Non-Executive Directors, however, do not participate in THP's ESOS.

Details of remunerations (including benefits-in-kind) of each Director for the year ended 31 December 2012 are as follows:

Executive Director	RM					
	Salary	Fees*	Bonus	Other Emoluments	Benefits in-kind	Total
Dato' Zainal Azwar bin Zainal Aminuddin	657,353	54,000	540,000	198,196	7,200	1,456,749

Non-Executive Directors	RM					
	Salary	Fees*	Bonus	Other Emoluments	Benefits in-kind	Total
Tan Sri Datuk Dr Yusof bin Basiran	-	108,000	-	-	24,600	132,600
Tan Sri 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	-	89,000	-	-	-	89,000
Dato' Amran bin Mat Nor	-	54,000	-	-	-	54,000
Mahbob bin Abdullah	-	54,000	-	-	-	54,000
TOTAL	657,353	611,000	540,000	198,196	31,800	2,038,349

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

Number of Directors whose remuneration falls within the following bands:

Ranges of Remuneration	Executive Director	Non-Executive Directors	Total
Below RM50,000	-	-	-
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 role of the Board.

All Directors have successfully completed the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Malaysia Securities Berhad. The Listing Requirements require newly appointed directors of public listed companies to attend the MAP within four (4) months after their appointment.

In addition, 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.

For the financial year ended 31 December 2012, the Directors attended conferences, seminars and training programmes included in the following areas:

Plantation Industry
<ul style="list-style-type: none"> • Palm Oil Conference – Palm & Lauric Oils Conference & Exhibition Price Outlook • 2012 International Planters Conference • Palm Oil- Economic Review & Outlook Seminar 2012 • 5th National Seminar on Oil Palm Mechanisation 2012
Corporate Governance
<ul style="list-style-type: none"> • Update on the Corporate Governance Blueprint
Finance, Law & Economy
<ul style="list-style-type: none"> • Directors' Duties, Defences, Bursa Malaysia and Judicial Review • Competition Law: How It May Impact the Way We Do Business • Role of the Audit Committee (AC) in Assuring Audit Quality • What Keeps an Audit Committee Up at Night • The Key Components of Establishing and Maintaining World-Class AC Reporting Capabilities • Khazanah Megatrends: The Big Shift - Traversing the Complexities of a New World • PNB Group Initiatives 2012 • Invest Malaysia 2012
Board Leadership
<ul style="list-style-type: none"> • Directors' Summit 2012 • Insider Trading • TH Business Plan Workshop 2012 • Harvard Business School MDP • Mandatory Accreditation Programme
Public Relations
<ul style="list-style-type: none"> • Building an Effective Media Relationship

COMMUNICATION AND RELATIONSHIP WITH INVESTORS AND SHAREHOLDERS

The Company continually 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 briefings, THP's website, www.thplantations.my, also houses all other public corporate and financial information, such as THP Group's quarterly announcements of its financial results, announcements and disclosures made pursuant to disclosures required by the Listing Requirements and other corporate information on THP Group.

Another key avenue of communication with its shareholders is THP's annual general meeting, which provides a useful forum for shareholders to engage directly with the Company's Directors and senior management. During the general meeting, shareholders are at liberty to raise questions or seek clarifications from the Company's Directors and senior management team, on the items listed on the agenda of the general meeting.

At THP's annual general meeting, the Chief Executive Officer/ Executive Director of THP presents a comprehensive and concise review of THP Group's performance as well as the value created for shareholders. This review is supported by visual and graphical presentation of key financial figures and key operational highlights.

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/Executive Director or members of the senior management team. While these forms of communications are important, the Company takes full cognisance of its responsibility not to disclose price-sensitive information.

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

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

Aizzura Ab Rahim
Senior Manager – Investor Relations
Contact No: 03 2687 6687
Email: aizzura@thplantations.com

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 under 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 Risk Management & Internal Control from pages 110 to 112 of this Annual Report. In 2012, 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.

The Board has to ensure such transactions are negotiated and agreed at 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 be to the detriment of the minority shareholders of the Company.

The Shareholders' mandate in respect of the RRPT is obtained at the annual general meeting of the Company on a yearly basis. Details of these transactions are set out from page 108 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 113 to 117 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.

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.

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 its 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 provide a true and fair view of the state of affairs of the 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 in 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 alongside 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 29 March 2013.



a. Utilisation of Proceeds from Corporate Proposals

During the financial year ended 31 December 2012, the Company had on 30 October 2012 issued RM200.0 million of Sukuk Murabahah under RM1.0 billion Sukuk Murabahah Programme. The proceeds raised from the Sukuk Murabahah were for the following purposes:

- i. To pay in full THP's existing Commodity Murabahah Term Financing-i facilities; and
- ii. To finance THP Group's capital expenditure requirements.

b. Share Buy-Back

The Company did not make any proposal for share buy-back during the financial year ended 31 December 2012.

c. Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year 2012 other than granting the options under ESOS as disclosed in pages 210 to 212 of this Annual Report.

The aggregate maximum and actual ESOS allocation to directors and senior management during the financial year 2012 and since the commencement of the ESOS are as follows:

	Financial Year 2012		Since the Commencement of the ESOS	
	Maximum Allowable Allocation	Actual Allocation	Maximum Allowable Allocation	Actual Allocation
Executive Director and Senior Management	1.70%	0.94%	12.62%	10.72%

d. Depository Receipt Programme ("DRP")

The Company did not sponsor DRP during the financial year ended 31 December 2012.

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 2012.

f. Non-Audit Fees

Non-audit fees amounting to a total amount of RM90,000 was incurred for the financial year ended 31 December 2012.

g. Variation in Results

There was no deviation of 10% or more between the profit after taxation and minority interests stated in the fourth quarter announcement of un-audited results for the financial year ended 31 December 2012 and the audited financial statements of THP Group for the financial year ended 31 December 2012.

h. Profit Guarantee

The Company did not give any profit guarantee during the financial year ended 31 December 2012.

i. Material Contracts

Save as disclosed below, neither the Company nor any of its subsidiaries had entered into any material contracts which involved directors' and major shareholders' interest either still subsisting at the end of the financial year ended 31 December 2012 or entered into since the end of the previous financial period:

Conditional Share Sale Agreement dated 2 August 2012 between THP and Lembaga Tabung Haji for the acquisition of the entire equity interest in TH Ladang (Sabah & Sarawak) Sdn. Bhd. and 70% equity interest in TH Bakti Sdn. Bhd. for an aggregate purchase consideration of RM535,640,000 to be fully satisfied via the issuance of 209,234,375 new THP Shares ("Consideration Shares") at an issue price of RM2.56 per Consideration Share which was completed on 23 November 2012.

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 ended 31 December 2012 between the THP and/or its subsidiary companies with related parties are set out below:-

THP and/or Subsidiaries Transacting with Related Parties	Related Parties	Relationship	Type of Transaction	Aggregate Value of Transaction RM'000
THP	Lembaga Tabung Haji	Holding Company	Lease of land	2,420
	Lembaga Tabung Haji	Holding Company	Rental of office	1,932
	CCM Fertilizers Sdn. Bhd.	Related Company	Purchase of Fertilisers	39,987
	Sistem Komunikasi Gelombang Sdn. Bhd.	Related Company	Telecommunication	735
	TH Travel Services Sdn. Bhd.	Related Company	Purchase of flight tickets	882
	Syarikat Takaful Malaysia Berhad	Related Company	Purchase of insurance	3,399
THP Agro Management Sdn. Bhd.	TH PELITA Gedong Sdn. Bhd.	Related Company	Provision of management services	4,220
	TH PELITA Sadong Sdn. Bhd.	Related Company	Provision of management services	1,190
	TH PELITA Meludam Sdn. Bhd.	Related Company	Provision of management services	493
	TH PELITA Beladin Sdn. Bhd.	Related Company	Provision of management services	85
	TH PELITA Simunjan Sdn. Bhd.	Related Company	Provision of management services	276
	Ladang Jati Keningau Sdn. Bhd.	Related Company	Provision of management services	70
	TH-USIA Jatimas Sdn. Bhd.	Related Company	Provision of management services	112
	TH-Bonggaya Sdn. Bhd.	Related Company	Provision of management services	411
	TH Bakti Sdn. Bhd.	Related Company	Provision of management services	136
PT. TH Indo Plantations	Related Company	Provision of management services	16,351	



THE BOARD IS PLEASED TO PRESENT THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL FOR THE FINANCIAL YEAR UNDER REVIEW, PREPARED IN LINE WITH THE GUIDANCE ISSUED BY BURSA MALAYSIA SECURITIES BERHAD ("STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL: GUIDELINES FOR DIRECTORS OF LISTED ISSUERS").

BOARD RESPONSIBILITIES

The Board acknowledges its overall responsibility of overseeing THP Group's risk management and internal control system, which requires continuous review in order to maintain its adequacy, effectiveness and integrity. The THP Group's risk management and internal control system is designed to manage, rather than eliminate the risks of failure to achieve the Group's business objectives.

The system by its nature can only provide reasonable but 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 Board recognises the importance of good risk management practices and effective system of internal control to support good corporate governance and to safeguard the interests of the stakeholders, their investments and THP Group's assets.

RISK MANAGEMENT

Structure

The Group has established a Risk Management Committee ("RMC") that is chaired by the Chief Executive Officer ("CEO") and includes key representative from operations and finance. The role of the RMC is to perform an ongoing process of identifying, evaluating, monitoring, and managing the significant risks affecting the achievement of its business objectives. In response, the management will design, implement and operate a suitable system of internal control and formulate relevant policies and procedures to manage those risks.

The Management will also 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 main elements of the Group's Risk Management Framework are as follows:-

- Review and approval of the annual business plan and budgets for all estates, mills and various departments at the HQ level by the Board. These plans set out the key business objectives of the respective business units, the major risks and opportunities in operations, while ensuring the action plans required;
- Review of the Group's business performance on a quarterly basis by the Board, covering the assessment of the current business results, risks and the impact on the business;
- Discussions in management meetings on current risks or challenges faced by the Group, and the formulation of action plans to address those risks.

The above processes ensure that a platform is established for the timely identification, evaluation and management of significant risks affecting the business.

Risk Assessment

The Group has established a risk management framework which includes risk management reporting procedures, risk mapping for reporting and risk profiles, along with their corresponding controls which are categorised as follows:-

- Business, which are risks affecting the overall direction and strategy of the group;
- Operational, which are risks impacting the operations of the estates and mills;
- Financial, which are risks associated with financial processes and reporting;
- Information, which are risks associated with information systems and resources.

The Group's risk management framework provides review and reporting to the management. Any issues regarding risk management including its policy and the review of the internal control system are discussed in the Board of Directors' meetings, Audit Committee meetings and Management meetings, where action plans are implemented and monitored.

INTERNAL CONTROL SYSTEM

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

Organisation Structure & Authorisation Procedures

The Board has formed the following committees to oversee the conduct of the Group's business and management, each with clearly stated Terms of Reference ("TOR"):-

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Employees' Share Option Scheme ("ESOS") Committee
- Tender Committee
- Investment, Risk & Compliance Committee

THP Group maintains a formal organisation structure with clear lines of reporting to the Board, Committees, Senior Management and within the Departments with well-defined roles and responsibilities and proper segregation of duties. The structure is also designed to ensure good and strong corporate governance within the Group.

A proper and formal set of authorisation policies and procedures is also in place to ensure review and approval processes are according to the authorised limit set by the management.

Standard Operating Procedures (SOP)

The Board acknowledges the importance of documented SOPs in managing the operations of THP Group at the head office, estates and mills levels.

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

Independent Members in Audit Committee

The Audit Committee, whose members are all Independent Non-Executive Directors, evaluate and assess the adequacy and effectiveness 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.

Internal Audit Function

The Internal Audit Department provides the Board, through the Audit Committee, assurance in regard to the adequacy and integrity of the internal control system from an independent perspective.

The department assists in discharging the Audit Committee's duties and responsibilities by performing periodic and systematic reviews of the critical business processes. A risk-based approach is used in preparing audit strategies and evaluating the effectiveness and adequacy of the internal control system and good governance within each operating unit.

The internal audit reports together with audit recommendations and management's comments are issued for Audit Committee review and periodically followed up for compliance to ensure that the management are accountable for the findings.

Information and Communication

The Board and Management have used the THP Management Information System ("THPMIS") as a source for business information for performance review, deliberation and decision making.

The system also provides the Management with secured communication, good accessibility and data integrity to the financial and operational information.

Operations Review and Monitoring

The operations of THP Group are constantly monitored by the Board through up-to-date reports presented by the Management. The reviews on performance are based on the actual results against current year budgets and prior year performances. Material variances are identified, analysed and discussed by the Management and appropriate corrective measures are taken where necessary.

The performance of the estates and its managers is monitored based on actual results achieved on productivity and cost control. A report is also produced by the Plantation Advisor ("PA") who visits and assesses the estates on a periodic basis and advises the Manager on technical matters.

Meanwhile, the Group's mills' performance is monitored closely by the Chief Engineer and Mill Advisor ("MA") based on the actual productivity, efficiency and quality which have an impact on the overall income performance of the Group.

The monitoring also covers civil engineering works such as construction of housing and infrastructure at the estates and mills.

Human Capital Development

The quality, ability and competencies of THP Group's Directors and employees are continuously enhanced and improved through various training and development programmes. The Directors have attended various training to maintain good corporate awareness and governance while the employees are provided with opportunities to develop themselves within their respective functions through seminars and courses coordinated by the Human Resource Department.

The performance of individual employees is assessed annually through Key Performance Indicators (KPI) reviews. These reviews allow the Management to identify specific areas of improvements, as well as formulate their succession planning.

Group Takaful and Physical Safeguards

The Takaful coverage on assets of THP Group is adequately in place to provide sufficient protection against any mishap that may result in human and material losses to THP Group. Review on the list of assets and the adequacy of the coverage is conducted annually by the Management.

The Takaful also covers the Group's employees across the board on Hospitalisation benefits, General Personal Accidents and Group Term Life to ensure the Group's human capital is protected.

Procurement and Tender Award System

Clearly defined policy and procedures on the award of tenders are in place to effectively control the activities and processes of the procurement of goods and services. Comprehensive internal control measures are implemented throughout the procurement and tender award processes to safeguard the interest of THP Group.

A proper and formal set of authorisation policies and procedures is also in place to ensure review and approval processes are according to the authorised limit set by the management.

REVIEW OF EFFECTIVENESS

Based on the observations and reports provided to the Board for the financial year under review, the Board is of the opinion that the risk management and internal control system in place are effective and adequate to safeguard the interests of THP Group's stakeholders, their investments and THP Group's assets.

The Board has taken the necessary measures to strengthen the system of internal control by continuously monitoring and considering all risks faced by THP Group to ensure that the risks are within acceptable levels in relation to the Group's business.

There were no significant weaknesses noted which have resulted in any material losses or fraud that would require disclosure during the financial year under review.

The Board has received assurance from the CEO and CFO that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the Group's risk management and internal control system.

THE BOARD IS PLEASED TO PRESENT THE BOARD AUDIT COMMITTEE REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012.

COMPOSITION

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



*Tan Sri 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

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, must have at least three (3) years' working experience and:
 - i) must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - ii) 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

* A member of the Malaysian Institute of Accountants

- d) Must have at least seven (7) years experience of being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation; or
- e) Possess such other requirements relating to financial-related qualifications or experience as prescribed or approved by Bursa Malaysia Securities Berhad.

3. Chairman

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

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 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 its recommendations to the full Board from time to time, 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 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 members shall be valid and effective as if it had been passed at the Audit Committee meeting.

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 a written or 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 inspection by 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 the Group;
- d) Direct communication channels with the external auditors and internal auditors;

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

9. Functions and Responsibilities

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

- a) To consider the appointment, resignation and dismissal of external auditors and make appropriate recommendations to the Board (including the audit fees);
- b) To review with the external auditors of the Company:
 - i) Their audit plan;
 - ii) Their audit report;
 - iii) Their management letter and management's response; and
 - iv) The assistance given by the employees of the Company and THP Group to the external auditors;
- c) To discuss problems and reservations arising from the interim and final audits, and any matters 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;
 - 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 and provide an avenue for the resigning staff to explain or submit his/her reasons for resignation;
- j) To review any related party transactions and conflict of interest situations 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 the management's response 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 member at least once every three (3) years.

ATTENDANCE

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

Members	No. of Meetings Attended During The Year	%
Tan Sri Dr Abdul Samad bin Haji Alias	9/9	100%
Datuk Azizan bin Abd Rahman	9/9	100%
Dato' Noordin bin Md Noor	7/9	78%

Meetings were also attended by the Chief Executive Officer, Chief Operations 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 reports for submission 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 Risk Management and Internal Control;
- c) Reviewed and approved the external auditors' scope of work and audit plan;
- d) Reviewed with the external auditors, the Company's and THP Group's annual financial statements' compliance with Bursa Securities' Listing Requirements and all 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 the management's response 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 during the course of their audit;
- h) Reviewed and approved the internal audit team's scope of work and audit plan;
- i) Reviewed the Report on the Audit Committee, the Statement on Risk Management and Internal Control and the Statement on Corporate Governance prior to their inclusion in the Annual Report 2012;
- 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 during 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 were undertaken on an arm's length basis on normal commercial terms which were not detrimental to the interests of the Company's minority shareholders and that the related internal control procedures are both sufficient and effective.

STATEMENT OF VERIFICATION ON ALLOCATION OF OPTIONS PURSUANT TO EMPLOYEE SHARE OPTION SCHEME

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 Employee Share Option Scheme ("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 5,817,500 options granted to eligible employees for the financial year ended 31 December 2012 and noted its compliance with the criteria for the allocation of options as approved.

The ESOS Committee of the Board functions primarily to establish and recommend a clear ESOS policy and ensure that the Group's ESOS policy is properly administered. The Chairman of the ESOS Committee is also a member of the Audit Committee.

A risk-based approach is used in preparing audit strategies and evaluating the effectiveness and adequacy of the internal control system and good governance within each operating unit.

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's primary function is to assist in discharging the Audit Committee's duties and responsibilities, and reports directly to the Audit Committee. It provides the Audit Committee with periodic, independent and objective reports on the state of internal control 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.

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

- a) Conducted 52 audits and 3 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;
- 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 for the financial year under review was RM1.46 million.

This report on the Audit Committee was prepared in accordance with a Board of Directors' resolution dated 29 March 2013.

OIL PALM PRODUCTION



OIL PALM PRODUCTION

	2012	2011	2010	2009	2008
Production (metric tonnes)					
FFB produced - total	524,665	513,276	463,949	519,290	347,547
FFB produced - processed by own mill	428,650	441,730	422,177	461,734	303,654
FFB produced - sold to others	96,015	71,546	41,772	57,428	43,827
FFB purchased	61,139	50,707	27,052	42,841	68,874
Yield and Extraction Rates					
FFB yield (tonnes per mature hectare)	21.51	22.39	20.58	21.48	22.12
OER (%)	20.21%	20.49%	21.09%	20.50%	20.15%
KER (%)	5.54%	5.30%	5.32%	5.48%	5.64%
Average Selling Prices (RM per tonne)					
Crude palm oil	2,661	3,096	2,617	2,050	2,760
Palm Kernel	1,602	2,187	1,773	1,036	1,567
FFB	472	586	566	429	516
Area Statement (Hectares)*					
Oil Palm					
- mature	24,392	22,920	22,541	24,178	24,138
- immature	17,079	12,650	14,943	12,266	6,405
Planted Area	41,471	35,570	37,484	36,444	30,543
Planted Area	41,471	35,570	37,484	36,444	30,543
In Course of Planting	1,368	1,837	243	1,950	7,495
Reserve land, building sites etc	7,045	1,965	1,386	765	1,021
Titled Area	49,884	39,372	39,113	39,159	39,059

*Based on average matured area for 2012 including matured area from TH Ladang (Sabah & Sarawak) Sdn. Bhd. Group and TH Bakti Sdn. Bhd.

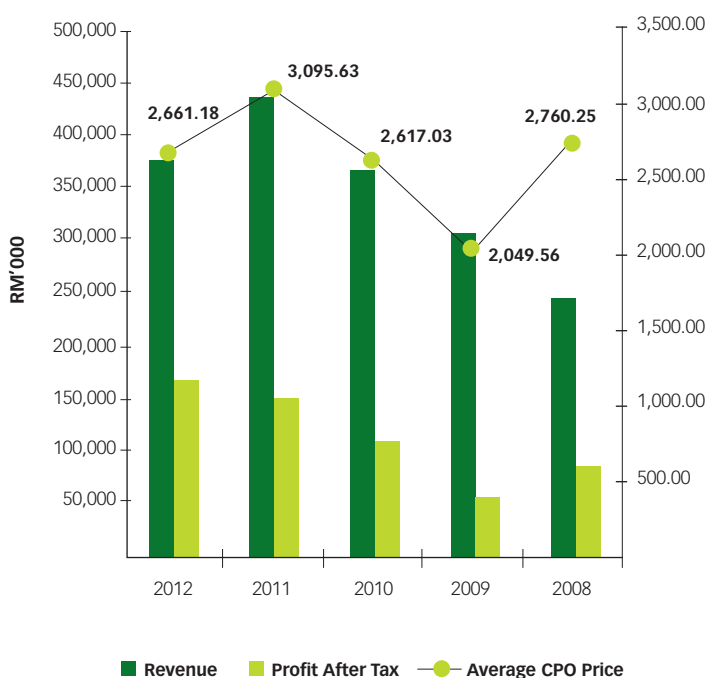
GROUP 5-YEAR KEY FINANCIAL INDICATORS

	2012	2011	2010	2009	2008
Profitability and Returns					
Gross profit margin	30.15%	45.87%	45.18%	33.28%	46.92%
PBT margin	49.45%	42.09%	39.50%	23.30%	47.46%
Profit after tax and minority interest margin	41.65%	28.71%	24.45%	17.68%	34.54%
Return on average shareholders' equity	16.34%	28.43%	27.90%	15.43%	27.80%
Return on average capital employed	25.06%	74.76%	51.17%	21.80%	136.45%
Net assets per share (RM)	1.54	1.23	1.05	0.93	1.64
Solvency and Liquidity					
Gearing ratios (times)	0.44	0.24	0.32	0.21	0.05
Interest cover (times)	19.07	22.85	16.33	9.91	2,407.38
Current ratio (times)	1.11	1.65	1.59	1.41	0.92
Financial Market					
EPS (sen)					
- basic	21.49	24.52	18.32	11.03	21.01
- diluted	21.07	23.34	16.99	10.22	21.01
Gross dividend paid per share (sen)	4.60	12.50	12.50	8.50	31.10
Gross dividend paid rate (%)	9.20%	24.92%	25.00%	17.00%	62.20%
Gross dividend yield (%)	2.31%	5.90%	6.01%	5.82%	13.58%
Net dividend payout rate (%)	9.20%	24.92%	18.75%	12.75%	46.03%
Price-to-earnings ratio (times)	9.26	8.65	11.35	13.24	10.90
Price-to-book ratio (times)	0.96	1.32	1.49	1.17	0.81

GROUP 5-YEAR KEY FINANCIAL INDICATORS

	2012	2011	2010	2009	2008
STATEMENT OF PROFIT OR LOSS HIGHLIGHTS (RM'000)					
Revenue	375,846	434,835	365,972	304,358	243,373
Result from operating activities	193,131	185,813	152,662	77,995	111,123
Profit margin income from short-term investments and receivables	3,007	5,586	1,321	879	4,431
Finance cost	(10,286)	(8,377)	(9,431)	(7,962)	(48)
Profit before tax	185,852	183,022	144,552	70,912	115,506
Tax Expense	(18,316)	(33,257)	(36,137)	(13,848)	(32,152)
Profit for the year	167,536	149,765	108,415	57,064	83,354
Attributable to :					
Owners of the Company	156,554	124,829	89,482	53,807	84,051
Non-controlling interests	10,982	24,936	18,933	3,257	(697)
Profit for the year	167,536	149,765	108,415	57,064	83,354

GROUP 5-YEAR PROFIT VS AVERAGE CPO PRICE



GROUP 5-YEAR FINANCIAL STATISTICS

	2012	2011	2010	2009	2008
STATEMENT OF FINANCIAL POSITION					
HIGHLIGHTS					
(RM'000)					
<u>ASSETS</u>					
Other non-current assets	2,232,516	972,341	917,163	843,317	781,328
Intangible assets	14,006	-	-	-	-
Total non-current assets	2,246,522	972,341	917,163	843,317	781,328
Other current assets	155,231	107,113	61,771	79,523	72,243
Cash and cash equivalents	125,217	167,194	130,568	19,923	59,167
Total current assets	280,448	274,307	192,339	99,446	131,410
Total assets	2,526,970	1,246,648	1,109,502	942,763	912,738
<u>EQUITY</u>					
Share capital	364,178	254,548	244,215	243,893	121,911
Share premium	484,206	39,925	14,599	13,809	135,548
Other reserves	(82,557)	26,245	26,245	26,126	-
Share option reserve	4,317	5,149	7,833	7,965	-
Retained earnings	348,942	298,149	220,489	162,103	142,033
Total equity attributable to owners of the Company	1,119,086	624,016	513,381	453,896	399,492
Non-controlling interests	393,899	194,631	169,268	152,641	156,914
Total equity	1,512,985	818,647	682,649	606,537	556,406
<u>LIABILITIES</u>					
Loans and borrowings	470,562	150,000	166,276	95,254	16,802
Other long term liabilities	289,715	111,970	139,680	170,650	197,144
Total non-current liabilities	760,277	261,970	305,956	265,904	213,946
Other current liabilities	233,708	166,031	120,897	68,343	140,529
Loans and borrowings	20,000	-	-	1,979	1,857
Total current liabilities	253,708	166,031	120,897	70,322	142,386
Total liabilities	1,013,985	428,001	426,853	336,226	356,332
Total equity and liabilities	2,526,970	1,246,648	1,109,502	942,763	912,738
Average capital employed	1,676,940	1,034,611	930,523	821,397	513,134
Average shareholders' equity	871,551	568,699	483,639	426,694	300,325

GROUP 5-YEAR FINANCIAL STATISTICS

	2012	2011	2010	2009	2008
STATEMENT OF CASH FLOWS HIGHLIGHTS (RM'000)					
Profit before tax	185,852	183,022	144,552	70,912	115,506
Adjustment for non-cash items	(50,910)	39,938	45,833	55,197	4,093
Changes in working capital	(104,698)	1,501	46,983	(99,272)	120,441
Cash generated from operations	30,244	224,461	237,368	26,837	240,040
Profit margin income from short-term investments and receivables	2,724	5,084	1,174	864	4,243
Profit margin expenses on payables, borrowing cost, tax and zakat paid	(62,348)	(70,604)	(51,644)	(20,894)	(40,003)
Net cash (used in)/from operating activities	(29,380)	158,941	186,898	6,807	204,280
Acquisition of property, plant and equipment	(46,550)	(22,757)	(34,940)	(20,518)	(10,245)
Plantation development expenditure	(89,307)	(63,886)	(75,467)	(75,830)	(64,737)
Acquisition of subsidiaries	(62,388)	-	-	(145)	(38,265)
Other investing activities	(547)	1,427	312	376	(4,602)
Net cash used in investing activities	(198,792)	(85,216)	(110,095)	(96,117)	(117,849)
Proceeds from drawdown of loans and borrowings	250,000	-	70,000	80,000	-
Proceeds from issue of new ordinary share capital	16,283	31,423	980	243	-
Repayments of loans and borrowings	-	(15,524)	(1,979)	(2,250)	(21,200)
Dividends paid to owners of the Company	(80,835)	(52,065)	(34,987)	(27,731)	(45,118)
Net cash from/(used in) financing activities	185,448	(36,166)	34,014	50,262	(66,318)
Net (decrease)/increase in cash and cash equivalents	(42,724)	37,559	110,817	(39,048)	20,113

GROUP QUARTERLY PERFORMANCE

	2012			
	Q4	Q3	Q2	Q1
FINANCIAL PERFORMANCE				
(RM'000)				
Revenue	99,106	82,342	99,352	95,046
Profit from operations	120,363	22,154	26,703	26,918
Finance cost	(4,066)	(2,456)	(1,950)	(1,814)
Profit before tax	116,297	19,698	24,753	25,104
Tax expense	(17,477)	10,050	(1,531)	(9,358)
Profit for the period	98,820	29,748	23,222	15,746
Attributable to :				
Owners of the Company	104,393	19,209	19,886	13,066
Non-controlling interests	(5,573)	10,539	3,336	2,680
Profit for the period	98,820	29,748	23,222	15,746
Earnings per ordinary share (sen)				
- basic	14.33	3.70	3.84	2.53
- diluted	14.05	3.55	3.68	2.44



**“We shall make
THP a respected player in
the industry, and a source of
pride and admiration for all
stakeholders”.**

Dato' Zainal Azwar bin Zainal Aminuddin
Chief Executive Officer

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 OF

TH PLANTATIONS BERHAD

and its subsidiaries

Directors' report for the year ended 31 December 2012

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

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	156,554	71,324
Non-controlling interests	10,982	-
	<u>167,536</u>	<u>71,324</u>
	=====	=====

Reserves and provisions

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

Dividends

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

- (i) a final ordinary dividend payment of 12.50 sen per ordinary share under the single-tier tax system totalling RM64.53 million in respect of the financial year ended 31 December 2011 on 9 May 2012.
- (ii) an interim ordinary dividend of 3.60 sen per ordinary share under the single-tier tax system totalling RM26.22 million in respect of the financial year ended 31 December 2012 on 15 January 2013.

The final ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2012 is 1.00 sen totalling RM7.28 million.

Directors of the Company

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

Tan Sri Datuk Dr Yusof bin Basiran
Dato' Zainal Azwar bin Zainal Aminuddin
Tan Sri Dr Abdul Samad bin Haji Alias
Dato' Paduka Ismee bin Haji Ismail
Datuk Azizan bin Abd Rahman
Dato' Haji Wan Zakaria bin Abd Rahman
Dato' Noordin bin Md Noor
Dato' Amran bin Mat Nor
Mahbob bin Abdullah

Directors' interests in shares

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 1.1.2012	Bought	(Sold)	At 31.12.2012
Interest in the Company:				
Tan Sri Datuk Dr Yusof bin Basiran				
- own	4,000	-	-	4,000
- others*	58,000	-	-	58,000
Dato' Zainal Azwar bin Zainal Aminuddin				
- own	88,000	-	(5,000)	83,000
Tan Sri Dr Abdul Samad bin Haji Alias				
- own	231,600	44,000	-	275,600
Dato' Haji Wan Zakaria bin Abd Rahman				
- own	4,000	-	-	4,000
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 in shares (continued)

	Number of options over ordinary shares of RM0.50 each			
	At 1.1.2012	Granted	(Exercised)	At 31.12.2012
Share option in the Company:				
Dato' Zainal Azwar bin Zainal Aminuddin				
- own	1,000,000	200,000	-	1,200,000

Share option in the Company:

Dato' Zainal Azwar bin Zainal Aminuddin

- own

1,000,000

200,000

-

1,200,000

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 2012 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 issuance of options pursuant to the Employees Share Option Scheme.

Issue of shares

During the financial year, the Company increased its authorised share capital from 700,000,000 shares to 1,000,000,000 shares by creating 300,000,000 new ordinary shares of RM0.50 each.

The Company also issued:

- i) 209,234,375 new ordinary shares of RM0.50 each issued at RM2.56 per share as part of acquisition of subsidiaries.
- ii) 5,361,700 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.

Issue of shares (continued)

- iii) 4,614,500 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.
- iv) 50,000 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at an option price of RM2.09 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 financial year apart from the issue of options pursuant to the Employees' Share Option Scheme ("ESOS").

At an extraordinary general meeting held on 25 November 2008, the Company's shareholders approved the establishment of an 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.
- iii) 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.

Options granted over unissued shares (continued)

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 ('000) over ordinary shares of RM0.50 each				At 31.12.2012
		At 1.1.2012	Granted	(Exercised)	(Forfeited)	
8 June 2009	RM1.52	17,042	-	(5,362)	(1,157)	10,523
4 January 2011	RM1.74	8,712	-	(4,614)	-	4,098
18 June 2012	RM2.09	-	5,818	(50)	(93)	5,675
		25,754	5,818	(10,026)	(1,250)	20,296

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 360,000 shares of RM0.50 each, except for Directors.

The names of option holders granted options under the ESOS to subscribe for 360,000 or more ordinary shares of RM0.50 each are as follows:

	Number of options over ordinary shares of RM0.50 each			
	At 1.1.2012	Granted	(Exercised)	At 31.12.2012
Dato' Che Abdullah @ Rashidi bin Che Omar	720,000	-	-	720,000
Mhamod bin Mokhtar	400,000	-	(200,000)	200,000
Hassan Fikri bin Mohamad	400,000	-	(200,000)	200,000
Marzuki bin Abd. Rahman	620,000	100,000	-	720,000
Mat Saad bin Ramli	620,000	100,000	(360,000)	360,000
Mohamed Azman Shah bin Ishak	560,000	200,000	(120,000)	640,000
Radin Rosli bin Radin Suhadi	480,000	100,000	-	580,000
Maizura binti Mohamed	400,000	-	-	400,000
Azmat bin Rahmat	450,000	50,000	(50,000)	450,000
Abd Samad bin Shafie	500,000	-	-	500,000
Mohamad bin Karim	450,000	-	-	450,000

Other statutory information

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) 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.

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

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

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

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

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

In the opinion of the Directors, except for those disclosed in note 18 and note 28 to the financial statements, the performance of the Group and of the Company for the financial year ended 31 December 2012 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.

Significant events

- a) On 1 July 2012, the Company acquired 70% shares in Hydroflow Sdn. Bhd. ("HSB") for RM72,500,000 satisfied in cash.
- b) On 23 November 2012, the Company acquired all the shares in TH Ladang (Sabah & Sarawak) Sdn. Bhd. for RM518,000,000 satisfied via the issuance of 202,343,750 new ordinary shares at an issue price of RM2.56 per share.
- c) On 23 November 2012, the Company acquired 70% shares in TH Bakti Sdn. Bhd. for RM17,640,000 satisfied via the issuance of 6,890,625 new ordinary shares at an issue price of RM2.56 per share.
- d) On 25 October 2012, the Company had entered into two (2) separate conditional agreements as follows:
 - i. a conditional share sale agreement with Bong Sen Kui, Enerstar Sdn. Bhd., Liew Tien How and Weida (M) Bhd. for the acquisition of the entire equity interest in Bumi Suria Ventures Sdn. Bhd. for a total indicative cash consideration of RM212,504,000.
 - ii. a conditional share sale agreement with Weida (M) Bhd. for the acquisition of the entire equity interest in Maju Warisanmas Sdn. Bhd. for a total indicative cash consideration of RM42,081,000.


Both of the transactions have been completed on 27 February 2013.

- e) On 11 November 2011, the Company has entered into 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, representing 93% of the total issued and fully paid-up share capital of PT Persada Kencana Prima, for the total purchase consideration of Rp46,211,960,000. The RM equivalent of the total purchase consideration is RM16,822,701 based on the exchange rate as at 11 November 2011 of Rp2,747:1.00. The transaction has yet to be completed as of 31 December 2012.

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: 27 February 2013

Statements of financial position as at 31 December 2012

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Assets					
Property, plant and equipment	3	1,673,475	692,898	15,617	15,186
Plantation development expenditure	4	558,442	278,844	29,491	13,727
Investment in subsidiaries	5	-	-	907,512	402,796
Trade and other receivables	6	-	-	309,634	233,681
Other investment		599	599	599	599
Intangible asset	7	14,006	-	-	-
Total non-current assets		<u>2,246,522</u>	<u>972,341</u>	<u>1,262,853</u>	<u>665,989</u>
Inventories	8	41,733	26,301	2,599	3,950
Current tax assets		2,170	-	2,170	-
Trade and other receivables	6	105,086	78,042	150,991	92,022
Prepayments and other assets		6,242	2,770	653	750
Cash and cash equivalents	9	125,217	167,194	113,387	165,139
Total current assets		<u>280,448</u>	<u>274,307</u>	<u>269,800</u>	<u>261,861</u>
Total assets		<u>2,526,970</u>	<u>1,246,648</u>	<u>1,532,653</u>	<u>927,850</u>
Equity					
Capital reserve	10	770,144	325,867	750,773	306,496
Retained earnings		348,942	298,149	187,580	222,017
Total equity attributable to owners of the Company		<u>1,119,086</u>	<u>624,016</u>	<u>938,353</u>	<u>528,513</u>
Non-controlling interests		<u>393,899</u>	<u>194,631</u>	<u>-</u>	<u>-</u>
Total equity		<u>1,512,985</u>	<u>818,647</u>	<u>938,353</u>	<u>528,513</u>

Statements of financial position as at 31 December 2012 (continued)

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Liabilities					
Deferred tax liabilities	11	278,366	90,933	11,109	6,102
Loans and borrowings	12	470,562	150,000	400,000	150,000
Trade and other payables	13	11,349	21,037	10,455	7,896
Total non-current liabilities		<u>760,277</u>	<u>261,970</u>	<u>421,564</u>	<u>163,998</u>
Loans and borrowings	12	20,000	-	-	-
Trade and other payables	13	230,340	157,198	172,736	230,257
Current tax liabilities		3,368	8,833	-	5,082
Total current liabilities		<u>253,708</u>	<u>166,031</u>	<u>172,736</u>	<u>235,339</u>
Total liabilities		<u>1,013,985</u>	<u>428,001</u>	<u>594,300</u>	<u>399,337</u>
Total equity and liabilities		<u>2,526,970</u>	<u>1,246,648</u>	<u>1,532,653</u>	<u>927,850</u>

The notes on pages 145 to 219 form an integral part of these financial statements.

Statements of profit or loss and other comprehensive income for the year ended 31 December 2012

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	14	375,846	434,835	118,870	143,581
Cost of sales		(262,511)	(235,373)	(50,584)	(42,642)
Gross profit		113,335	199,462	68,286	100,939
Other income		103,837	4,143	6,397	6,818
Administrative expenses		(16,509)	(12,033)	(12,287)	(6,734)
Other expenses		(7,651)	(5,350)	(3,370)	(3,876)
Zakat expense		119	(409)	-	-
Results from operating activities		193,131	185,813	59,026	97,147
Profit margin income from short-term investments and receivables	15	3,007	5,586	33,611	34,414
Finance cost	16	(10,286)	(8,377)	(18,548)	(15,905)
Net finance (cost)/income		(7,279)	(2,791)	15,063	18,509
Profit before tax		185,852	183,022	74,089	115,656
Tax expense	17	(18,316)	(33,257)	(2,765)	(14,574)
Profit for the year	18	167,536	149,765	71,324	101,082
Profit and total comprehensive income attributable to:					
Owners of the Company		156,554	124,829	71,324	101,082
Non-controlling interests		10,982	24,936	-	-
Profit and total comprehensive income for the year		167,536	149,765	71,324	101,082
Earnings per ordinary share (sen)					
- Basic	19	21.49	24.52		
- Diluted	19	21.07	23.34		

The notes on pages 145 to 219 form an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2012

Group	Note	Attributable to owners of the Company							Total equity RM'000	
		Share capital RM'000	Share premium RM'000	Other reserve RM'000	Share option reserve RM'000	Total capital reserve RM'000	Retained earnings RM'000	Total RM'000		Non-controlling interests RM'000
At 1 January 2011		244,215	14,599	26,245	7,833	292,892	220,489	513,381	169,268	682,649
Profit and total comprehensive income for the year		-	-	-	-	-	124,829	124,829	24,936	149,765
<i>Contribution by and distribution to owners of the Company</i>										
Share option granted under ESOS	25	-	-	-	1,552	1,552	-	1,552	-	1,552
Issuance of ordinary shares pursuant to ESOS	10	10,333	25,326	-	(4,236)	31,423	-	31,423	-	31,423
Increase in investment Dividends to owners of the Company		-	-	-	-	-	-	-	11,070	11,070
Dividends to non-controlling interests	20	-	-	-	-	-	(47,169)	(47,169)	-	(47,169)
Total transactions with owners of the Company		10,333	25,326	-	(2,684)	32,975	(47,169)	(14,194)	427	(13,767)
At 31 December 2011/ 1 January 2012		254,548	39,925	26,245	5,149	325,867	298,149	624,016	194,631	818,647

Statement of changes in equity for the year ended 31 December 2012 (continued)

Group	Note	Attributable to owners of the Company							Total equity RM'000	
		Share capital RM'000	Share premium RM'000	Other reserve RM'000	Share option reserve RM'000	Total capital reserve RM'000	Retained earnings RM'000	Total RM'000		Non-controlling interests RM'000
At 31 December 2011/ 1 January 2012		254,548	39,925	26,245	5,149	325,867	298,149	624,016	194,631	818,647
Profit and total comprehensive income for the year		-	-	-	-	-	156,554	156,554	10,982	167,536
<i>Contribution by and distribution to owners of the Company</i>		-	-	-	-	-	-	-	-	-
Share option granted under ESOS		-	-	-	1,156	1,156	-	1,156	-	1,156
Issuance of ordinary shares pursuant to ESOS		5,013	13,258	-	(1,988)	16,283	-	16,283	-	16,283
Issuance of new ordinary shares in relation to acquisition of subsidiaries		104,617	431,023	-	-	535,640	-	535,640	-	535,640
Acquisition of subsidiaries		-	-	-	-	-	-	-	192,677	192,677
Adjustment on premium of shares issued on acquisition of subsidiaries		-	-	(108,802)	-	(108,802)	-	(108,802)	-	(108,802)
Dividends to owners of the Company		-	-	-	-	-	(105,761)	(105,761)	-	(105,761)
Dividends to non-controlling interests		-	-	-	-	-	-	-	(4,391)	(4,391)
Total transactions with owners of the Company		109,630	444,281	(108,802)	(832)	444,277	(105,761)	338,516	188,286	526,802
At 31 December 2012		364,178	484,206	(82,557)	4,317	770,144	348,942	1,119,086	393,899	1,512,985

Statement of changes in equity for the year ended 31 December 2012 (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	Total capital reserve RM'000	Retained earnings RM'000	Total equity RM'000		
At 1 January 2011		244,215	14,599	6,874	7,833	273,521	168,104	441,625		
Profit and total comprehensive income for the year		-	-	-	-	-	101,082	101,082		
<i>Contribution by and distribution to owners of the Company</i>										
Share option granted under ESOS	25	-	-	-	1,552	1,552	-	1,552		
Issuance of ordinary shares pursuant to ESOS	10	10,333	25,326	-	(4,236)	31,423	-	31,423		
Dividends to owners of the Company	20	-	-	-	-	-	(47,169)	(47,169)		
Total transactions with owners of the Company		10,333	25,326	-	(2,684)	32,975	(47,169)	(14,194)		
At 31 December 2011/1 January 2012		254,548	39,925	6,874	5,149	306,496	222,017	528,513		
Profit and total comprehensive income for the year		-	-	-	-	-	71,324	71,324		
<i>Contribution by and distribution to owners of the Company</i>										
Share option granted under ESOS	25	-	-	-	1,156	1,156	-	1,156		
Issuance of ordinary shares pursuant to ESOS	10	5,013	13,258	-	(1,988)	16,283	-	16,283		
Issuance of new ordinary shares in relation to acquisition of subsidiaries	10	104,617	431,023	-	-	535,640	-	535,640		
Adjustment on premium of shares issued on acquisition of subsidiaries		-	-	(108,802)	-	(108,802)	-	(108,802)		
Dividends to owners of the Company	20	-	-	-	-	-	(105,761)	(105,761)		
Total transactions with owners of the Company		109,630	444,281	(108,802)	(832)	444,277	(105,761)	338,516		
At 31 December 2012		364,178	484,206	(101,928)	4,317	750,773	187,580	938,353		

The notes on pages 145 to 219 form an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2012

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash flows from operating activities					
Profit before tax		185,852	183,022	74,089	115,656
<i>Adjustments for:</i>					
Impairment loss on:					
- Financial asset	18	14	48	7	-
- Inventory	18	39	-	-	-
Surplus over fair value of net assets acquired	18	(101,241)	-	-	-
Finance cost on:					
- Borrowings		6,735	1,376	13,226	7,394
- Profit margin expense on subsidiaries		-	-	3,348	3,814
- Profit margin expense on related companies		1,974	4,697	1,974	4,697
- Profit margin expense on holding corporation		1,577	2,304	-	-
Depreciation of property, plant and equipment	18	39,262	35,238	1,169	1,276
Dividend income	14	(73)	-	(50,689)	(62,814)
Gain on disposal of property, plant and equipment	18	(110)	(583)	-	(509)
Property, plant and equipment written off	18	2,883	483	81	40
Profit margin income from short-term investments and other receivables	15	(3,007)	(5,586)	(33,611)	(34,414)
Zakat expense		-	409	-	-
Reversal of provision of zakat		(119)	-	-	-
Fair value of ESOS granted	25	1,156	1,552	1,156	1,552
Operating profit before changes in working capital		134,942	222,960	10,750	36,692
Change in inventories		10,308	(12,043)	1,351	(1,440)
Change in trade and other payables		(125,488)	46,032	(83,211)	84,141
Change in trade and other receivables, prepayments and other assets		10,482	(32,488)	(118,315)	(69,361)
Cash generated from/(used in) operations		30,244	224,461	(189,425)	50,032

Statement of cash flows for the year ended 31 December 2012 (continued)

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash generated from/(used in) operations (continued)		30,244	224,461	(189,425)	50,032
Finance cost paid:					
- Borrowings		(9,317)	(7,487)	(11,232)	(6,255)
- Profit margin expense on subsidiaries		-	-	(3,348)	(3,814)
- Profit margin expense on related companies		(1,974)	(4,697)	(1,974)	(4,697)
- Profit margin expense on holding corporation		(1,577)	(2,304)	-	-
Profit margin income from short-term investments and receivables		2,724	5,084	9,592	10,047
Tax paid		(49,480)	(56,116)	(22,408)	(11,709)
		-----	-----	-----	-----
Net cash (used in)/from operating activities		(29,380)	158,941	(218,795)	33,604
		-----	-----	-----	-----
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(46,550)	(22,757)	(2,072)	(1,730)
Acquisition of subsidiaries, net	28	(62,388)	-	-	-
Dividends received		73	-	54,052	36,625
Increase in deposits pledged		(747)	933	-	8
Increase in investments in subsidiaries	5	-	-	(72,500)	(770)
Plantation development expenditure	(i)	(89,307)	(63,886)	(14,229)	(7,555)
Proceeds from disposal of property, plant and equipment		127	494	-	293
		-----	-----	-----	-----
Net cash (used in)/from investing activities		(198,792)	(85,216)	(34,749)	26,871
		-----	-----	-----	-----

Statement of cash flows for the year ended 31 December 2012 (continued)

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash flows from financing activities					
Proceeds from drawdown of loans and borrowings		250,000	-	250,000	-
Proceeds from issuance of new ordinary shares		16,283	31,423	16,283	31,423
Repayment of loans and borrowings		-	(15,524)	-	-
Dividends paid to owners of the Company		(80,835)	(52,065)	(64,491)	(47,141)
Net cash from/(used in) financing activities		<u>185,448</u>	<u>(36,166)</u>	<u>201,792</u>	<u>(15,718)</u>
Net (decrease)/increase in cash and cash equivalents		(42,724)	37,559	(51,752)	44,757
Cash and cash equivalents at 1 January	(ii)	<u>166,488</u>	<u>128,929</u>	<u>164,483</u>	<u>119,726</u>
Cash and cash equivalents at 31 December	(ii)	<u>123,764</u>	<u>166,488</u>	<u>112,731</u>	<u>164,483</u>

(i) Plantation development expenditure

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Addition of plantation development expenditure	4	(99,899)	(72,802)	(15,764)	(8,479)
Depreciation of property, plant and equipment	4	3,710	2,805	391	214
Borrowing cost capitalised	4	6,882	6,111	-	-
Management fees capitalised	4	-	-	1,144	710
		<u>(89,307)</u>	<u>(63,886)</u>	<u>(14,229)</u>	<u>(7,555)</u>

Statement of cash flows for the year ended 31 December 2012 (continued)

(ii) Cash and cash equivalents

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

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deposits with licensed banks	9	104,795	137,800	102,529	137,750
Less: Deposits pledged	9	(1,453)	(706)	(656)	(656)
		<u>103,342</u>	<u>137,094</u>	<u>101,873</u>	<u>137,094</u>
Cash and bank balances	9	20,422	29,394	10,858	27,389
		<u>123,764</u>	<u>166,488</u>	<u>112,731</u>	<u>164,483</u>
		=====	=====	=====	=====

The notes on pages 145 to 219 form an integral part of these financial statements.

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 follows:

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 financial year ended 31 December 2012 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 financial year ended 31 December 2012 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 27 February 2013.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

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*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

- 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*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Government Loans*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to FRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to FRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to FRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to FRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to FRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to FRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to FRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to FRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to FRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to FRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to FRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- FRS 9, *Financial Instruments (2009)*
- FRS 9, *Financial Instruments (2010)*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of FRS 9 and Transition Disclosures*

The Company plans to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning on 1 January 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2013, except for FRS 11, FRS 128 and IC Interpretation 20 which are not applicable to the Company.
- from the annual period beginning on 1 January 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014.
- from the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

Material impacts of initial application of a standard, an amendment or an interpretation, which will be applied retrospectively, are discussed below:

Amendments to FRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*

The amendments to FRS 116 clarify that items such as spare parts, stand-by equipment and servicing equipment shall be recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

The initial application of the other standards, amendments and interpretations are not expected to have any material financial impacts on the financial statements of the Company.

(b) Basis of measurement

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

1. Basis of preparation (continued)

(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 Financial Reporting Standards ("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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. 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) 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.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures the cost of 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 surplus over fair value of net assets acquired is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, 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.

(iii) 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) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(v) 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 profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

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.

(vi) 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 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) **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.

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.

(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.

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Regular way purchase or sale of financial assets (continued)

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.

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.

2. Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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 component 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 component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component 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.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component are depreciated separately.

2. Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(iii) Depreciation (continued)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component 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. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

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

• leasehold land	60 - 999 years
• estates	25 years
• buildings	25 years
• temporary buildings	5 years
• plant, machinery and equipment	10 years
• computer equipment	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 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. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

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. 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

Goodwill arising on business combinations are 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.

All expenditure relating to planting and maintenance of rubber trees will be classified under plantation development expenditure. The cost will be expensed off to profit or loss once the trees are ready for tapping.

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 on 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 investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the financial asset's recoverable amount is estimated.

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 goodwill which has indefinite useful lives, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to group of cash-generating units that are expected to benefit from the synergies of the combination.

2. Significant accounting policies (continued)

(i) Impairment (continued)

(ii) Other assets (continued)

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.

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 (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at 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.

(i) Issue expenses

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

(ii) Ordinary shares

Ordinary shares are classified as equity.

2. Significant accounting policies (continued)

(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 has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's 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 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.

2. Significant accounting policies (continued)

(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.

(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 profit or loss upon services rendered.

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

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.

2. Significant accounting policies (continued)

(m) Borrowing cost (continued)

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.

(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.

2. Significant accounting policies (continued)

(o) Earnings per ordinary 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) Contingencies

Contingent liabilities

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

(r) 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.

2. Significant accounting policies (continued)

(r) Zakat expense (continued)

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.

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 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/ 1 January 2012		396,765	309,212	72,240	91,788	11,590	23,420	11,716	916,731
Acquisition of subsidiaries		575,516	257,748	29,421	27,238	98	5,223	11,691	906,935
Additions		7,549	431	2,933	1,641	460	5,140	28,396	46,550
Transfer from plantation development expenditure	4	-	72,964	-	-	-	-	-	72,964
Disposals		-	-	(50)	(2)	-	(103)	-	(155)
Written off		-	(10,682)	(438)	(953)	(50)	(524)	-	(12,647)
Transfers		-	-	11,302	8,809	1,094	428	(21,633)	-
At 31 December 2012		979,830	629,673	115,408	128,521	13,192	33,584	30,170	1,930,378

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 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)
Transfers		-	-	(17)	22	(5)	-	-	-
At 31 December 2011/ 1 January 2012		22,560	100,016	28,236	47,452	10,001	15,568	-	223,833
Depreciation for the year	(i)	5,930	19,953	3,935	8,295	1,008	3,851	-	42,972
Disposals		-	-	(35)	-	-	(103)	-	(138)
Written off		-	(8,177)	(204)	(821)	(50)	(512)	-	(9,764)
At 31 December 2012		28,490	111,792	31,932	54,926	10,959	18,804	-	256,903
Carrying amounts									
At 1 January 2011		379,114	158,848	42,239	47,476	1,799	7,028	4,772	641,276
At 31 December 2011/ 1 January 2012		374,205	209,196	44,004	44,336	1,589	7,852	11,716	692,898
At 31 December 2012		951,340	517,881	83,476	73,595	2,233	14,780	30,170	1,673,475

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 2011		9,411	19,359	16,872	16,484	215	3,089	3	65,433
Additions		-	-	1,111	53	9	392	165	1,730
Disposals		-	-	(3,305)	(157)	-	(78)	-	(3,540)
Written off		-	(8,542)	(137)	(91)	(45)	(76)	-	(8,891)
Transfers		-	-	4	-	-	-	(4)	-
At 31 December 2011/		9,411	10,817	14,545	16,289	179	3,327	164	54,732
1 January 2012		-	-	927	488	38	619	-	2,072
Additions		-	(3,321)	(227)	(770)	(13)	(74)	-	(4,405)
Written off		-	-	148	16	-	-	(164)	-
Transfers		-	-	-	-	-	-	-	-
At 31 December 2012		9,411	7,496	15,393	16,023	204	3,872	-	52,399

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 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 January 2012		1,479	10,641	10,367	14,231	134	2,694	-	39,546
Depreciation for the year	(i)	95	27	553	509	41	335	-	1,560
Written off		-	(3,321)	(146)	(770)	(13)	(74)	-	(4,324)
At 31 December 2012		1,574	7,347	10,774	13,970	162	2,955	-	36,782
Carrying amounts									
At 1 January 2011		8,027	277	5,348	2,524	72	463	3	16,714
At 31 December 2011/ 1 January 2012		7,932	176	4,178	2,058	45	633	164	15,186
At 31 December 2012		7,837	149	4,619	2,053	42	917	-	15,617

3. Property, plant and equipment (continued)

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

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit or loss	18	39,262	35,238	1,169	1,276
Plantation development expenditure	4	3,710	2,805	391	214
		<u>42,972</u>	<u>38,043</u>	<u>1,560</u>	<u>1,490</u>
		=====	=====	=====	=====

3.1 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 2012, the carrying amount of the leasehold land sub-leased to the subsidiary is RM5,103,000 (2011: RM5,161,000).

3.2 Security

At 31 December 2012, the Group's leasehold land with a carrying amount of RM23,521,000 (2011: nil) is subject to a registered debenture to secure bank loan granted to the Company and its subsidiaries (see note 12).

4. Plantation development expenditure

Group	Note	Oil Palm RM'000	Rubber RM'000	/-----Total-----/	
				2012 RM'000	2011 RM'000
At 1 January		278,844	-	278,844	275,288
Acquisition of subsidiaries		217,649	35,014	252,663	-
Additions during the year		96,277	3,622	99,899	72,802
		<u>592,770</u>	<u>38,636</u>	<u>631,406</u>	<u>348,090</u>
Less: Transfer to property, plant and equipment	3	(72,964)	-	(72,964)	(69,246)
At 31 December		<u>519,806</u>	<u>38,636</u>	<u>558,442</u>	<u>278,844</u>
		=====	=====	=====	=====

4. Plantation development expenditure (continued)

Company	/-----Oil Palm-----/	
	2012 RM'000	2011 RM'000
At 1 January	13,727	5,248
Additions during the year	15,764	8,479
At 31 December	29,491	13,727

Included in additions during the year are as follows:

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Depreciation of property, plant and equipment	3	3,710	2,805	391	214
Personnel expenses:					
- Wages, salaries and others		32,571	15,830	943	2,824
- Contribution to Employees Provident Fund		1,475	832	127	147
Borrowing cost capitalised*	16	6,882	6,111	-	-
Management fees capitalised		-	-	1,144	710

* Profit margin expense is capitalised at a rate of 5.45% per annum (2011: 4.99% per annum).

Plantation development expenditure of the Group amounting to RM11,101,000 (2011: nil) of the Group is planted on a land with native status.

5. Investments in subsidiaries

	Note	Company	
		2012 RM'000	2011 RM'000
Unquoted shares at cost, in Malaysia			
At 1 January		402,796	297,166
Acquisition of new subsidiaries	5.1	499,339	-
Fair value adjustment on financial assets		5,377	105,630
		907,512	402,796

5.1 Acquisition of new subsidiaries consists of:

	RM'000
(i) Acquisition of Hydroflow Sdn. Bhd. via cash	72,500
(ii) Acquisition of TH Ladang (Sabah & Sarawak) Sdn. Bhd. and TH Bakti Sdn. Bhd. via issuance of shares of 209,234,375 valued based on actual share price of RM2.04 per share on completion date	426,839
	499,339

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
	2012 %	2011 %	
Direct subsidiaries			
THP Ibok Sdn. Bhd.	100	100	Cultivation of oil palm and marketing 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 marketing 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 marketing of FFB.
THP Saribas Sdn. Bhd.	80	80	Cultivation of oil palm and marketing 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.
Hydroflow Sdn. Bhd.	70	-	Cultivation of oil palm and marketing of FFB.
TH Ladang (Sabah & Sarawak) Sdn. Bhd.	100	-	Investment holding.
TH Bakti Sdn. Bhd.	70	-	Cultivation of oil palm and marketing of FFB.
Indirect subsidiaries held through TH Ladang (Sabah & Sarawak) Sdn. Bhd.			
Ladang Jati Keningau Sdn. Bhd.	82.53	-	Teak plantation.
TH-Bonggaya Sdn. Bhd.	100	-	Teak and rubber plantations.
TH-USIA Jatimas Sdn. Bhd.	70	-	Teak and rubber plantations.
Derujaya Sdn. Bhd.	100	-	Dormant.
Halus Riang Sdn. Bhd.	100	-	Dormant.

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
	2012 %	2011 %	
Indirect subsidiaries held through TH Ladang (Sabah & Sarawak) Sdn. Bhd. (continued)			
Kuni Riang Sdn. Bhd.	100	-	Dormant.
Manisraya Sdn. Bhd.	100	-	Dormant.
Pinekey Enterprise Sdn. Bhd.	100	-	Dormant.
TH PELITA Meludam Sdn. Bhd.	60	-	Cultivation of oil palm and marketing of FFB.
Cempaka Teratai Sdn. Bhd.	100	-	Investment holding.
Kee Wee Plantation Sdn. Bhd.	100	-	Investment holding.
TH PELITA Gedong Sdn. Bhd.	70	-	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
TH PELITA Sadong Sdn. Bhd.	70	-	Cultivation of oil palm and marketing of FFB.
TH PELITA Simunjan Sdn. Bhd.	60	-	Cultivation of oil palm and marketing of FFB.
TH PELITA Beladin Sdn. Bhd.	55	-	Cultivation of oil palm and marketing of FFB.

6. Trade and other receivables

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Non-current					
Non-trade					
Amount due from subsidiaries	6.1	-	-	309,634	233,681
		=====	=====	=====	=====
Current					
Trade					
Trade receivables		39,566	45,361	4,722	7,542
		-----	-----	-----	-----

6. Trade and other receivables (continued)

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current (continued)					
Non-trade					
Amount due from subsidiaries	6.2	-	-	54,325	7,329
Amount due from related companies	6.3	2,611	6,586	262	271
Other receivables		53,291	23,825	38,666	22,883
Tax credit	6.4	9,618	2,270	3,924	-
Dividend receivables		-	-	49,092	53,997
		<u>65,520</u>	<u>32,681</u>	<u>146,269</u>	<u>84,480</u>
		-----	-----	-----	-----
		105,086	78,042	150,991	92,022
		=====	=====	=====	=====

6.1 The amount due from subsidiaries are unsecured, no profit margin applied, stated at amortised cost and has no fixed term of repayment except for an amount of RM259,278,000 (2011: RM196,281,000), which is subject to profit margin ranges from 2.96% to 3.10% (2011: 3.00% to 3.28%).

6.2 The amount due from subsidiaries are unsecured, no profit margin applied and repayable on demand except for an amount of RM51,497,000 (2011: RM5,586,000), which is subject to profit margin ranges from 2.96% to 3.10% (2011: 3.00% to 3.28%).

6.3 The amount due from related companies are unsecured, no profit margin applied, and repayable on demand.

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

7. Intangible asset

	Group	
	2012 RM'000	2011 RM'000
Goodwill	14,006	-
	=====	=====

7. Intangible asset (continued)**Impairment testing for cash-generating units containing goodwill**

7.1 For the purpose of impairment testing, goodwill is allocated to the subsidiaries which represent the cash-generating unit within the Group at which the goodwill is monitored for internal management purposes.

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

	Group	
	2012 RM'000	2011 RM'000
Hydroflow Sdn. Bhd.	13,855	-
TH Bakti Sdn. Bhd.	151	-
	<u>14,006</u>	<u>-</u>
	=====	=====

Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the unit and was based on the following key assumptions:

- Cash flows were projected based on 25 years business plan which represent one full cycle of the oil palm tree.
- Price of FFB was determined based on long term pricing of CPO and PK price of RM2,500/mt and RM1,500/mt.
- Oil extraction rate ("OER") and kernel extraction rate ("KER") were determined based on past years' trend.
- Cost of production were determined based on past years' trend.
- A pre-tax discount rate of 10% was applied in determining the recoverable amount of the unit.

The values assigned to the key assumptions represent management's assessment of future trends in the oil palm industry and are based on external sources and internal sources (historical data).

There is no indication of impairment on goodwill based on the impairment testing.

The above estimates are particularly sensitive in the following cases:

- An increase of 6.5 percentage point in the discount rate used would have resulted in an impairment loss of RM4,384,000.
- A 23% decrease in price of FFB would have resulted in an impairment loss of RM1,672,000.

8. Inventories

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Finished goods	8,921	3,020	787	763
Stores	24,599	19,488	1,272	2,051
Nurseries	8,213	3,793	540	1,136
	41,733	26,301	2,599	3,950
	41,733	26,301	2,599	3,950

Finished goods have been written down to net realisable value of RM315,000 (2011: nil) and RM71,000 (2011: nil) being charged to profit or loss of the Group and Company respectively as part of cost of sales.

Included in finished goods of the Company is RM229,000 (2011: RM229,000), held by a subsidiary.

9. Cash and cash equivalents

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deposits placed with licensed banks	9.1	104,795	137,800	102,529	137,750
Cash and bank balances	9.2	20,422	29,394	10,858	27,389
		125,217	167,194	113,387	165,139
		125,217	167,194	113,387	165,139

9.1 Deposits which are placed with licensed banks for Group and Company have profit margins ranging between 2.90% to 3.60% (2011: 2.55% to 3.60%).

Included in the deposits placed with licensed banks for Group and Company are RM1,453,000 (2011: RM706,000) and RM655,800 (2011: RM655,800) respectively pledged for a bank guarantee issued to a third party.

9.2 Included in the bank balances is RM11,476,000 (2011: RM25,781,000) and RM9,896,000 (2011: RM25,356,000) which is maintained by the Group and the Company respectively with a related company.

10. Capital and reserves

Share capital

	Group and Company			
	Amount 2012 RM'000	Number of shares 2012 '000	Amount 2011 RM'000	Number of shares 2011 '000
Authorised:				
Ordinary shares of RM0.50 each				
At 1 January/31 December	500,000	1,000,000	350,000	700,000
	=====	=====	=====	=====
Issued and fully paid:				
Ordinary shares of RM0.50 each				
At 1 January	254,548	509,096	244,215	488,430
Issued in relation to acquisition of subsidiaries	104,617	209,234	-	-
Issue of shares under ESOS	5,013	10,026	10,333	20,666
	-----	-----	-----	-----
At 31 December	364,178	728,356	254,548	509,096
	=====	=====	=====	=====

Share premium

	Group and Company	
	2012 RM'000	2011 RM'000
At 1 January	39,925	14,599
Issued in relation to acquisition of subsidiaries *	431,023	-
Issue of shares under ESOS	13,258	25,326
	-----	-----
At 31 December	484,206	39,925
	=====	=====

* Share premium is in relation to shares issued for the acquisition of TH Ladang (Sabah & Sarawak) Sdn. Bhd. and its subsidiaries and TH Bakti Sdn. Bhd..

Other reserves

Other reserves relates to fair value adjustment on initial recognition of financial instruments and adjustment to the premium of share issued for the acquisition of subsidiaries.

10. 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 25.

11. Deferred tax liabilities

Recognised deferred tax (assets)/liabilities

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

	Assets		Liabilities		Net	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Group						
Provisions	(79)	(977)	-	-	(79)	(977)
Unutilised tax losses	(14,670)	(2,490)	-	-	(14,670)	(2,490)
Unutilised capital allowances	(63,350)	(13,469)	-	-	(63,350)	(13,469)
Property, plant and equipment	-	-	350,318	105,647	350,318	105,647
FRS 139 adjustment on initial recognition of amount due to holding corporation and related company	-	-	6,147	2,222	6,147	2,222
Tax (assets)/liabilities set-off net tax	(78,099)	(16,936)	356,465	107,869	278,366	90,933
Company						
Provisions	(137)	(256)	-	-	(137)	(256)
Property, plant and equipment	-	-	6,464	4,621	6,464	4,621
FRS 139 adjustment on initial recognition of amount due to subsidiaries and related company	-	-	4,782	1,737	4,782	1,737
Tax (assets)/liabilities set-off net tax	(137)	(256)	11,246	6,358	11,109	6,102

11. Deferred tax liabilities (continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2012 RM'000	2011 RM'000
Deductible temporary differences	243,438	28,422
Unutilised tax loss carry-forwards	(92,045)	(7,280)
Capital allowance carry-forwards	(269,302)	(27,902)
	=====	=====

The deductible temporary differences do not expire under current tax legislation. Unutilised tax loss carry-forwards and unutilised capital allowance carry-forwards of approximately RM92,045,000 (2011: RM7,280,000) and RM269,302,000 (2011: RM27,902,000) 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.

11. Deferred tax liabilities (continued)

Movement in temporary differences during the year

	At 1.1.2011 RM'000	Recognised in profit or loss (note 17) RM'000	At 31.12.2011 RM'000	Recognised in profit or loss (note 17) RM'000	Acquired in business combination (note 28) RM'000	At 31.12.2012 RM'000
Group						
Provisions	-	(977)	(977)	917	(19)	(79)
Unutilised tax losses	-	(2,490)	(2,490)	(12,016)	(164)	(14,670)
Unutilised capital allowances	-	(13,469)	(13,469)	(48,170)	(1,711)	(63,350)
Property, plant and equipment	109,927	(4,280)	105,647	51,388	193,283	350,318
FRS 139 adjustment on initial recognition of amount due to holding corporation and related company	3,389	(1,167)	2,222	3,925	-	6,147
	113,316	(22,383)	90,933	(3,956)	191,389	278,366
Company						
Provisions	-	(256)	(256)	119	-	(137)
Property, plant and equipment	7,419	(2,798)	4,621	1,843	-	6,464
FRS 139 adjustment on initial recognition of amount due to subsidiaries and related company	2,328	(591)	1,737	3,045	-	4,782
	9,747	(3,645)	6,102	5,007	-	11,109

12. Loans and borrowings

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Non-current					
Secured					
Flexi Term Financing-i	12.1	28,722	-	-	-
Ijarah Term Financing-i Facility	12.2	41,840	-	-	-
Unsecured					
Murabahah Medium Term Notes ("MMTN")		200,000	150,000	200,000	150,000
SUKUK Murabahah Medium Term Notes	12.4	200,000	-	200,000	-
		470,562	150,000	400,000	150,000
Current					
Secured					
Ijarah Term Financing-i Facility	12.2	10,000	-	-	-
Tawarruq Flexi Term Financing-i	12.3	10,000	-	-	-
		20,000	-	-	-

Security
12.1 Flexi Term Financing-i

The Flexi Term Financing-i which are taken by a subsidiary of the Group is secured over property, plant and equipment (leasehold land) with a carrying amount of RM12,135,000 (2011: nil) (see note 3).

Significant covenants
TH PELITA Meludam Sdn. Bhd.

The Islamic term loan facilities are subject to the fulfilment of the following significant covenants:

- (a) not to grant any loan or guarantee any person except for normal trade credit or trade guarantee in the ordinary course of business;

12. Loans and borrowings (continued)

12.1 Flexi Term Financing-i (continued)

Significant covenants (continued)

TH PELITA Meludam Sdn. Bhd. (continued)

- (b) not to incur, assume or permit to exist any indebtedness or loans except:-
 - (i) those already disclosed in writing and consented by the Financier;
 - (ii) unsecured indebtedness incurred in the ordinary course of business of the customer(s); and
 - (iii) such advances from the shareholders which are subordinated to the facilities.
- (c) not to create or permit to subsist any security interest over any of its assets, business or undertaking except liens arising by operation of law and in the normal course of business which in the Financiers reasonable opinion is not material;
- (d) not to effect or permit any form of merger, reconstruction, consolidation, amalgamation or reduction in share capital save and except for any merger, reconstruction, consolidation or amalgamation within the group of the companies, whereby Lembaga Tabung Haji remains as the controlling shareholder;
- (e) not to dispose or lease all or a substantial part of its assets or undertaking except in the ordinary course of its business, on ordinary commercial terms and on arm's length basis;
- (f) not to declare or pay any dividends;
- (g) not to enter into profit sharing or other similar arrangement whereby the customer(s) income or profits are shared with any other person or company unless such arrangement is entered into in the ordinary course of business, on ordinary commercial terms and on arm's length basis;
- (h) not to allow or permit any dilution of the direct or indirect shareholding of Lembaga Tabung Haji in the customer(s) to fall below 51%; and
- (i) not to surrender, transfer, assign, relinquish or otherwise dispose of any of its rights and interests under the project which will have a material adverse effect (as reasonably decided by the Financier) on the ability of the customer to perform its obligations under this Agreement or the other Security Documents.

12. Loans and borrowings (continued)

12.2 Ijarah Term Financing-i Facility

The Ijarah Term Financing-i Facility, which is obtained by subsidiaries of the Group, is secured over the leasehold land with a carrying amount of RM5,396,000 (2011: nil) (see note 3).

Significant covenants

TH PELITA Gedong Sdn. Bhd. and TH PELITA Sadong Sdn. Bhd.

The Ijarah Term Financing-i Facility is subject to the fulfilment of the following significant covenants unless the bank consents in writing is obtain:

- (a) not to liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution);
- (b) not to change the nature or scope of company's business, or its financial year or suspend a substantial part of the business operations which it conducts directly or indirectly;
- (c) not to make any loans or advance or guarantee or grant any credit to any of its directors, shareholders, or subsidiaries or related companies except in the ordinary course of business and on commercial terms and on the arm's length transaction;
- (d) not to decrease or alter the authorised or issued capital of the company whether by varying the amount, structure or value thereof or the rights attached thereto or convert any of its share capital as stock, or by consolidation dividing or sub-dividing all or any of its shares;
- (e) 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;
- (f) not to register or permit any change in its shareholding or partnership structure and the respective shareholdings of the shareholders in the company unless the company remains as a subsidiary of TH Ladang (Sabah & Sarawak) Sdn. Bhd., which in turn will be a subsidiary of Lembaga Tabung Haji;

12. Loans and borrowings (continued)

12.2 Ijarah Term Financing-i Facility (continued)

Significant covenants (continued)

TH PELITA Gedong Sdn. Bhd. and TH PELITA Sadong Sdn. Bhd. (continued)

- (g) not to add, delete, vary, amend or change or cause the change in the company or any secured party, as the case may be, Memorandum and Articles of Association;
- (h) not to enter into any partnership, profit-sharing or royalty agreement or other arrangement of whatsoever nature whereby the company's income or profits are, or might be, shared with any other person, firm or company;
- (i) not to enter into any transaction (including merger, consolidation, or reorganisation) with any person, firm or company except in the ordinary course of business on ordinary commercial terms and on the arm's length arrangements;
- (j) not to enter into any management contracts or similar arrangements whereby the company's business or operations are managed by any other person or firm;
- (k) not to create or permit to exist over all or any part of the company's business or property or undertakings any form of charge, mortgage, debenture, pledge, lien;
- (l) not to decrease or in any way whatsoever alter (other than by way of increase) the authorised or issued capital of the company whether by varying the amount;
- (m) not to declare any bonus issue or make any distribution (be it income or capital in nature) or declare and/or pay out any dividend if an Event or Default has occurred or is effect any change in the key management of the company; and
- (n) not to make any alteration to the general purpose in its application for the Ijarah Facility.

12. Loans and borrowings (continued)

12.3 Tawarruq Flexi Term Financing-i

The Tawarruq Flexi Term Financing-i which is taken by a subsidiary of the Group is secured over leasehold land with a carrying amount of RM5,990,000 (2011: nil) (see note 3).

Significant covenants

TH Bakti Sdn. Bhd.

- (a) not to create or permit to exist over all or any part of the assets pursuant to the Security Documents any Security Interest other than those permitted and under the Security Documents;
- (b) save and except in the ordinary course of business and on commercial terms and on the basis of arm's length transaction, not to make any loans/financing or advance or guarantee or grant any credit to any of its directors, shareholders or related companies or any company or person or firm or organisation or purchase or otherwise acquire the capital stock, assets or obligation of any of its directors, shareholders or related companies or any company or person or firm or organisation;
- (c) not to add to, delete, vary, amend or change or cause the change in its memorandum and articles of association in any manner which is inconsistent with the performance of the company's obligations and under the Security Documents;
- (d) not to decrease or in any way whatsoever alter (other than by way of increase) the authorised or issued capital of the company whether by varying the amount, structure or value thereof or the rights attached thereto or convert any of its share capital into stock, or by consolidation dividing or sub-dividing all or any of its shares;
- (e) not to declare or pay any dividend or bonus issue or make any distribution (be it income or capital in nature) upon occurrence of an Event of Default;
- (f) not to enter into any partnership, profit-sharing or royalty agreement or other arrangement of whatsoever nature whereby the company's income or profits are, or might be, shared with any other person, firm or company or enter into any management contract or other arrangement of whatsoever nature whereby the company's business or operations are managed by any other person, firm or company, other than in the ordinary course of business;

12. Loans and borrowings (continued)

12.3 Tawarruq Flexi Term Financing-i (continued)

Significant covenants (continued)

TH Bakti Sdn. Bhd. (continued)

- (g) save and except in the ordinary course of business and on ordinary commercial terms on the basis of arm's length transaction, not to sell, transfer, encumber, lease, or otherwise dispose of or in any case cease to exercise control over, whether by single transaction or a number of transaction, related or not, the whole or substantial part of the company's undertaking business or assets or undertake or permit any merger, consolidation or reorganisation;
- (h) not to enter into any transaction (including merger, consolidation or reorganisation) with any person, firm or company except in the ordinary course of business on ordinary commercial terms and on the basis of arm's length arrangements or establish any exclusive purchasing or sales agency, or enter into any transaction whereby the company might pay more than the ordinary commercial price for any purchase or might receive less than the full commercial price for its products (subject to normal trade discounts) for its products;
- (i) not to make any alteration to the general purpose in its application for the facility;
- (j) not to invest, acquire shares or debentures in or with or lend money to any company or person, save and except in the ordinary course of business;
- (k) not to dissolve its affairs or consolidate with or merge with any other person; and
- (l) not to surrender, transfer, assign, relinquish or otherwise dispose of any of its rights and interest under the Agreement, the Trade Transaction Documents or the other Security Documents.

12.4 SUKUK Murabahah Medium Term Notes

The SUKUK Murabahah Medium Term Notes, which is obtained by the Company is a programme of up to RM1.0 billion in nominal value with Lembaga Tabung Haji.

Significant covenants

TH Plantations Berhad

- (a) not to incur or permit to exist any indebtedness for borrowed monies (which, for the purpose of this paragraph, includes any monies raised through any Islamic financing transaction such as issuance of sukuk), nor give any guarantees in respect of any indebtedness for borrowed monies to any person or entity whatsoever;

12. Loans and borrowings (continued)

12.4 SUKUK Murabahah Medium Term Notes (continued)

Significant covenants (continued)

TH Plantations Berhad (continued)

- (b) not to create or permit to exist any Security Interest on any of its present and future assets, other than any lien arising in the ordinary course of business by operation of law and not by way of contract;
- (c) not to sell, transfer or otherwise dispose of any of its assets, save for:
 - i) where the sale, transfer or disposal is solely for the purposes of facilitating Shariah-compliant financing;
 - ii) sale, transfer or disposal as contemplated by the terms of the transaction documents;
 - iii) where such assets to be sold, transferred or disposed of, do not exceed in aggregate of five percent (5%) of the Issuer's net assets (as shown in the latest audited consolidated accounts of the Issuer);
- (d) not to obtain or permit to exist any loans or advances from its shareholder(s), unless these loans and advances are subordinated to the Sukuk Murabahah;
- (e) not to grant any advances or loans to any party, save and except for:
 - i) loans to its directors, officers or employees as part of their terms of employment;
 - ii) any advance or loan to its subsidiaries, except where:
 - in doing so, there would be a Material Adverse Effect;
 - an Event of Default has occurred, is continuing and has not been remedied or waived; or
 - any payments under the arrangements pertaining to the Sukuk Murabahah is overdue and unpaid or if any payments under the arrangements pertaining to the Sukuk Murabahah which has become payable has not been paid as a consequence of default by the Issuer;

12. Loans and borrowings (continued)

12.4 SUKUK Murabahah Medium Term Notes (continued)

Significant covenants (continued)

TH Plantations Berhad (continued)

- (f) not to declare or pay any dividends or make any distribution, whether income or capital in nature, to its shareholder(s) if:
 - i) an Event of Default has occurred, is continuing and has not been remedied or waived; or
 - ii) any payments under the arrangements pertaining to the Sukuk Murabahah is overdue and unpaid or if any of the payments under the arrangements pertaining to the Sukuk Murabahah which has become payable has not been paid as a consequence of default by the Issuer;
- (g) not to take any step to wind up or dissolve itself;
- (h) not to add, delete, amend or substitute its memorandum or articles of association in a manner inconsistent with the provisions of the transaction documents, unless otherwise required under the law;
- (i) not to reduce or in any way whatsoever alter, except increase, its authorised or paid-up capital, whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of its share capital into stocks, or by consolidating, dividing or sub-dividing all or any of its shares, or by any other manner;
- (j) not to enter into any agreement with its shareholder(s), subsidiaries or associated companies, unless such agreement is entered into:
 - i) in the ordinary course of its business;
 - ii) on an arms-length basis; and
 - iii) will not have a Material Adverse Effect on the Issuer;

12. Loans and borrowings (continued)

12.4 SUKUK Murabahah Medium Term Notes (continued)

Significant covenants (continued)

TH Plantations Berhad (continued)

- (k) not to change the utilisation of proceeds of the Sukuk Murabahah Programme;
- (l) not to engage or carry on any other business other than that as currently carried out;
- (m) not to suspend or threaten to suspend any part of its business;
- (n) not to consolidate or amalgamate or merge with or into, or transfer all or substantially all its assets to, or acquire all or substantially all the assets (including shares and/or stocks of any class, partnership or joint venture interest) of another entity;
- (o) not to enter into a transaction, whether directly or indirectly, with interested persons (including a director, substantial shareholder or persons connected with them) unless:
 - i) such transaction shall be on terms that are no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not interested; and
 - ii) with respect to transactions involving an aggregate payment or value equal to or greater than such amount representing twenty five percent (25%) of the Issuer's net asset as reflected in its then current audited financial statement, the Issuer obtains a certification from an independent adviser that the transaction is carried out on fair and reasonable terms, provided that the Issuer certifies to the Investor or the Joint Lead Managers, that the transaction complies with paragraph (i) above, that (where applicable) the Issuer has received the certification referred to in paragraph (i) above and that the transaction has been approved by the majority of the board of directors or shareholders in a general meeting, as the case may require; and
- (p) not to enter into any partnership, profit-sharing or royalty agreement or other arrangement of whatsoever nature whereby the Issuer's income or profits derived from its main activity(ies) are, or might be, shared with any other person, firm or company or enter into any management contract or other arrangement of whatsoever nature whereby the Issuer's business or operations are managed by any other person, firm or company, unless entered into in its ordinary course of business.

13. Trade and other payables

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Non-current					
Non-trade					
Amount due to holding corporation	13.1	-	13,141	-	-
Amount due to related companies	13.2	11,349	7,896	10,455	7,896
		11,349	21,037	10,455	7,896
		11,349	21,037	10,455	7,896
Current					
Trade					
Trade payables		22,644	20,893	2,021	3,386
		22,644	20,893	2,021	3,386
		22,644	20,893	2,021	3,386
Non-trade					
Amount due to holding corporation	13.3	16,043	16,476	1,305	949
Amount due to subsidiaries	13.4	-	-	113,842	138,756
Amount due to related companies	13.5	29,798	76,946	19,342	76,946
Other payables		35,459	32,098	5,564	8,832
Accrued expenses		7,687	4,930	4,272	1,253
Dividend payable		118,709	5,855	26,390	135
		207,696	136,305	170,715	226,871
		207,696	136,305	170,715	226,871
		230,340	157,198	172,736	230,257

13.1 The amount due to holding corporation is unsecured, no profit margin applied and stated at amortised cost. The amount is not expected to be repaid in the next twelve (12) months.

13.2 The amount due to related companies is unsecured, no profit margin applied and stated at amortised cost. The amount is not expected to be repaid in the next twelve (12) months.

13.3 The amount due to holding corporation is unsecured, no profit margin applied, and repayable on demand.

13.4 The amount due to subsidiaries are unsecured, repayable on demand and subject to profit margin ranges from 2.96% to 3.10% (2011: 3.00% to 3.28%).

13.5 The amount due to related companies are unsecured, repayable on demand and is subject to profit margin ranges from 2.96% to 3.10% (2011: 3.00% to 3.28%).

14. Revenue

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Sales	352,429	409,001	68,181	80,767
Dividends	73	-	50,689	62,814
Management fees - related companies	23,344	25,834	-	-
	<u>375,846</u>	<u>434,835</u>	<u>118,870</u>	<u>143,581</u>
	=====	=====	=====	=====

15. Finance income

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit margin income on financial assets that are not at fair value through profit or loss:				
- intercompany receivables	15	3	30,690	28,831
- short-term fixed deposits	2,992	5,583	2,921	5,583
	<u>3,007</u>	<u>5,586</u>	<u>33,611</u>	<u>34,414</u>
	=====	=====	=====	=====
Recognised in profit or loss	<u>3,007</u>	<u>5,586</u>	<u>33,611</u>	<u>34,414</u>
	=====	=====	=====	=====

16. Finance costs

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Finance cost on financial liabilities that are not at fair value through profit or loss:				
- Borrowings	13,617	7,487	13,226	7,394
- Profit margin expense on subsidiaries	-	-	3,348	3,814
- Profit margin expense on related companies	1,974	4,697	1,974	4,697
- Profit margin expense on holding corporation	1,577	2,304	-	-
	<u>17,168</u>	<u>14,488</u>	<u>18,548</u>	<u>15,905</u>
	=====	=====	=====	=====
Recognised in profit or loss	<u>10,286</u>	<u>8,377</u>	<u>18,548</u>	<u>15,905</u>
Capitalised in plantation development expenditure	6,882	6,111	-	-
	<u>17,168</u>	<u>14,488</u>	<u>18,548</u>	<u>15,905</u>
	=====	=====	=====	=====

17. Tax expense

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current tax expense					
Malaysia - current year		27,144	56,361	4,592	18,630
- prior years		(4,872)	(721)	(6,834)	(411)
Total current tax recognised in profit or loss		22,272	55,640	(2,242)	18,219
Deferred tax expense					
Origination and reversal of temporary differences		(6,326)	(19,491)	3,485	(171)
Under/(Over) provision in prior year		2,370	(2,892)	1,522	(3,474)
Total deferred tax recognised in profit or loss	11	(3,956)	(22,383)	5,007	(3,645)
Total income tax expense		18,316	33,257	2,765	14,574
Reconciliation of effective tax expense					
Profit for the year		167,536	149,765	71,324	101,082
Total income tax expense		18,316	33,257	2,765	14,574
Profit excluding tax		185,852	183,022	74,089	115,656
Tax calculated using Malaysian tax rate of 25% (2011: 25%)		46,463	45,755	18,522	28,914
Effect of deferred tax asset not recognised		27,787	133	-	-
Effect of deferred tax asset previously not recognised		-	(11,160)	-	-
Non-assessable income		(58,221)	-	(10,445)	(10,455)
Non-deductible expenses		4,789	2,142	-	-
(Over)/Under provided in prior years					
- current tax		(4,872)	(721)	(6,834)	(411)
- deferred tax		2,370	(2,892)	1,522	(3,474)
		18,316	33,257	2,765	14,574

18. Profit for the year

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit for the year is arrived after charging:					
Auditors' remuneration:					
- Audit fees					
KPMG Malaysia		534	455	160	120
- Non-audit fees					
KPMG Malaysia		90	20	90	20
Impairment loss on:					
- Financial asset		14	48	7	-
- Inventory		39	-	-	-
Depreciation of property, plant and equipment	3	39,262	35,238	1,169	1,276
Fair value of ESOS granted		1,156	1,552	1,156	1,552
Personnel expenses:					
- Wages, salaries and others		80,538	53,380	2,485	6,594
- Contribution to Employees Provident Fund		4,858	3,458	269	365
Property, plant and equipment written off	3	2,883	483	81	40
Rental of premises		1,932	1,932	1,932	-
Rental of land		2,420	2,420	2,420	2,420
		=====	=====	=====	=====
and after crediting:					
Surplus over fair value of net assets acquired	28	101,241	-	-	-
Gain on disposal of property, plant and equipment		110	583	-	509
Rental income		2,417	-	5,779	3,848
		=====	=====	=====	=====

19. Earnings per share

Basic earnings per share

The calculation of basic and diluted earnings per share at 31 December 2012 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2012 RM'000	2011 RM'000
Profit for the year attributable to shareholders	156,554	124,829
	=====	=====
Weighted average number of ordinary shares		
	Group	
	2012 '000	2011 '000
Issued ordinary shares at 1 January	509,096	488,430
Effect of issuance of new ordinary shares	209,234	-
Effect of ordinary shares issued under ESOS	10,026	20,666
	-----	-----
Weighted average number of ordinary shares at 31 December	728,356	509,096
	=====	=====
Weighted average number of ordinary shares (diluted)		
	Group	
	2012 '000	2011 '000
Issued ordinary shares at 1 January	509,096	488,430
Effect of issuance of new ordinary shares	209,234	-
Effect of ordinary shares issued under ESOS	10,026	20,666
Effect of share options on issue	14,621	25,754
	-----	-----
Weighted average number of ordinary shares at 31 December	742,977	534,850
	=====	=====
	Group	
	2012 Sen	2011 Sen
Basic earnings per ordinary share	21.49	24.52
Diluted earnings per ordinary share	21.07	23.34
	=====	=====

20. Dividends

Dividends recognised in the current year by the Company are:

	Sen per share	Total amount RM'000	Date of Payment
2012			
Final for ordinary - 2011	12.50	64,525	9 May 2012
Interim 2012 ordinary	3.60	26,221	15 January 2013
Payment in relation to shortfall of Section 108 available dividends to Inland Revenue Board	-	15,015	19 June 2012
		105,761	
		=====	
2011			
Final for ordinary - 2010	9.38	47,169	11 May 2011
		=====	

After the reporting period, the following dividends were proposed by the Directors. These dividends will be recognised in subsequent financial reports upon approval by the owners of the Company.

	Sen per share	Total amount RM'000
Final ordinary	1.00	7,283
	=====	=====

21. 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.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

21. Operating segments (continued)

	Oil palm plantations		Management services		Elimination		Consolidated Total	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Segment profit/(loss)								
<i>Included in the measure of segment profit/(loss) are:</i>								
Revenue from external customers	352,502	409,001	23,344	25,834	-	-	375,846	434,835
Inter-segment revenue	68,146	82,695	12,144	12,507	(80,290)	(95,202)	-	-
<i>Not included in the measure of segment profit but provided to Group's Chief Executive Officer</i>								
Depreciation	(41,683)	(37,116)	(1,289)	(927)	-	-	(42,972)	(38,043)
Finance costs	(41,220)	(23,260)	-	-	30,934	14,883	(10,286)	(8,377)
Profit margin income from short-term investments and receivables	52,901	33,620	-	-	(49,894)	(28,034)	3,007	5,586
Income tax expense	(32,631)	(40,953)	(4,063)	(2,112)	18,378	9,808	(18,316)	(33,257)
Segment assets	3,623,363	1,750,669	13,986	16,454	(1,110,379)	(520,475)	2,526,970	1,246,648
<i>Included in the measure of segment assets are:</i>								
Additions to non-current assets other than financial instrument and deferred tax assets	38,552	93,753	1,131	1,806	(2)	-	39,681	95,559

21. Operating segments (continued)

	External revenue RM'000	Depreciation RM'000	Finance costs RM'000	Profit margin income RM'000	Segment assets RM'000	Additions to non-current assets RM'000
2012						
Total reportable segments	456,137	(42,972)	(41,220)	52,901	3,637,349	636,017
Elimination of inter-segment transaction or balances	(80,291)	-	30,934	(49,894)	(1,110,379)	670,074
Consolidated total	375,846	(42,972)	(10,286)	3,007	2,526,970	1,306,091
2011						
Total reportable segments	530,037	(38,043)	(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	(38,043)	(8,377)	5,586	1,246,648	95,559

21. 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.

	2012 RM'000	2011 RM'000
Malaysia	6,993	6,861
Indonesia	16,351	18,973
Consolidated revenue	23,344	25,834

Major customers

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

	2012 RM'000	2011 RM'000	Segment
Ngo Chew Hong Oil & Fats Sdn. Bhd.	73,314	63,052	Oil palm plantations
Sime Darby Futures & Trading Sdn. Bhd.	36,991	52,636	Oil palm plantations

22. Financial instruments

22.1 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 ("FL").

	Carrying amount RM'000	L&R/ (FL) RM'000	FVTPL RM'000
2012			
Financial assets			
Group			
Other investment	599	-	599
Amount due from related companies	2,611	2,611	-
Cash and cash equivalents	125,217	125,217	-
Trade and other receivables	102,475	102,475	-
	230,902	230,303	599
Company			
Other investment	599	-	599
Amount due from related companies	262	262	-
Amount due from subsidiaries	363,959	363,959	-
Cash and cash equivalents	113,387	113,387	-
Trade and other receivables	96,404	96,404	-
	574,611	574,012	599
Financial liabilities			
Group			
Murabahah Medium Term Notes	(200,000)	(200,000)	-
SUKUK Murabahah Medium Term Notes	(200,000)	(200,000)	-
Flexi Term Financing-i	(28,722)	(28,722)	-
Ijarah Term Financing-i Facility	(51,840)	(51,840)	-
Tawarruq Flexi Term Financing-i	(10,000)	(10,000)	-
Amount due to related companies	(41,147)	(41,147)	-
Amount due to holding corporation	(16,043)	(16,043)	-
Trade and other payables	(184,499)	(184,499)	-
	(732,251)	(732,251)	-

22. Financial instruments (continued)

22.1 Categories of financial instruments (continued)

	Carrying amount RM'000	L&R/ (FL) RM'000	FVTPL RM'000
2012			
Financial liabilities			
Company			
Murabahah Medium Term Notes	(200,000)	(200,000)	-
SUKUK Murabahah Medium Term Notes	(200,000)	(200,000)	-
Amount due to subsidiaries	(113,842)	(113,842)	-
Amount due to related companies	(29,797)	(29,797)	-
Amount due to holding corporation	(1,305)	(1,305)	-
Trade and other payables	(38,247)	(38,247)	-
	(583,191)	(583,191)	-
=====			
2011			
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
=====			

22. Financial instruments (continued)

22.1 Categories of financial instruments (continued)

	Carrying amount RM'000	L&R/ (FL) RM'000	FVTPL RM'000
2011			
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)	-
=====			
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)	-
=====			

22.2 Net gains/(losses) arising from financial instruments

	Total RM'000
Group	
2012	
Net gains/(losses) on:	
Loans and receivables	2,993
Other financial liabilities	(17,168)
Total	(14,175)
=====	
2011	
Net gains/(losses) on:	
Loans and receivables	5,538
Other financial liabilities	(14,488)
Total	(8,950)
=====	

Included in other financial liabilities of the above, RM6,882,000 (2011: RM6,111,000) has been capitalised in plantation development expenditure (see note 4).

22. Financial instruments (continued)

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

	Total RM'000
Company	
2012	
Net gains/(losses) on:	
Loans and receivables	33,604
Other financial liabilities	(18,548)
Total	15,056
	=====
2011	
Net gains/(losses) on:	
Loans and receivables	34,414
Other financial liabilities	(15,905)
Total	18,509
	=====

22.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

22.4 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.

22. Financial instruments (continued)

22.4 Credit risk (continued)

Receivables (continued)

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 sixty (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:

	2012 RM'000	2011 RM'000
Malaysia	102,737	72,877
Indonesia	2,349	5,165
	=====	=====

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Not past due	31,878	41,181	3,139	6,291
Past due 0-30 days	7,688	4,180	1,583	1,251
	-----	-----	-----	-----
	39,566	45,361	4,722	7,542
	=====	=====	=====	=====

There was no impairment required on trade receivables.

22. Financial instruments (continued)

22.4 Credit risk (continued)

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.

Intercompany 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 the 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.

22.5 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 sufficient 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.

22. Financial instruments (continued)

22.5 Liquidity risk (continued)

Maturity analysis

The table below summarises 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:

	Carrying amount RM'000	Contractual interest rate %	Contractual 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
Group							
2012							
<i>Non-derivatives financial liabilities</i>							
Murabahah Medium Term Notes	200,000	5.59	248,511	10,445	10,445	176,097	51,524
SUKUK Murabahah Medium Term Notes	200,000	6.60	398,072	13,200	13,200	39,636	332,036
Flexi Term Financing-i	28,722	4.85	34,062	1,393	3,023	29,646	-
Tawarruq Flexi Term Financing-i	10,000	7.60	10,760	10,760	-	-	-
Ijarah Term Financing-i Facility	51,840	6.38	61,250	13,359	12,709	35,182	-
Amount due to holding corporation	16,043	-	16,043	16,043	-	-	-
Amount due to related companies	41,147	7.60	44,274	44,274	-	-	-
Trade and other payables	184,499	-	184,499	184,499	-	-	-
	732,251		997,471	293,973	39,377	280,561	383,560
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	-	-	-
	328,235		390,642	164,191	31,410	178,587	16,454

22. Financial instruments (continued)

22.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual interest rate %	Contractual 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
2012							
<i>Non-derivatives financial liabilities</i>							
Murabahah Medium Term Notes	200,000	5.59	248,511	10,445	10,445	176,097	51,524
SUKUK Murabahah Medium Term Notes	200,000	6.60	398,072	13,200	13,200	39,636	332,036
Amount due to subsidiaries	113,842	3.02	117,280	117,280	-	-	-
Amount due to holding corporation	1,305	-	1,305	1,305	-	-	-
Amount due to related companies	29,797	-	29,797	27,953	-	-	1,844
Trade and other payables	38,247	-	38,247	38,247	-	-	-
	583,191		833,212	208,430	23,645	215,733	385,404
	=====		=====	=====	=====	=====	=====
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	143,085	143,085	-	-	-
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	-	-	-
	388,153		453,450	242,527	15,882	178,587	16,454
	=====		=====	=====	=====	=====	=====

22. Financial instruments (continued)

22.6 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.

22.6.1 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.

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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Fixed rate instruments				
Murabahah Medium Term Notes	200,000	150,000	200,000	150,000
SUKUK Murabahah Medium Term Notes	200,000	-	200,000	-
Ijarah Term Financing-i Facility	51,840	-	-	-
	=====	=====	=====	=====
Floating rate instruments				
Tawarruq Flexi Term Financing-i	10,000	-	-	-
Flexi Term Financing-i	28,722	-	-	-
	=====	=====	=====	=====

As at 31 December 2012, 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 13.4.

As at 31 December 2012, 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 and note 13 respectively.

22. Financial instruments (continued)

22.6 Market risk (continued)

22.6.1 Profit margin risk (continued)

Profit margin risk sensitivity analysis

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in profit margin rates at the end of the reporting period would have increased (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss	
	+100 bp 2012 RM'000	-100 bp 2012 RM'000
Flexi Term Financing-i	(215)	215
Tawarruq Flexi Term Financing-i	(75)	75
	=====	=====

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.

22.7 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 cash flows), together with the carrying amounts shown in the statement of financial positions, are as follows:

	2012		2011	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Financial assets				
Other investment				
Unquoted company	599	599	599	599
	=====	=====	=====	=====

22. Financial instruments (continued)

22.7 Fair value of financial instruments (continued)

		2012		2011	
		Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group					
Financial liabilities					
Flexi Term Financing-i	12	28,722	28,722	-	-
Murabahah Medium Term Notes	12	200,000	200,000	150,000	150,000
SUKUK Murabahah Medium Term Notes	12	200,000	200,000	-	-
Ijarah Term Financing-i Facility		51,840	51,840	-	-
Tawarruq Flexi Term Financing-i	12	10,000	10,000	-	-
Amount due to holding corporation	13	16,043	16,043	29,617	29,617
Amount due to related companies	13	11,349	11,349	7,896	7,896
=====					
Company					
Financial assets					
Other investment					
Unquoted shares		599	599	599	599
Amount due from subsidiaries	6	309,634	309,634	233,681	233,681
=====					
Financial liabilities					
Murabahah Medium Term Notes	12	200,000	200,000	150,000	150,000
SUKUK Murabahah Medium Term Notes	12	200,000	200,000	-	-
Amount due to related companies	13	10,455	10,455	7,896	7,896
=====					

22.7.1 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 is not based on observable market data (unobservable inputs).

22. Financial instruments (continued)

22.7.1 Fair value hierarchy (continued)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2012				
Financial assets				
Other investment				
Unquoted company	-	-	599	599
	=====	=====	=====	=====
2011				
Financial assets				
Other investment				
Unquoted company	-	-	599	599
	=====	=====	=====	=====

23. 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 2012, the Group's strategy, which was unchanged from 2011, was to maintain the debt-to-equity ratio less than one time. The debt-to-equity ratios at 31 December 2012 and at 31 December 2011 were as follows:

	Group	
	2012 RM'000	2011 RM'000
Total borrowings (note 12)	490,562	150,000
Less: Cash and cash equivalents (note 9)	(125,217)	(167,194)
Net debt	365,345	(17,194)
	=====	=====
Total equity	1,512,985	818,647
	=====	=====
Debt-to-equity ratio	24%	-
	=====	=====

23. Capital management (continued)

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 than RM40 million. The Company has complied with this requirement.

24. 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	
	2012 RM'000	2011 RM'000
Less than one year	2,677	834
Between one and three years	4,799	-
	7,476	834
	=====	=====

25. 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
Option granted to Director and employees on 18 June 2012	5,818	Based on completed year of service	2 years
	52,790		
	=====		

25. Employee benefits (continued)

Share-based payments (continued)

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

	Weighted average exercise price 2012 RM	Number of options 2012 ('000)	Weighted average exercise price 2011 RM	Number of options 2011 ('000)
Outstanding at 1 January	1.61	25,754	1.52	38,209
Granted during the year	2.09	5,818	1.74	8,763
Forfeited during the year	1.52	(1,157)	1.52	(552)
Forfeited during the year	2.09	(93)	-	-
Exercised during the year	1.52	(5,362)	1.52	(20,615)
Exercised during the year	1.74	(4,614)	1.74	(51)
Exercised during the year	2.09	(50)	-	-
Outstanding at 31 December	1.80	20,296	1.61	25,754

The options outstanding at 31 December 2012 have an exercise price at RM1.52, RM1.74 and RM2.09 per ordinary share respectively and a weighted average of the remaining contractual life of 2 years.

During the year, 10,026,000 share options were exercised. The weighted average share price for the year was RM1.52, RM1.74 and RM2.09 respectively 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:

Fair value of share options and assumptions

	Directors and employees	
	2012	2011
Fair value at grant date	RM0.24	RM0.19
Weighted average share price exercise price	RM2.09	RM1.74
Option life (expected weighted average life)	2 years	3 years

25. **Employee benefits (continued)**

Share-based payments (continued)

Employee expenses

	Group and Company	
	2012 RM'000	2011 RM'000
Share options granted	1,156	1,552
Total expense recognised as share-based payments	1,156	1,552

26. **Capital and other commitments**

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Property, plant and equipment				
<i>Authorised but not contracted for:</i>				
Within one year	223,211	81,227	12,382	4,111
Plantation development expenditure				
<i>Authorised but not contracted for:</i>				
Within one year	205,038	53,899	13,230	14,056
Investment				
<i>Authorised and contracted for:</i>				
Within one year	276,842	90,323	276,842	90,323
	705,091	225,449	302,454	108,490

27. **Related parties**

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly 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. Related parties may be individuals or other entities.

27. Related parties (continued)

Identity of related parties (continued)

Related parties also include key management personnel 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 Group has related party relationship with its holding corporation, subsidiaries, related companies and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in note 6 and 13.

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
A. Holding corporation				
Expenses				
Rental of premise	(1,932)	(1,932)	(1,932)	-
Rental of land	(2,420)	(2,420)	(2,420)	(2,420)
B. Related companies				
Income				
Management fees income	23,344	25,834	-	-
Profit margin income from related companies receivables	15	452	15	-
Expenses				
Purchase of fertilisers	(39,987)	(27,456)	(2,625)	(2,235)
Purchase of flight tickets	(882)	(973)	(206)	(282)
Telecommunication equipment	(735)	(800)	(146)	(132)
Insurance policy	(3,399)	(1,924)	(367)	(514)
	=====	=====	=====	=====
C. Subsidiaries companies				
Income				
Profit margin income from subsidiaries receivables	-	-	30,675	28,831
Rental of premise	-	-	1,932	-
Expenses				
Management fees	-	-	(2,196)	(2,109)
Profit margin expense from subsidiaries payables	-	-	(3,348)	(3,814)
	=====	=====	=====	=====

27. Related parties (continued)

Significant related party transactions (continued)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
D. Key management personnel				
Directors				
- Fees	(1,645)	(1,214)	(611)	(581)
- Remuneration	(1,395)	(1,428)	(1,395)	(1,400)
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	(231)	(221)	(32)	(21)
	<u>(3,271)</u>	<u>(2,863)</u>	<u>(2,038)</u>	<u>(2,002)</u>
Other key management personnel:				
- Short-term employee benefit	(1,550)	(1,349)	(1,550)	(1,349)
	<u>(4,821)</u>	<u>(4,212)</u>	<u>(3,588)</u>	<u>(3,351)</u>
	=====	=====	=====	=====

28. Acquisition of subsidiaries

28.1 Acquisition of subsidiary - Hydroflow Sdn. Bhd.

On 1 July 2012, the Group acquired 70% shares in Hydroflow Sdn. Bhd. ("HSB") for RM72,500,000 satisfied in cash. HSB is involved in oil palm plantations. The acquisition of HSB has further expanded the Group's operation into Sarawak. In the period from 1 July 2012 to 31 December 2012, the subsidiary contributed revenue of RM1,209,000 and profit of RM643,000. If the acquisition had occurred on 1 January 2012, management estimates that consolidated revenue would have increased by RM2,472,000 and consolidated profit for the year would have increased by RM10,775,000. In determining these amounts, management has assumed that fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2012.

	Group 2012 RM'000
Fair value of consideration transferred	
Cash and cash equivalents	72,500
	<u>72,500</u>
	=====

28. Acquisition of subsidiaries (continued)

28.1 Acquisition of subsidiary - Hydroflow Sdn. Bhd. (continued)

	Group
	2012 RM'000
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	101,210
Plantation development expenditure	4,201
Inventories	1,066
Cash and bank balances	#
Deferred tax liabilities	(22,698)
	<hr/> 83,779 <hr/> <hr/>
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration settled in cash and cash equivalents	72,500
Cash and cash equivalents	#
	<hr/> 72,500 <hr/> <hr/>
Goodwill	
Goodwill was recognised as a result of acquisition as follows:	
Total consideration transferred	72,500
Fair value of identifiable net assets	
<i>Non-controlling interest, based on their proportionate interest in recognised amounts of the asset and liabilities of acquiree</i>	25,134
<i>Fair value of existing interest in the acquiree</i>	(83,779)
	<hr/> 13,855 <hr/> <hr/>

Represent RM10

28. Acquisition of subsidiaries (continued)

28.2 Acquisition of subsidiary - TH Ladang (Sabah & Sarawak) Sdn. Bhd.

On 23 November 2012, the Company acquired all the shares in TH Ladang (Sabah & Sarawak) Sdn. Bhd. for RM518,000,000 satisfied via the issuance of 202,343,750 new ordinary shares at RM2.56 per share. THLSS Group is involved in plantations. The acquisition of TH Ladang (Sabah & Sarawak) Sdn. Bhd. has further expanded the Group's operation into Sarawak and Sabah. In the period from 1 December 2012 to 31 December 2012, the subsidiary contributed revenue of RM17,072,000 and profit of RM4,281,000. If the acquisition had occurred on 1 January 2012, management estimates that consolidated revenue would have increased by RM146,250,000 and consolidated profit for the year would have increased by RM53,673,000. In determining these amounts, management has assumed that fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2012.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities at the acquisition date:

	Group 2012 RM'000
Fair value of consideration transferred	
Equity instruments issued (202,343,750 ordinary shares valued based on the share price on completion date of RM2.04)	412,782
	<hr/> 412,782 <hr/> <hr/>
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	811,943
Plantation development expenditure	206,234
Inventories	24,428
Trade and other receivables	29,351
Cash and cash equivalents	10,000
Loans and borrowings	(80,282)
Deferred tax liabilities	(165,723)
Current tax liabilities	(3,332)
Dividend payables	(87,928)
Trade and other payables	(69,085)
	<hr/> 675,606 <hr/> <hr/>

28. Acquisition of subsidiaries (continued)

28.2 Acquisition of subsidiary - TH Ladang (Sabah & Sarawak) Sdn. Bhd. (continued)

	Group
	2012 RM'000
Net cash inflow arising from acquisition of subsidiary	
Cash and cash equivalents acquired	(10,000)
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	(10,000)
	=====
Surplus over fair value of net assets acquired	
Surplus over fair value of net assets acquired recognised in the profit or loss as follows:	
Total consideration transferred	412,782
Fair value of identifiable net assets	
<i>Non-controlling interest, based on their proportionate interest in recognised amounts of the asset and liabilities of acquiree</i>	161,583
<i>Fair value of existing interest in the acquiree</i>	(675,606)
	<hr style="width: 100%; border: 0.5px solid black;"/>
	(101,241)
	=====

28.3 Acquisition of subsidiary - TH Bakti Sdn. Bhd.

On 23 November 2012, the Group acquired 70% shares in TH Bakti Sdn. Bhd. for RM17,640,000 satisfied via the issuance of 6,890,625 new ordinary shares at an issue price of RM2.56 per share. TH Bakti Sdn. Bhd. is involved in oil palm plantations. The acquisition of TH Bakti Sdn. Bhd. has further expanded the Group's operation into Terengganu. In the period from 1 December 2012 to 31 December 2012, the subsidiary contributed revenue of RM116,000 and loss of RM347,000. If the acquisition had occurred on 1 January 2012, management estimates that consolidated revenue would have increased by RM3,664,000 and consolidated profit for the year would have decreased by RM4,030,000. In determining these amounts, management has assumed that fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2012.

28. Acquisition of subsidiaries (continued)

28.3 Acquisition of subsidiary - TH Bakti Sdn. Bhd. (continued)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities at the acquisition date:

	Group 2012 RM'000
Fair value of consideration transferred	
Equity instruments issued (6,890,625 ordinary shares valued based on the share price on completion date of RM2.04)	14,057
	<hr/> 14,057 <hr/>
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	36,010
Inventories	287
Trade and other receivables	307
Cash and cash equivalents	112
Loans and borrowings	(10,000)
Deferred tax liabilities	(2,968)
Trade and other payables	(3,882)
	<hr/> 19,866 <hr/>
Net cash inflow arising from acquisition of subsidiary	
Cash and bank balance acquired	(112)
	<hr/> (112) <hr/>
Goodwill	
Goodwill was recognised as a result of acquisition as follows:	
Total consideration transferred	14,057
Fair value of identifiable net assets	
<i>Non-controlling interest, based on their proportionate interest in recognised amounts of the asset and liabilities of acquiree</i>	5,960
<i>Fair value of existing interest in the acquiree</i>	(19,866)
	<hr/> 151 <hr/>

29. Significant events

- a) On 1 July 2012, the Company acquired 70% shares in Hydroflow Sdn. Bhd. ("HSB") for RM72,500,000 satisfied in cash.
- b) On 23 November 2012, the Company acquired all the shares in TH Ladang (Sabah & Sarawak) Sdn. Bhd. for RM518,000,000 satisfied via the issuance of 202,343,750 new ordinary shares at an issue price of RM2.56 per share.
- c) On 23 November 2012, the Company acquired 70% shares in TH Bakti Sdn. Bhd. for RM17,640,000 satisfied via the issuance of 6,890,625 new ordinary shares at an issue price of RM2.56 per share.
- d) On 25 October 2012, the Company had entered into two (2) separate conditional agreements as follows:
 - i. a conditional share sale agreement with Bong Sen Kui, Enerstar Sdn. Bhd., Liew Tien How and Weida (M) Bhd. for the acquisition of the entire equity interest in Bumi Suria Ventures Sdn. Bhd. for a total indicative cash consideration of RM212,504,000.
 - ii. a conditional share sale agreement with Weida (M) Bhd. for the acquisition of the entire equity interest in Maju Warisanmas Sdn. Bhd. for a total indicative cash consideration of RM42,081,000.

Both of the transactions have been completed on 27 February 2013.

- e) On 11 November 2011, the Company has entered into 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, representing 93% of the total issued and fully paid-up share capital of PT Persada Kencana Prima, for the total purchase consideration of Rp46,211,960,000. The RM equivalent of the total purchase consideration is RM16,822,701 based on the exchange rate as at 11 November 2011 of Rp2,747:1.00. The transaction has yet to be completed as of 31 December 2012.

30. 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	
	2012 RM'000	2011 RM'000
Total retained earnings of the Group:		
- realised	482,400	539,658
- unrealised	28,230	(86,154)
Less: Consolidation adjustments	(161,688)	(155,355)
Total retained earnings	348,942	298,149
	=====	=====

	Company	
	2012 RM'000	2011 RM'000
Total retained earnings of the Company:		
- realised	183,916	228,119
- unrealised	3,664	(6,102)
Total retained earnings	187,580	222,017
	=====	=====

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 135 to 219 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 2012 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 30 on page 220 to the financial statements has been compiled in accordance with 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



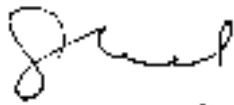
.....
Dato' Zainal Azwar bin Zainal Aminuddin

Kuala Lumpur,
Date: 27 February 2013

Statement by Directors pursuant to Section 169(15) 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 135 to 220 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 27 February 2013.



.....
Mohamed Azman Shah bin Ishak

Before me:



No. 3-59B Jalan Desa 2/1
Desa Aman Puri, Kepong,
62100 Kuala Lumpur.

Independent Auditors' Report to the members of TH Plantations Berhad

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 2012 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 135 to 219.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, 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 give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

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

Other 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 30 on page 220 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standards in Malaysia. 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 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.

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: 2922/04/14(J)
Chartered Accountant

Petaling Jaya,

Date: 27 February 2013



ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2013

SHAREHOLDING STRUCTURE

Authorised share capital	:	RM500,000,000.00 (comprising 1,000,000,000 ordinary shares of RM0.50 each)
Issued and Paid-Up Share Capital	:	RM364,313,487.50 (comprising 728,626,975 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

ANALYSIS BY SIZE OF SHAREHOLDINGS

Category	No. of Ordinary Shares Held			
	Direct	%	Indirect	%
Less than 100	90	0.94	854	0
100 to 1,000	1,162	12.15	857,982	0.12
1,001 to 10,000	7,209	75.40	28,162,178	3.87
10,001 to 100,000	958	10.02	28,100,564	3.86
100,001 to less than 5% of issued shares	140	1.47	105,997,422	14.54
5% and above of issued shares	2	0.02	565,507,975	77.61
Total	9,561	100.00	728,626,975	100.00

DIRECTORS' SHAREHOLDINGS

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.	Dato' Zainal Azwar bin Zainal Aminuddin	83,000	0.02	-	-
3.	Tan Sri Dr Abdul Samad bin Haji Alias	275,600	0.04	-	-
4.	Dato' Paduka Ismee bin Haji Ismail	-	-	-	-
5.	Datuk Azizan bin Abd Rahman	-	-	-	-
6.	Dato' Haji Wan Zakaria bin Abd Rahman	4,000	#	-	-
7.	Dato' Noordin bin Md Noor	-	-	-	-
8.	Dato' Amran bin Mat Nor	-	-	-	-
9.	Mahbob bin Abdullah	-	-	-	-

Note:

* deemed interest by virtue of shares held by his spouse

negligible

SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Ordinary Shares Held			
		Direct	%	Indirect	%
1.	Lembaga Tabung Haji	523,167,575	71.80	-	-
2.	Employees Provident Fund Board	45,001,300	6.18	-	-

TOP THIRTY SHAREHOLDERS

No.	Name of Shareholders	No. of Ordinary Shares Held	% of Issued Share capital
1.	Lembaga Tabung Haji	523,167,575	71.80
2.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	42,340,400	5.81
3.	Kumpulan Wang Persaraan (Diperbadankan)	15,176,300	2.08
4.	AIBB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yayasan Pok Dan Kassim	10,409,800	1.43
5.	Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	9,147,600	1.26
6.	Amsec Nominees (Tempatan) Sdn. Bhd. AMTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	5,271,100	0.72
7.	Amanahraya Trustees Berhad Public Islamic Opportunities Fund	5,036,400	0.69
8.	Pertubuhan Peladang Negeri Terengganu	4,891,912	0.67
9.	Lembaga Tabung Angkatan Tentera	4,050,000	0.56

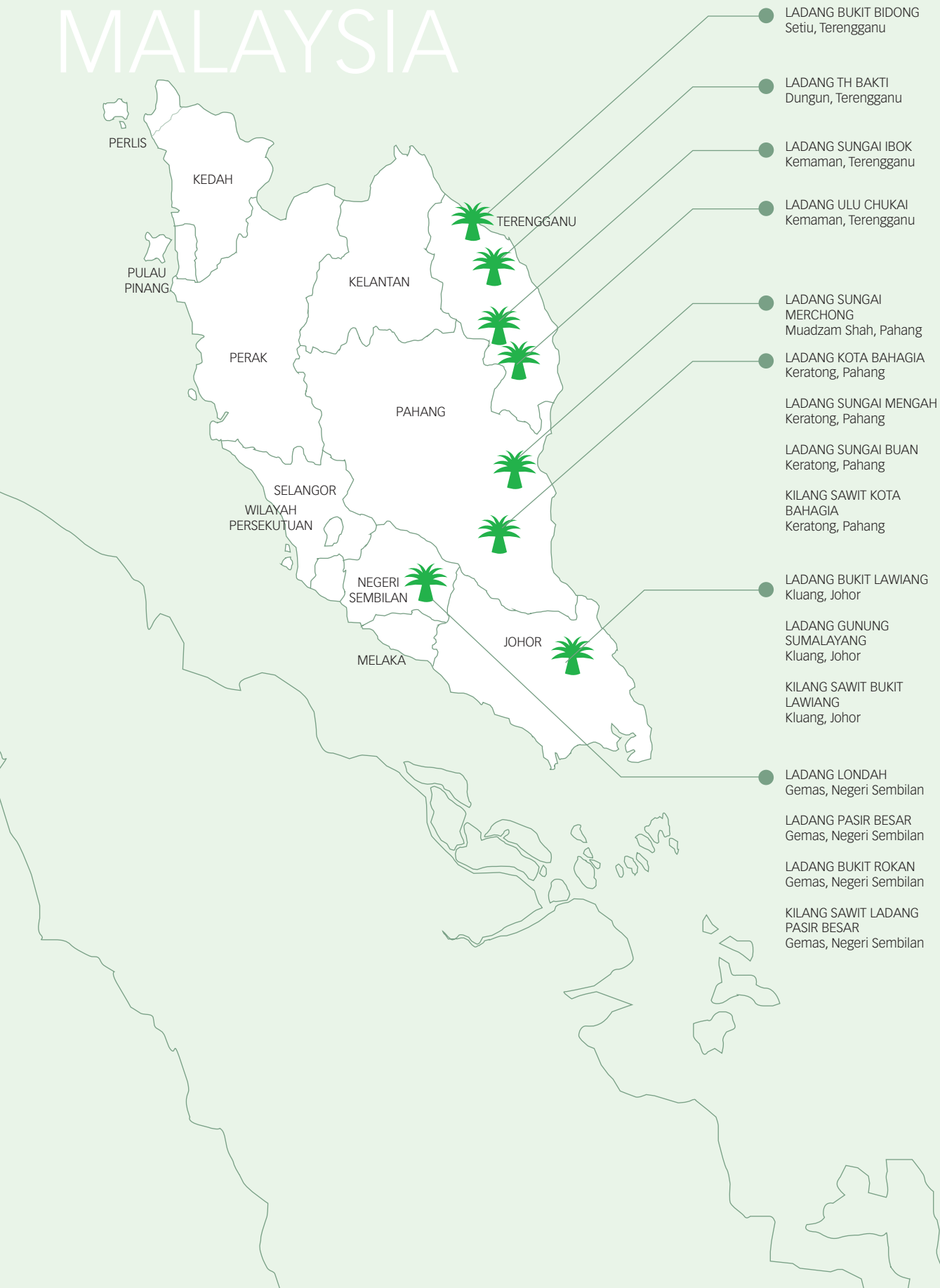
TOP THIRTY SHAREHOLDERS (continued)

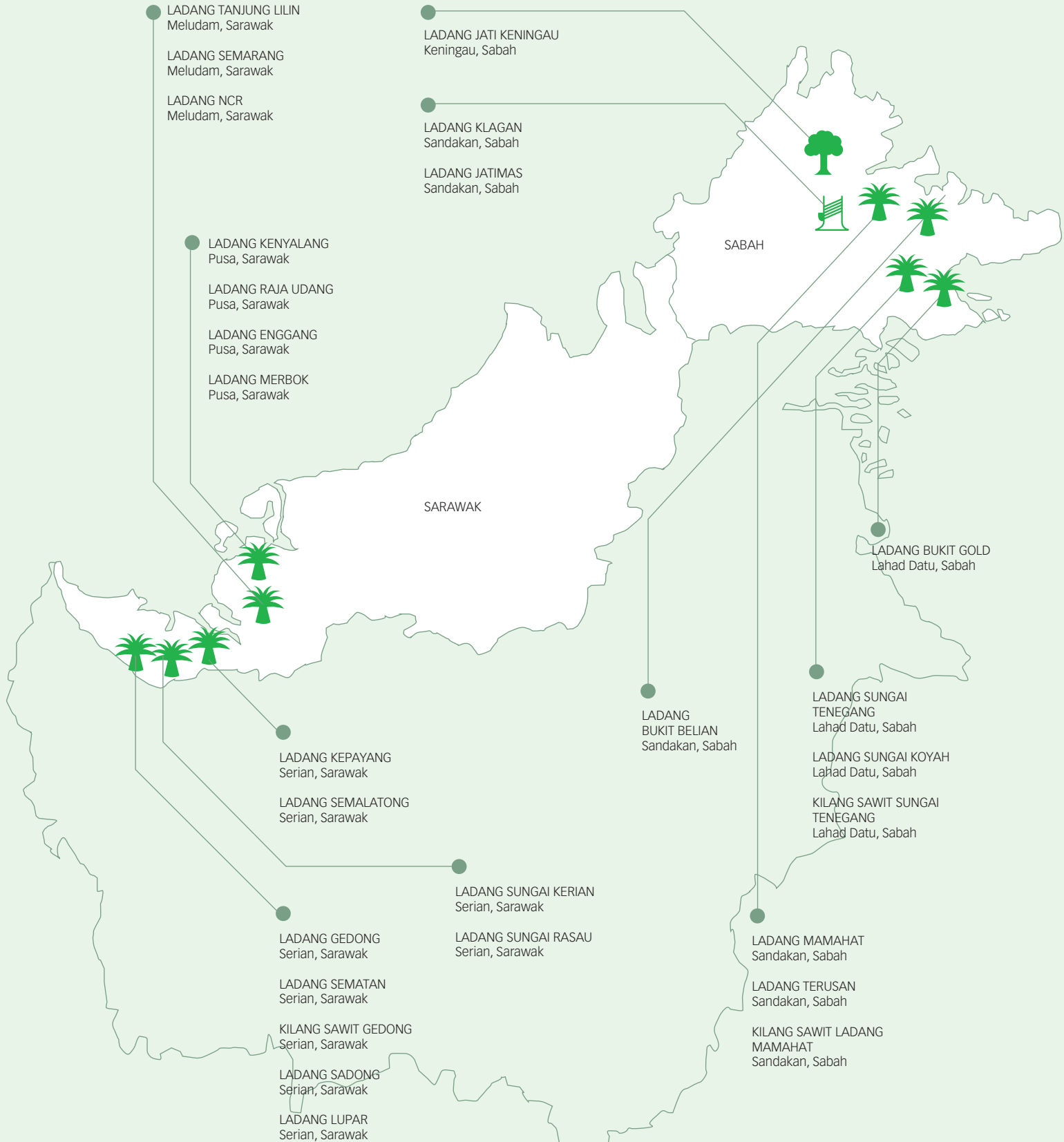
No.	Name of Shareholders	No. of Ordinary Shares Held	% of Issued Share capital
10.	Affin Nominees (Tempatan) Sdn. Bhd. Affin Fund Management Sdn. Bhd. for Majlis Ugama Islam Dan Adat Resam Melayu Pahang	3,218,800	0.44
11.	Amsec Nominees (Tempatan) Sdn. Bhd. Assar Asset Management Sdn. Bhd. for Tabung Baitulmal Sarawak (Majlis Islam Sarawak) (FM-ASSAR-TBS)	2,250,000	0.31
12.	Mayban Nominees (Tempatan) Sdn. Bhd. Amanahraya Investment Management Sdn. Bhd. for Majlis Agama Islam Negeri Sembilan (C417-260272)	2,013,200	0.28
13.	Majlis Agama Islam Dan Adat Melayu Perak Darul Ridzuan	2,000,000	0.27
14.	Amin Baitulmal Johor	2,000,000	0.27
15.	Majlis Agama Islam Wilayah Persekutuan	2,000,000	0.27
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (PHEIM)	1,660,900	0.23
17.	Citigroup Nominees (Asing) Sdn. Bhd. CBNY for DFA Emerging Markets Small Cap Series	1,328,800	0.18
18.	Hong Leong Assurance Berhad as Beneficial Owner (Unitlinked GF)	1,183,000	0.16
19.	Koperasi Permodalan Felda Malaysia Berhad	1,181,400	0.16
20.	HSBC Nominees (Asing) Sdn. Bhd. Exempt an for JPMorgan Chase Bank, National Association (U.S.A)	1,160,000	0.16
21.	CIMB Commerce Trustee Berhad Public Focus Select Fund	1,120,000	0.15
22.	Employees Provident Fund Board	1,000,000	0.14
23.	Majlis Agama Islam Melaka	1,000,000	0.14
24.	Citigroup Nominees (Asing) Sdn. Bhd. CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc.	979,700	0.13
25.	Amanahraya Trustees Berhad Public Islamic Sector Select Fund	806,400	0.11
26.	Citigroup Nominees (Asing) Sdn. Bhd. GSI for MQ Asia Long Short Master Fund	761,700	0.10
27.	Amanahraya Trustees Berhad Public Islamic Treasures Growth Fund	670,000	0.09
28.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (Malaysia) Trustee Bhd for Amanah Saham Sarawak	600,000	0.08
29.	Universal Trustee (Malaysia) Berhad Pacific Premier Fund	572,000	0.08
30.	Bank Kerjasama Rakyat Malaysia Berhad as Beneficial Owner	570,000	0.08
TOTAL		647,566,987	88.85



PROPERTIES OWNED BY THP GROUP

MALAYSIA





MALAYSIA



LADANG CENDANA
LADANG PULAI
LADANG SENGKAWANG
LADANG SUNTAI
LADANG JATI
LADANG KERUING
LADANG MERBAU
LADANG RAMIN
LADANG KEMPAS
LADANG BERINGIN
LADANG MERANTI
LADANG SUNGKAI
LADANG TERENTANG
LADANG MERSAWA

LADANG MAHONI
LADANG JELUTUNG
LADANG TEMBUSU
LADANG MAHANG
LADANG NYATO
LADANG BINTANGUR
LADANG BALAM
LADANG AGATIS
LADANG GERONGGANG
LADANG ANGSANA
LADANG BELIAN
LADANG GAHARU
LADANG RESAK
LADANG SENTIGI
LADANG NAGASARI

LADANG SERAYA
LADANG EBONI
LADANG CENGAL
LADANG KULIM
LADANG MAHONI
LADANG ROSEWOOD
LADANG KEMUNING
LADANG TAYUMAN
KILANG SAWIT PULAI
KILANG SAWIT NYATO
KILANG SAWIT RAMIN
KILANG SAWIT TEMBUSU
KILANG SAWIT JATI
KILANG SAWIT AGATIS

INDONESIA

PROPERTIES OWNED BY THP GROUP

TH PLANTATIONS BERHAD
2012 ANNUAL REPORT

234

AS AT 31 DECEMBER 2012

PLANTATIONS						
Location	Approximate Age of Building	Tenure	Year of Expiry	Titled Area Hectares	Description	Net Book Value RM'000
PENINSULAR MALAYSIA						
THP Kota Bahagia Sdn. Bhd.¹ Ladang Kota Bahagia Keraton, Pahang	-	Leasehold	2071 and 2073	1,858	Oil Palm Estate	10,698
Kilang Sawit Kota Bahagia Keraton, Pahang	36	Leasehold	2071	9.804 [^]	Palm Oil Mill	10,052
Ladang Sungai Mengah Keraton, Pahang	-	Leasehold	2073, 2090, 2093 and 2107	2,196	Oil Palm Estate	15,042
Ladang Sungai Buan Keraton, Pahang	-	Leasehold	2093 and 2108	1,796	Oil Palm Estate	4,162
Ladang Sungai Merchong Muadzam Shah, Pahang	-	Leasehold	2085	1,720	Oil Palm Estate	1,417
TH Plantations Berhad Ladang Ulu Chukai Kemaman, Terengganu	-	Leasehold	2051	894	Oil Palm Estate	1,125
Ladang Bukit Lawiang Ladang Gunung Sumalayang Kluang, Johor	-	Leasehold	2091	4,058	Oil Palm Estate	6,825
Kilang Sawit Bukit Lawiang Kluang, Johor	22	Leasehold	2091	10 [^]	Palm Oil Mill	2,549
THP Gemas Sdn. Bhd. Ladang Pasir Besar Ladang Londah Gemas, Negeri Sembilan	-	Leasehold	2088, 2090, 2091 and 2093	1,781	Oil Palm Estate	21,454
Kilang Sawit Ladang Pasir Besar Gemas, Negeri Sembilan	6	Leasehold	2091	5 [^]	Palm Oil Mill	6,903
Ladang Bukit Rokan Gemas, Negeri Sembilan	-	Leasehold	2090 and 2092	973	Oil Palm Estate	10,175
THP Ibok Sdn. Bhd.² Ladang Sungai Ibok Kemaman, Terengganu	-	Leasehold	2042 and 2052	924	Oil Palm Estate	10,500
THP-YT Plantation Sdn. Bhd. Ladang Bukit Bidong Setiu, Terengganu	-	Leasehold	2064	2,594	Oil Palm Estate	15,084
TH Bakti Sdn. Bhd. Ladang TH Bakti Dungun, Terengganu	-	Leasehold	2060	1,205	Oil Palm Estate	35,836

Location	Approximate Age of Building	Tenure	Year of Expiry	Titled Area Hectares	Description	Net Book Value RM'000
SABAH						
THP Sabaco Sdn. Bhd. Ladang Sungai Tenegang Ladang Sungai Koyah Lahad Datu, Sabah	-	Leasehold	2083	3,886	Oil Palm Estate	111,384
Kilang Sawit Sungai Tenegang Lahad Datu, Sabah	19	Leasehold	2083	50 [^]	Palm Oil Mill	15,047
Ladang Bukit Gold Lahad Datu, Sabah	-	Leasehold	2076	2,020	Oil Palm Estate	90,285
Ladang Mamahat Kota Marudu, Sabah	-	Leasehold	2096 and 2099	2,125	Oil Palm Estate	95,181
Kilang Sawit Ladang Mamahat Kota Marudu, Sabah	3	Leasehold	2096	25 [^]	Palm Oil Mill	19,024
Ladang Terusan Kota Marudu, Sabah	-	Leasehold	2098	811	Oil Palm Estate	36,603
THP Bukit Belian Sdn. Bhd. Ladang Bukit Belian Sandakan, Sabah	-	Leasehold	2887	1,088	Oil Palm Estate	45,607
TH-Bonggaya Sdn. Bhd. Ladang Klagan Sandakan, Sabah	-	Licensed for 100 years	2098	10,117	Rubber & Teak Estate	148,890
TH-USIA Jatimas Sdn. Bhd. Ladang Jatimas Sandakan, Sabah	-	Licensed for 100 years	2098	4,047	Rubber & Teak Estate	58,635
Ladang Jati Keningau Sdn. Bhd. Ladang Jati Keningau Sandakan, Sabah	-	Leasehold	2078	1,550	Teak Estate	32,589

Location	Approximate Age of Building	Tenure	Year of Expiry	Titled Area Hectares	Description	Net Book Value RM'000
SARAWAK						
THP Saribas Sdn. Bhd. ³ Ladang Kenyalang Ladang Raja Udang Ladang Enggang Ladang Merbok Pusa, Sarawak	-	Leasehold	2060	10,648 [∞]	Oil Palm Estate	213,016
Hydroflow Sdn. Bhd. Ladang Sungai Kerian Ladang Sungai Rasau Samarahan, Sarawak	-	Leasehold	2064 and 2067	5,562	Oil Palm Estate	100,590
TH PELITA Gedong Sdn. Bhd. Ladang Gedong Ladang Sematan Serian, Sarawak	-	Leasehold	2058	7,443	Oil Palm Estate	210,955
Kilang Sawit Gedong Serian, Sarawak	8	N/a*	N/a	220*	Palm Oil Mill	39,282
TH PELITA Sadong Sdn. Bhd. Ladang Sadong Ladang Lupar Serian, Sarawak	-	Leasehold	2060	4,555	Oil Palm Estate	201,361
TH PELITA Simunjan Sdn. Bhd. Ladang Kepayang Ladang Semalatong Samarahan, Sarawak	-	Not available as the estate is located on NCR land and the land title has not been issued as at 29 March 2013 The land shall be alienated to TH PELITA Simunjan Sdn. Bhd. for a period of sixty (60) years pursuant to the Simunjan Joint Venture Agreement	2060	9,629 ⁴	Oil Palm Estate	19,828

Location	Approximate Age Of Building	Tenure	Year of Expiry	Titled Area Hectares	Description	Net Book Value RM'000
TH PELITA Beladin Sdn. Bhd. Ladang NCR Beladin, Sarawak	-	Not available as the estate is located on NCR land and the land title has not been issued as at 29 March 2013 The land shall be alienated to TH PELITA Simunjan for a period of sixty (60) years pursuant to the Simunjan Joint Venture Agreement	2060	1,577 ⁵	Oil Palm Estate	10,619
TH PELITA Meludam Sdn. Bhd. Ladang Tanjung Lilin Ladang Semarang Meludam, Sarawak	-	Leasehold	2066	6,022	Oil Palm Estate	54,187

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 THP Ibok Sdn. Bhd.).
 3. Registered under the ownership of Kenyalang Resources Sdn. Bhd. (the former name of THP Saribas Sdn. Bhd.).
 4. Gross area as stated in the Simunjan Joint Venture Agreement.
 5. Gross area as stated in the Beladin Joint Venture Agreement.
- * On 13 September 2012, TH PELITA Gedong Sdn. Bhd. received an offer from the Ministry of Resource Planning and Environment for the alienation of the land alongside Lot 166, Block 6 of Melikin Land District, where the Gedong Palm Oil Mill is located and TH PELITA Gedong Sdn. Bhd. is currently undertaking the procedures for the alienation of said land.
- ∞ As per latest perimeter survey.
- ^ Part of the titled area under Ladang Kota Bahagia (Kilang Sawit Kota Bahagia), Ladang Bukit Lawiang (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	Approximate Age of Building	Tenure	Area Sq metres	Description	Net Book Value RM'000	
PENINSULAR MALAYSIA						
Tanjung Tuan Resort, Port Dickson, Negeri Sembilan	-	-	1,222	1 Unit 3-Room Apartment	15	
Awana Kijal Resort, Kijal, Terengganu	-	-	816	1 Unit 3-Room Apartment	101	



THP KOTA BAHAGIA SDN. BHD.

Ladang Kota Bahagia

26700 Muadzam Shah
Peti Surat 19
Pahang Darul Makmur
Tel: 09-4524826
Fax: 09-4524821
Tuan Rahimi b Tuan Man
(Manager)

THP KOTA BAHAGIA SDN. BHD.

Ladang Sungai Mengah

Peti Surat 21
26700 Muadzam Shah
Pahang Darul Makmur
Tel: 09-4524979
Fax: 09-4524979
Yazit b Ab Jalil
(Senior 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)

THP KOTA BAHAGIA SDN. BHD.

Ladang Sungai Merchong

Peti Surat 4
26700 Muadzam Shah
Pahang Darul Makmur
Tel: 09-4530807
Fax: 09-4530804
Hanizam b Hashim
(Acting 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)

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)

TH PLANTATIONS BERHAD

Ladang Gunung Sumalayang

Karung Berkunci 535
86009 Kluang
Johor
Tel: 07-7863444
Fax: 07-7864606
Abdul Kahar b Sariman
(Manager)

TH PLANTATIONS BERHAD

Ladang Ulu Chukai

Peti Surat 2
24107 Kijal
Kemaman, Terengganu
Tel: 09-8676336
Fax: 09-8676336
Juna b Palatuwi
(Manager)

TH PLANTATIONS BERHAD

Kilang Sawit Bukit Lawiang

Peti Surat 114
86007 Kluang
Johor
Tel: 07-7864540
Fax: 07-7864540
Isa b Jabar
(Senior Manager)

THP IBOK SDN. BHD.

Ladang Sungai Ibok

Peti Surat 2
24107 Kijal
Kemaman, Terengganu
Tel: 09-8676543
Fax: 09-8676336
Juna b Palatuwi
(Manager)

THP-YT PLANTATION SDN. BHD.

Ladang Bukit Bidong

No. 206, Kg Pengkalan Atap
Batu Rakit
21020 Kuala Terengganu
Tel: 09-6693260
Fax: 09-6693254
Rosli b Ahmed Khalil
(Senior 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)

THP GEMAS SDN. BHD.

Ladang Bukit Rokan

Peti Surat 28
73400 Gemas
Negeri Sembilan
Tel: 019-2397479
Fax: 019-2647610
Abdullah Asya'ari b Junoh
(Acting Manager)



THP GEMAS SDN. BHD.

Ladang Londah/Pasir Besar

Peti Surat 28
73400 Gemas
Negeri Sembilan
Tel: 07-9484700
Fax: 07-9484701
Mat Faisal b Ismail
(Acting Manager)

THP GEMAS SDN. BHD.

Kilang Sawit Ladang Pasir Besar

Peti Surat 30
73400 Gemas
Negeri Sembilan
Tel: 019-2677479
Fax: 019-2647479
Mohd Noorkhairi b Mahmud
(Acting Manager)

THP SABACO SDN. BHD.

Ladang Sungai Tenegang

Karung Berkunci 12
91109 Lahad Datu
Sabah
Tel: 089-563027
Fax: 089-563028
Abdul Wahab b Abdul Rashed
(Senior Manager)

THP SABACO SDN. BHD.

Ladang Sungai Koyah

Karung Berkunci No 6
91109 Lahad Datu
Sabah
Tel: 089-565026
Fax: 089-565025
Faizal b Zulkifli
(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 SABACO SDN. BHD.

Ladang Mamahat

Karung Berkunci 1
89109 Kota Marudu
Sabah
Tel: 089-259177
Fax: 089-259188
Ghazali b Ab Talib
(Manager)

THP SABACO SDN. BHD.

Ladang Terusan

Karung Berkunci 1
89109 Kota Marudu
Sabah
Tel: 089-262199
Fax: 089-262188
Ghazali b Ab Talib
(Manager)

THP SABACO SDN. BHD.

Kilang Sawit Sungai Tenegang

Peti Surat 60626
91115 Lahad Datu
Sabah
Tel: 089-845499
Fax: 089-565029
Mohamad Zairudi b Muhamad
(Manager)

THP SABACO SDN. BHD.

Kilang Sawit Ladang Mamahat

Karung Berkunci 29
89109 Kota Marudu
Sabah
Tel: 089-259166
Fax: 089-259188
Md Nazri b Md Noh
(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 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)

THP SARIBAS SDN. BHD.

Ladang Raja Udang

No 1, Jln Feeder Pusa
Ground Floor, New Shophouse
Pusa Bazaar, 94950 Pusa
Sarawak
Tel: 083-465833
Fax: 083-465899
Rozali b Mohd Desa
(Senior 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 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)

TH PELITA MELUDAM SDN. BHD.

Ladang Tanjung 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 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
Muhamad Termeze b Mat Nor
(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 PELITA SIMUNJAN SDN. BHD.

Ladang Kepyang

KM 25, Jalan Simunjan
Kg Semalatong-Kepyang
98400 Simunjan, Sarawak
Tel: 083-412100
Fax: 083-412101
Muhammad Shukri b Othman
(Senior Manager)

TH PELITA SIMUNJAN SDN. BHD.

Ladang Semalatong

KM 25, Jalan Simunjan
Kg Semalatong-Kepyang
98400 Simunjan, Sarawak
Tel: 083-412100
Fax: 083-412101
Tuah b Nawli
(Manager)

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
(Senior 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
Girman @ Perman b Sirah
(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 SADONG SDN. BHD.

Ladang Sadong

P.O. Box 32, KM 8, Jalan Gedong
94700 Serian, Sarawak
Tel: 082-895512
Fax: 082-895542
Martin@Zaini Soili
(Manager)

TH PELITA SADONG SDN. BHD.

Ladang Lupar

P.O. Box 32, KM 8, Jalan Gedong
94700 Serian, Sarawak
Tel: 019-8898657
Fax: 082-895542
Md Johari b Md Daud
(Manager)

HYDROFLOW SDN. BHD.

Ladang Sungai Kerian

Lot 1227, Jalan Kg Ulu Gedong
94700 Gedong, Sarawak
Tel: 013-8385848
Alias b Bakir
(Manager)



HYDROFLOW SDN. BHD.

Ladang Sungai Rasau

Lot 1227, Jalan Kg Ulu Gedong
94700 Gedong, Sarawak
Tel: 013-8385848
Alias b Bakir
(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 USIA JATIMAS SDN. BHD.

Ladang Jatimas

Peti Surat 3480
90739 Sandakan
Sabah
Tel: 089-514721
Fax: 089-514721
Hamidun b Hamzah
(Manager)

TH BONGGAYA SDN. BHD.

Ladang Klagan

Peti Surat 3480
90739 Sandakan
Sabah
Tel: 089-514721
Fax: 089-514851
Hamidun b Hamzah
(Manager)



PT TH INDO PLANTATIONS

Address:
Kompleks PT THP
Sako Pasir,
Ulu Sungai Guntung
Kec. Katemen KAB Indragiri
Hulu Riau

PT TH INDO PLANTATIONS

Estates/Mills:
Wilayah I
Cendana, Angsana, Pulau, Keruing, Gaharu,
Sengkawang, Jati, Belian & Suntai
Tel: 0062778429053
Fax: 0062778429056
Asmadi b Jani
(General Manager)

PT TH INDO PLANTATIONS

Estates/Mills:
Wilayah II
Sungkai, Sentigi, Mersawa, Kempas, Resak,
Ramin, Merbau, Meranti & Beringin
Tel: 0062778429053
Fax: 0062778429056
Mohamad Zuzari b Abd. Aziz
(General Manager)

PT TH INDO PLANTATIONS

Estates/Mills:
Wilayah III
Kulim, Cengal, Eboni, Mahoni, Seraya,
Nagasari, Jelutung, Tembusu & Terentang
Tel: 0062778429053
Fax: 0062778429056
Asmadi b Jani
(General Manager)

PT TH INDO PLANTATIONS

Estates/Mills:
Wilayah IV
Rosewood, Tayuman, Kemuning, Nyato, Balam,
Agatis, Bintangur, Geronggang & Mahang
Tel: 0062778429053
Fax: 0062778429056
Mohamad Zuzari b Abd. Aziz
(General Manager)

PT TH INDO PLANTATIONS

Estates/Mills:
Kilang Sawit Pulau
Tel: 0062778429053
Fax: 0062778429056
Idenan Yahya
(Senior Manager)

PT TH INDO PLANTATIONS

Estates/Mills:
Kilang Sawit Nyato
Tel: 0062778429053
Fax: 0062778429056
Denny Swadaya Putra Sebayang
(Manager)

PT TH INDO PLANTATIONS

Estates/Mills:
Kilang Sawit Tembusu
Tel: 0062778429053
Fax: 0062778429056
Thomas Muda Nasution
(Manager)

PT TH INDO PLANTATIONS

Estates/Mills:
Kilang Sawit Ramin
Tel: 0062778429053
Fax: 0062778429056
Ahmad Arifin Hasibuan
(Manager)

PT TH INDO PLANTATIONS

Estates/Mills:
Kilang Sawit Jati
Tel: 0062778429053
Fax: 0062778429056
Suhaimin Kasim
(Senior Manager)

PT TH INDO PLANTATIONS

Estates/Mills:
Kilang Sawit Agatis
Tel: 0062778429053
Fax: 0062778429056
M Irsan Iqbal Pane
(Manager)









TH PLANTATIONS BERHAD

Company No. 12696-M

(INCORPORATED IN MALAYSIA UNDER THE COMPANIES ACT, 1965)

39th Annual General Meeting

Proxy Form

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-Ninth Annual General Meeting ("AGM") of the Company to be held at the Mahkota 2, Ballroom Level, Hotel Istana Kuala Lumpur, 73, Jalan Raja Chulan, 50200 Kuala Lumpur on Monday, 20 May 2013 at 10:00 a.m. and at any adjournment thereof.

RESOLUTION NO.	ORDINARY BUSINESS	FOR	AGAINST
Ordinary Resolution 1	To receive Audited Financial Statements for year ended 31 December 2012 and Reports of Directors and Auditors thereon.		
Ordinary Resolution 2	To approve payment of Final Single Tier Dividend of 1.00 sen per ordinary share for year ended 31 December 2012.		
Ordinary Resolution 3	To approve payment of Directors' Fees of RM611,000.00 for year ended 31 December 2012.		
Ordinary Resolution 4	To re-elect Tan Sri Datuk Dr Yusof bin Basiran as Director.		
Ordinary Resolution 5	To re-elect Dato' Haji Wan Zakaria bin Abd Rahman as Director.		
Ordinary Resolution 6	To re-elect Encik Mahbob bin Abdullah as Director.		
Ordinary Resolution 7	To re-appoint Tan Sri Dr Abdul Samad bin Haji Alias as Director.		
Ordinary Resolution 8	To re-appoint Messrs KPMG Desa Megat & Co. as Auditors of the Company and to authorise Board of Directors to determine their remuneration.		

RESOLUTION NO.	SPECIAL BUSINESS	FOR	AGAINST
Ordinary Resolution 9	Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature.		
Special Resolution 1	Proposed Increase in THP's Authorised Share Capital and Proposed Amendments to THP's Memorandum of Association.		
Special Resolution 2	Proposed Amendments to THP's Articles of Association.		

For the appointment of two (2) proxies, the 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 _____ 2013

Signature/Common Seal of Shareholder

NOTES:

1. 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.
2. Only a depositor whose name appears on the Record of Depositors as at 14 May 2013 shall be regarded as a member and entitled to attend the AGM or appoint proxy/proxies to attend and vote on his/her behalf.
3. 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.
4. 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.
5. In order to be valid, the instrument in appointing a proxy must 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 AGM or at any adjournment thereof.

fold

Affix
Stamp

The Company Secretary

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

fold



TH PLANTATIONS BERHAD (12696-M)

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

www.thplantations.com.my

