



TH PLANTATIONS BERHAD (12696-M)

ANNUAL
REPORT
2013



NURTURING
PROGRESS



TH PLANTATIONS BERHAD (12696-M)

NURTURING PROGRESS

In 2013, THP Group steadfastly weathered the challenges of a difficult operating environment to maintain its profitability. Where CPO price volatility had hampered the performance of industry players as a whole, we took the opportunity to take stock of our portfolio, mobilise our resources and maximise our potential.

Today, we are poised to take advantage of sustainable growth opportunities via three Key Growth Nodes, namely value enhancement of our enlarged plantation platform, land bank expansion, and humanising our business operations. As we set our sights on bolstering and growing our resources and capabilities today, we are ensuring a better and more sustainable future for all stakeholders tomorrow.

ANNUAL
REPORT
2013





TH PLANTATIONS BERHAD (12696-M)

FOSTERING SUSTAINABILITY

NURTURING GROWTH

ANNUAL
REPORT
2013





TH PLANTATIONS BERHAD (12696-M)

MOBILISING RESOURCES

LEVERAGING ASSETS

ANNUAL
REPORT
2013





TH PLANTATIONS BERHAD (12696-M)



MAXIMISING POTENTIAL

GROWING VALUE

ANNUAL
REPORT
2013



Ladang Kenyalang, Sarawak

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40TH ANNUAL GENERAL MEETING

- **VENUE**
Pacific Ballroom, Level 2,
Seri Pacific Hotel Kuala Lumpur,
Jalan Putra, 50746 Kuala Lumpur
- **DATE**
Tuesday, 27 May 2014
- **TIME**
2.30 p.m.

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COMMITTED TO NURTURING GROWTH

Following our land bank acquisitions in 2013, we began a more structured replanting programme to ensure we achieve the optimal average age profile of about 10-12 years over the next 3-4 years. Moreover, newer, high quality planting materials are being used in the replanting exercise that will ensure better yields in future. We envisage that as a result of the improved replanting programme, we will 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.



Ladang Bukit Lawiang, Johor

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fortieth Annual General Meeting (“AGM”) of TH Plantations Berhad (“THP” or “the Company”) will be held at the Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Tuesday, 27 May 2014 at 2.30 p.m. to transact the following businesses:

As Ordinary Businesses

1. To receive the Audited Financial Statements for the year ended 31 December 2013 together with Reports of the Directors and the Auditors thereon. **ORDINARY RESOLUTION 1**
2. To approve the declaration of a First and Final Single Tier Dividend of 3.62 sen per ordinary share for the year ended 31 December 2013. **ORDINARY RESOLUTION 2**
3. To approve the Directors’ Fees of RM588,000.00 for the year ended 31 December 2013. **ORDINARY RESOLUTION 3**
4. To re-elect Datuk Azizan 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 4**
5. To re-elect Dato’ Noordin bin Md Noor, 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 Dato’ Amran bin Mat Nor, 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 re-elect Tan Sri Ab. Aziz bin Kasim, who shall retire by casual vacancy pursuant to Article 89 of the Company’s Articles of Association and being eligible, offers himself for re-election. **ORDINARY RESOLUTION 7**
8. To re-elect Datuk Seri Nurmala binti Abd Rahim, who shall retire by casual vacancy pursuant to Article 89 of the Company’s Articles of Association and being eligible, offers herself for re-election. **ORDINARY RESOLUTION 8**
9. To re-appoint Messrs KPMG Desa Megat & Co. as Auditors of the Company in respect of the financial year ending 31 December 2014 and to authorise the Board of Directors to determine the Auditors’ remuneration. **ORDINARY RESOLUTION 9**

As Special Businesses

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

10. **Proposed Retention of Independent Non-Executive Director in accordance with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012**

“**THAT** authority be and is hereby given for Dato’ Haji Wan Zakaria bin Abd Rahman, whose tenure as an Independent Non-Executive Director of the Company will reach a cumulative term of nine (9) years on 1 June 2014, to be retained as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company in accordance with the Malaysian Code on Corporate Governance 2012.”

**ORDINARY
RESOLUTION 10**

11. **Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

“**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 5 May 2014 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;

**ORDINARY
RESOLUTION 11**

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 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 must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- iii. revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earliest.

AND 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.”

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

NOTICE OF ANNUAL GENERAL MEETING

Notice of Dividend Entitlement and Payment

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the Fortieth AGM of the Company, a First and Final Single Tier Dividend of 3.62 sen per ordinary share for the year ended 31 December 2013 will be paid on Monday, 16 June 2014 to Depositors registered in the Record of Depositors at the close of business on Friday, 30 May 2014.

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 30 May 2014 in respect of ordinary transfers; and
- ii. Shares bought on the Bursa Malaysia Securities Berhad up to 5.00 p.m. 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: 5 May 2014

NOTES:

1. A member entitled to attend and vote at the Fortieth 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 and there shall be no restriction as to the qualification of the proxy.
2. Only a Depositor whose name appears on the Record of Depositors as at 21 May 2014 shall be regarded as a member and entitled to attend the Fortieth 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 Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
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 Fortieth AGM or at any adjournment thereof.

Explanatory Notes on Special Businesses:

Ordinary Resolution 10

According to Recommendation 3.2 of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"), the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the board subject to the director's re-designation as a Non-Independent Director.

Dato' Haji Wan Zakaria bin Abd Rahman's tenure as an Independent Non-Executive Director of the Company will reach a cumulative term of nine (9) years on 1 June 2014. The proposed Ordinary Resolution 10, if passed, will allow for Dato' Haji Wan Zakaria bin Abd Rahman to continue to serve as an Independent Non-Executive Director of the Company, in line with Recommendation 3.3 of the MCCG 2012. Please refer to page 71 of this Annual Report for detailed information and justification.

Ordinary Resolution 11

The proposed Ordinary Resolution No.11, 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 5 May 2014 for more information.

STATEMENT ACCOMPANYING THE NOTICE OF THE FORTIETH ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

1. The details of Directors seeking re-election as mentioned in the Notice of the Fortieth AGM are set out in their profiles which appear in the Directors' Profile on pages 32 to 41 of this Annual Report.

The details of interest in the securities of the Company or its subsidiaries (if any) held by the said Directors are stated on page 115 of this Annual Report.

2. Tan Sri Dr. Abdul Samad bin Haji Alias who is over the age of seventy (70) years has expressed his intention not to seek for re-appointment as an Independent Non-Executive Director of the Company. Hence, he will retire as an Independent Non-Executive Director of the Company at the conclusion of the Fortieth AGM in accordance with Section 129(2) of the Companies Act, 1965.



FOCUSED ON FULLY LEVERAGING OUR ASSETS

Being a labour-intensive industry, efforts are currently underway in the plantation industry to improve worker skills and productivity in several key areas. THP has put its full force behind these efforts to develop the skills sets of our workers so that they can be the best that they can be. To this end, measures are being implemented to ensure workers have more opportunities for development while we are also going all out on our mechanisation initiatives by adapting the available tools in the market to suit our terrain and operations. As we move forward, mechanisation will be incorporated in the operations of all our new generation estates to enhance worker productivity.



Ladang Sematan, Sarawak

CHAIRMAN'S STATEMENT



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

Assalamualaikum Warahmatullahi Wabarakatuh

Dear Shareholders,

On behalf of the Board of Directors, it gives me pleasure to present the Annual Report of TH Plantations Berhad and its subsidiaries ("THP Group") for the financial year ended 31 December 2013. Since my appointment as the Chairman on 10 March 2014, I have undertaken a thorough induction of THP Group's business activities and the methodology of its strategic direction. I am proud to say that in a new year with a new context, against a volatile world economic landscape and challenging plantation industry, THP Group has adopted a more holistic approach to sustain our journey and aspirations.

I am confident that we have a talented team in place, led by Dato' Zainal Azwar Zainal Aminuddin to deliver our strategies and build sustainable value. We emphasise the need for capability building and advancing in a sustainable manner to chart THP Group's future growth.

Industry Overview

Based on the Malaysian Palm Oil Board ("MPOB") report, the year 2013 saw mixed performance of the local plantation industry. The Crude Palm Oil ("CPO") production recorded an increase of 2.3% to 19.21 million metric tonnes ("MT") against 18.79 million MT in 2012 while Fresh Fruit Bunches ("FFB") yield was higher by 0.7% to 19.02 MT per hectare ("Ha") from 18.89 MT per Ha achieved in 2012. This was due to additional new mature areas coming into production especially in Sarawak. Total export volume of oil palm products increased by 4.4% to 25.66 million MT in 2013 from 24.59 million MT in 2012. However, export earnings weakened by 14.1% to RM61.3 billion compared to RM71.4 billion in 2012 due to lower export prices of all palm products. China continued to maintain its position as the largest palm oil export market since 2002. The palm oil stocks in 2013 were down by 24.4% to 1.99 million MT as compared to 2.63 million MT recorded in 2012. The lower closing stock was mainly due to higher exports by 3.1% to 18.12 million MT as well as a decline in imports by 60.1% to 0.56 million MT. The average CPO price in 2013 was lower by 14.2%, at RM2,371 per MT against RM2,764 per MT in 2012. January 2013 saw the lowest level of price at RM2,221 per MT but the price rebounded to its highest level of RM2,575 in December.

Financial Performance

THP Group recorded sustainable progress in 2013, both financially and strategically, as we delivered on our commitment to reshape the Group amidst the challenging backdrop of the plantation industry. As a result, THP Group's revenue for financial year 2013 has improved by 25.0% to RM470.0 million compared to RM375.8 million registered in 2012. The growth in revenue was mainly due to higher sales volume despite lower CPO and Palm Kernel ("PK") prices which were realised at an average of RM2,200 per MT and RM1,294 per MT, respectively. (2012: CPO price of RM2,661 per MT and PK price of RM1,602 per MT). The profit before tax ("PBT") dropped by 61.8% from RM185.9 million the previous year to RM71.0 million. However, the higher PBT recorded in 2012 arose from the recognition of RM101 million, a non-cash and non-operational income, being surplus over fair value of net assets arising from acquisition of the new subsidiaries. Thus, the PBT in 2013 was only lower by 16.3% as compared to the previous year if the non-cash and non-operational income were excluded from 2012.

The decrease in PBT was mainly due to the significant decline in CPO prices coupled with the additional costs incurred following strategic land bank expansions in 2012/2013 which resulted in higher 1) depreciation & amortisation, 2) administration fees & expenses and 3) finance costs arising from the additional issuance of Sukuk Murabahah. Correspondingly, earnings per share fell by 66.7% from 21.49 sen in 2012 to 7.17 sen. Nonetheless, market capitalisation gained 14.2% to RM1.7 billion from RM1.4 billion in the preceding year.

THP Group's balance sheet for year 2013 has registered a growth of 9.1% in shareholders' funds from RM1.1 billion to RM1.2 billion. Meanwhile, cash and cash equivalents improved by 16.0% amounting to RM145.2 million compared to RM125.2 million in the preceding year.



Return to Shareholders

In an effort to continuously reward shareholders of THP, the Board has recommended a final ordinary single tier dividend of 3.62 sen per share for the financial year ended 31 December 2013, subject to shareholders' approval during the Annual General Meeting of THP (2012: 4.60 sen per share). The proposed dividend is in line with our sustainable dividend policy of distributing approximately 50% of profit after tax and minority interests ("PATAMI"). The adopted policy is a balanced approach between rewarding shareholders and maintaining reserves for future growth and aspirations.

Corporate Developments

On the corporate front, I am pleased to inform that as a listed entity focusing on building sustainable value to our stakeholders, we are continuously propelling THP Group towards achieving that value through our strategic investments. This year, we have undertaken the following corporate exercises:

- Finalised the acquisitions of the entire equity interest in Bumi Suria Ventures Sdn. Bhd. and Maju Warisanmas Sdn. Bhd. which collectively own a total plantation land of 6,514 Ha in Sarawak. The acquisitions are 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.
- Bonus issue of up to 149,730,395 new ordinary shares of RM0.50 each in THP on the basis of one bonus share for every five existing THP shares (1 for 5). The objectives of the bonus issue are predominantly to reward our shareholders for their continued support and also to enhance our marketability and trading liquidity.

Additionally, THP Group has successfully achieved two (2) of its three (3) Key Performance Indicators ("KPI") i.e. FFB yield per mature Ha of 23.86 MT per Ha against a target of 20.50 MT per Ha, and dividend distribution of approximately 50% of its annual PATAMI by proposing a single tier first and final dividend of 3.62 sen per share, subject to shareholders' approval. However, the Return on Equity achieved was 5.47% against a target of 6.5% due to the corporate exercises undertaken that involved equity which resulted in a higher shareholders' fund and softer earnings mainly attributable to lower CPO price.

Sustainable Growth Initiatives

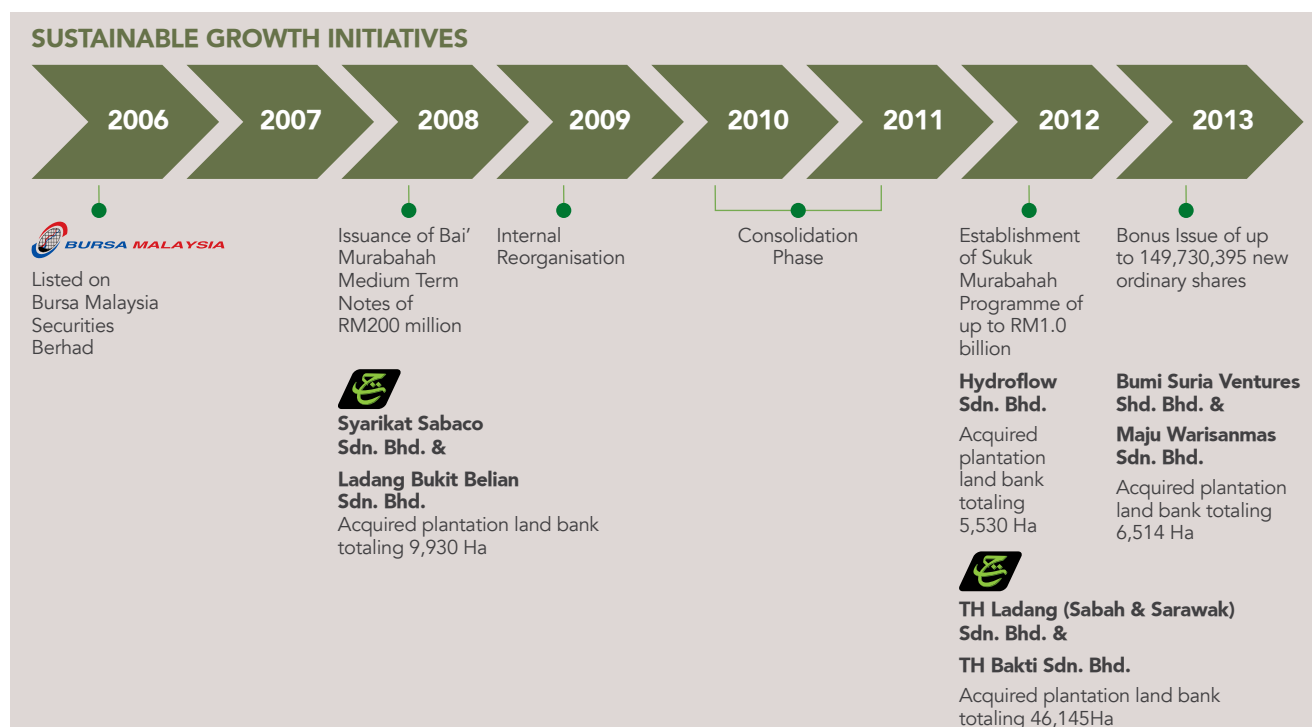
THP Group had its early humble beginnings when we were incorporated in 1972. Over the years, we embarked on various operational initiatives and sustainable expansion to strengthen our position internally and externally in an increasingly competitive and challenging business landscape. We will continue to deliver sustainable and balanced growth to ensure that our founding objectives continue to be met. Supporting the National Agenda, the implemented strategies are aligned with the palm oil sector of the Economic Transformation Programme under the New Economic Model, a model to achieve government aspirations of high income, inclusiveness and sustainability. Parallel to that, we have also been successfully implementing the initiatives mapped in the Government Linked Company Transformation Programme ("GLCT") to accelerate THP Group's sustainable results, striving to contribute towards enriching the nation.



A key strength of a long-standing company is its ability to reform itself. THP Group has successfully managed the changes for nearly 41 years since its inception. In 2013, we further concentrated on the Key Growth Nodes, the Group-wide business sustainable initiatives in maximising value from our operations. In delivering the results, we focused on the three Key Growth Nodes of 1) value enhancement of the enlarged plantation platform 2) land bank expansion and 3) humanising our business operation. This first Key Growth Nodes is aimed to achieve higher FFB yields and OER on the back of lower production cost leveraging on the institutionalised Performance Improvement Program. Throughout the year, a consolidation process for the acquired plantation land bank totaling 46,145 Ha in 2012 has slowly resulted in an increase in market presence and FFB production. On the milling front, our seven palm oil mills, with a combined milling capacity of 1,350,000 MT per annum, have adopted improved technologies and processes to continuously improve mill operating efficiency. This will enable us to produce high quality CPO at an optimum quantity with minimal wastage. The newly-constructed 60 MT per hour palm oil mill in Pusa, Sarawak with a processing capacity of 324,000 MT per annum is an important investment to support our growth opportunities in that region, a new growth frontier for THP Group as more areas are coming into maturity.

As a strategic upstream plantation player, we are focused on creating sustainable value in all of our investments. For many years, our strategy to expand through inorganic growth has served the Group well. The second Key Growth Node on land bank expansion, is also announced as our medium term headline KPI to expand an additional 30,000 Ha of plantation land over the next three years. We have acquired 6,514 Ha of plantation land in Sarawak representing 22% of the targeted expansion. We are always on the lookout for acquisitions that complement our existing growth strategy and enhance our shareholders' values.

The final Key Growth Nodes of humanising the business operations is based on our dedication to help improve people's lives particularly the communities in which we operate. Our approach to sustainability focused on positively contributing to the needs of stakeholders through improved environmental, social and economic performance. Our commitment begins with our employees and extends to the money, time, and expertise we give as a Group to build and support the ecosystem, which touches the lives of thousands of people, sustainably.



In addition to the Key Growth Nodes and central to our aim of delivering sustainable returns, we are exploring the opportunities in diversifying our income stream. In line with this, THP Group conducted a 5-year Strategic Business Plan (2013 – 2017) with the main objective of evaluating and reassessing all strategic options to build true value for our shareholders. Now, we have heightened our focus on rubber plantations and may explore into palm oil refinery as this proposal is deemed to have a high element of value-add to the Group. We are also monetising our plantation expertise, through our wholly-owned subsidiary namely THP Agro Management Sdn Bhd. It manages THP Group's oil palm, rubber and teak operations in Malaysia totaling approximately 97,712 Ha and Lembaga Tabung Haji's ("TH") oil palm operations in Indonesia totaling approximately 85,634 Ha, contributing 3.6% or RM17.1 million of the revenue in the year 2013 (2012: RM23.3 million). We are keen to reinforce our role in providing management services as it enables us to cater to future growth by diversifying the revenue.

Barring unforeseen circumstances, we will harness all our skills, capabilities and experience as we move forward in executing our roles and responsibilities to achieve sustainable growth in 2014 amid a challenging business climate.

Human Capital

THP Group has a highly-skilled and motivated team which is proud of its heritage and ambitious for its future. We operate in a conducive ecosystem that builds on capability management, propelling the team in delivering results to our stakeholders. In 2013, a greater focus was placed on THP's Leadership Talent Factory encompassing learning & development and performance management to attract and retain talent. We also reinforced our core values of Teamwork, Innovative, Highest Quality, Professionalism, Responsive and Commercial & Business Attitude to transform THP Group into a high performing entity.

Our Planet, Our People and Our Shareholders — *Advancing with Responsibility and Sustainability*

THP Group maintains its CR activities in order to build a better society by embracing our CR mantra 'Kesesambungan Pembangunan Ummah' which emphasises the four core elements i.e. Environment, Community, Employees and Shareholders.

We abide by the guidelines and principles of the Roundtable on Sustainable Palm Oil and embrace the Sustainable Plantation Operation ("SPO") in our business operations thus ensuring environmental sustainability. We integrate our sustainability principle in directing our actions towards connecting with society particularly within our business vicinity. We enrich society by building social sustainability via the implementation of various programmes corresponding to the Government Transformation Programme. THP Group's Vendor Development Initiative ("VDI") provides business and employment prospects for locals in growing the economy and improving living standards. Apart from that, THP Group strives to eradicate poverty and improve the rural infrastructure in the areas that we operate. Our effort is demonstrated by jointly developing idle Native Customary Rights ("NCR") land into oil palm plantations with the State Agency and the natives in Sarawak. Through our PINTAR Programme (Promoting Intelligence, Nurturing Talent and Advocating Responsibilities) we adopt schools within our estates to galvanise the young to become high calibre leaders of tomorrow.

4 CORE ELEMENTS



Employees' welfare stands at the core of THP Group's strategy. In reiterating our stand, the success of our business is only possible with the support of our people. Our employees are our greatest strength. We help them succeed professionally and personally as we provide development programmes and opportunities for growth in building and honing skills thus encouraging them to become more engaged in all aspects of the business. Through these measures, we hope that it will support their passion for success. In the way of safeguarding shareholders' interests, we strive towards enhancing our corporate values and cultivating excellent standards of governance through good ethical practices and the dissemination of information in a timely manner.

Prospects

Global economic activity is envisaged to be cautiously optimistic as the US economy is expected to grow. At the same time, Europe is recovering while emerging economies will grow & accelerate amidst potential downside risks. Amid the cautiously optimistic outlook, the Malaysian economy is expected to register growth driven by higher consumer and business spending i.e. private-led investment on the back of an accommodative policy by the Government.

The global economic recovery would positively influence the momentum for palm oil consumption for 2014. The palm oil industry in 2014 is expected to improve compared to the previous year underpinned by higher demand by major markets mainly China & India and increased usage of biodiesel. Moving forward, the outlook for the palm oil industry is deemed to be bullish as palm oil for edible applications will be in high demand to satisfy the growing needs of the ever increasing world population, particularly the heavily-populated nations. Additionally, the demand for non-food uses such as biofuel and biomass as an alternative source of energy is projected to expand as the global community steers its course towards conserving the environment.

Acknowledgements

On behalf of the Board of Directors, I would like to extend our vote of thanks and appreciation to Tan Sri Datuk Dr. Yusof bin Basiran for his excellent chairmanship and selfless leadership to THP since 1 June 2005. Tan Sri has been instrumental in transforming THP Group to greater heights by positioning us as a medium-sized plantation entity. On another note, we would like to welcome Datuk Seri Nurmala binti Abd Rahim to the Board as an Independent Non-Executive Director. We look forward to her invaluable insights and wise counsel. I also wish to convey my heartfelt gratitude and appreciation to my distinguished colleagues on the Board for their prudent advice, perceptive insights and excellent commitment.

In addition to that, I wish to express our special thanks of gratitude to the shareholders and **TH** being our major holding company, regulators, government authorities and all other stakeholders who have shown resolute confidence in THP Group.

Last but not least, I would like to pay tribute to the management team and all employees of THP Group for their unremitting commitment and dedication amidst a challenging year, without which the continued growth and sustainability of THP Group would not have been possible.



Balance sheet
for year 2013
has registered
a **growth
of 9.1%**
in shareholders'
funds from
**RM1.1 bil to
RM1.2 bil.**

CHAIRMAN'S STATEMENT



In this collective journey to success, may we embrace the spirit of teamwork and accelerate as one solid fraternity pursuing future business excellence and magnificent performance, Insha-Allah.

And the example of those who spend their wealth seeking means to the approval of Allah and assuring [reward for] themselves is like a garden on high ground which is hit by a downpour - so it yields its fruits in double. And [even] if it is not hit by a downpour, then a drizzle [is sufficient]. And Allah, of what you do, is Seeing.' (Surah Al-Baqarah : verse 265)



Thank you.
Assalamualaikum Warahmatullahi Wabarakatuh.



Tan Sri Ab. Aziz bin Kasim
Chairman



Ladang Bukit Lawiang, Johor

CORPORATE INFORMATION

AS AT 15 APRIL 2014

BOARD OF DIRECTORS

Tan Sri Ab. Aziz bin Kasim

Independent Non-Executive Chairman
(Appointed w.e.f. 10 March 2014)

Dato' Zainal Azwar bin Zainal Aminuddin

Chief Executive Officer/Executive Director

Tan Sri Dr. Abdul Samad bin Haji Alias

Independent Non-Executive Director

Datuk Seri Nurmala binti Abd Rahim

Independent Non-Executive Director
(Appointed w.e.f. 10 March 2014)

Dato' Paduka Ismee bin Haji Ismail

Non-Independent Non-Executive Director

Datuk Azizan bin Abd Rahman

Non-Independent Non-Executive Director
(Re-designated from Independent Non-Executive
Director to Non-Independent Non-Executive
Director w.e.f. 26 February 2014)

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, Non-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, Non-Independent
Non-Executive Director

Mahbob bin Abdullah

Independent Non-Executive Director

REMUNERATION COMMITTEE

Tan Sri Ab. Aziz bin Kasim

Independent Non-Executive Chairman
(Appointed w.e.f. 10 March 2014)

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)

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Listed on 27 April 2006

Stock Name : TH PLANT

Stock Code : 5112

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

PLACE OF INCORPORATION AND DOMICILE

Malaysia

WEBSITE

www.thplantations.my

REGISTERED OFFICE

Tingkat 23

Bangunan TH Selborn

153 Jalan Tun Razak

50400 Kuala Lumpur

Tel : 03 2687 6666

Fax : 03 2681 0714

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


CORPORATE STRUCTURE


AS AT 15 APRIL 2014




100% 
THP Agro Management Sdn. Bhd.

100% 
THP Bukit Belian Sdn. Bhd.

100% 
THP Ibok Sdn. Bhd.

100% 
THP Kota Bahagia Sdn. Bhd.

100% 
THP Gemas Sdn. Bhd.

100% 
Bumi Suria Ventures Sdn. Bhd.

100% 
Maju Warisanmas Sdn. Bhd.

100% 
TH Ladang (Sabah & Sarawak) Sdn. Bhd.

93%   **7%**
PT. Persada Kencana Prima Badai Sakti Daniel


80%   **20%**
THP Saribas Sdn. Bhd. Gunung Lesong Corporation Sdn. Bhd.

70%   **30%**
TH Bakti Sdn. Bhd. Jasa Bakti (Sdn.) Berhad


70%   **30%**
THP-YT Plantation Sdn. Bhd. Yayasan Terengganu

70%   **30%**
Hydroflow Sdn. Bhd. Punggor Wibawa Bhd.

51%   **49%**
THP Sabaco Sdn. Bhd. Musman Holdings Sdn. Bhd.

100% 
TH-Bonggaya
Sdn. Bhd.


100% 
Manisraya Sdn. Bhd.

100% 
Kuni Riang Sdn. Bhd.


100% 
Halus Riang Sdn. Bhd.


100% 
Pinekey Enterprise
Sdn. Bhd.

100% 
Kee Wee Plantation
Sdn. Bhd.

100% 
Cempaka Teratai
Sdn. Bhd.



100% 
Derujaya Sdn. Bhd.


70% 
TH-USIA Jatimas
Sdn. Bhd.


82.53% 
Ladang Jati Keningau
Sdn. Bhd.


60% 
TH PELITA Simunjan
Sdn. Bhd.

60% 
TH PELITA Meludam
Sdn. Bhd.

65%  5% 
TH PELITA Sadong
Sdn. Bhd.

65%  5% 
TH PELITA Gedong
Sdn. Bhd.

55% 
TH PELITA Beladin
Sdn. Bhd.

 30%
United Sabah Islamic
Association

 17.47%
Yeo Kian Kok

 10%
Pelita Holdings Sdn. Bhd.

30%
Pelita Holdings Sdn. Bhd.
(in trust for Native Customary Rights owners)

 16%
Pelita Holdings Sdn. Bhd.

24%
SGOS Capital Holdings Sdn. Bhd.

 30%
Pelita Holdings Sdn. Bhd.

 30%
Pelita Holdings Sdn. Bhd.

 10%
Pelita Holdings Sdn. Bhd.

35%
Pelita Holdings Sdn. Bhd.
(in trust for Native Customary Rights owners)



Oil Palm



Management
Services



Investment
Holding



Teak



Rubber



Non-Trading



Joint Venture

BOARD OF DIRECTORS





FROM LEFT TO RIGHT

- | | |
|---|---|
| <p>1. Tan Sri Dr. Abdul Samad bin Haji Alias
Independent Non-Executive Director</p> | <p>6. Dato' Haji Wan Zakaria bin Abd Rahman
Independent Non-Executive Director</p> |
| <p>2. Dato' Zainal Azwar bin Zainal Aminuddin
Chief Executive Officer/Executive Director</p> | <p>7. Dato' Noordin bin Md Noor
Independent Non-Executive Director</p> |
| <p>3. Tan Sri Ab. Aziz bin Kasim
Independent Non-Executive Chairman</p> | <p>8. Datuk Azizan bin Abd Rahman
Non-Independent Non-Executive Director</p> |
| <p>4. Dato' Paduka Ismee bin Haji Ismail
Non-Independent Non-Executive Director</p> | <p>9. Dato' Amran bin Mat Nor
Independent Non-Executive Director</p> |
| <p>5. Datuk Seri Nurmala binti Abd Rahim
Independent Non-Executive Director</p> | <p>10. Mahbob bin Abdullah
Independent Non-Executive Director</p> |

DIRECTOR'S PROFILE

TAN SRI
AB. AZIZ
BIN KASIM



Tan Sri Ab. Aziz bin Kasim, is an Independent Non-Executive Chairman of THP. He was appointed to the Board of THP on 10 March 2014. He is also the Chairman of the Remuneration Committee of the Company.

Aged 60, Malaysian

**Independent
Non-Executive
Chairman**

**Chairman of the
Remuneration
Committee**

**Number of Board
Meetings attended in
the Financial Year:
Not Applicable**

He served as a government officer for over 35 years in various ministries with his last designation being the Chief of Staff to the Honourable Prime Minister of Malaysia.

He obtained a Bachelor of Arts (Hons) in South East Asian Studies from Universiti Malaya in 1977 and then went on to complete his Masters in International Relations and Strategic Studies from the University of Denver, Colorado, U.S.A in 1986.

Tan Sri Ab. Aziz bin Kasim began his career in the private sector as a bank officer with the United Malayan Banking Corporation (now known as RHB Banking Group) before joining the Administrative and Diplomatic Service (PTD) in 1979 as an Assistant Director attached to the Public Service Department. He has served in numerous capacities in the Ministries of Environment, Education, Defence and the Prime Minister's Department.

He is the longest serving officer to the current Prime Minister of Malaysia, YAB Dato' Sri Mohd Najib bin Tun Abdul Razak, having joined him in 1997, then as Senior Private Secretary to the Minister of Education.

A highly decorated officer, he has received accolades from the states of Pahang, Sabah, Kedah, Kelantan and Melaka with the highest honour being the Panglima Setia Mahkota from the Federal Government which carries the title of "Tan Sri".

Tan Sri Ab. Aziz bin Kasim does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past ten (10) years.



DATO'
ZAINAL
AZWAR
BIN ZAINAL
AMINUDDIN

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 on 1 July 2009 and was subsequently appointed as an Executive Director on 1 September 2009. He is a member of the Employees' Share Option Scheme Committee of the Company.

He graduated from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) in 1983 with a Bachelor's Degree in Agricultural Science and thereafter began his career as an Agricultural Officer with the Agricultural Department. 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, he 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 until June 2009.

Dato' Zainal Azwar is currently the Chairman of CCM Fertilizers Sdn. Bhd. He is also a member of the Malaysian Society of Soil Science and the Incorporated Society of Planters.

Dato' Zainal Azwar bin Zainal Aminuddin does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past ten (10) years.

Aged 55, Malaysian

**Chief Executive Officer/
Executive Director**

**Member of the
Employees' Share
Option Scheme
Committee**

**Number of Board
Meetings attended in
the Financial Year: 6/6**

DIRECTOR'S PROFILE

TAN SRI
DR. ABDUL
SAMAD BIN
HAJI ALIAS



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 the Chairman of the Audit Committee and the Nomination Committee and sits as a member of the Investment, Risk & Compliance Committee of the Company.

Aged 71, Malaysian

**Independent
Non-Executive
Director**

**Chairman of the
Audit Committee**

**Chairman of the
Nomination Committee**

**Member of the
Investment, Risk &
Compliance Committee**

**Number of Board
Meetings attended in
the Financial Year: 5/6**

He 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 a member of the Malaysian Institute of Certified Public Accountants (MICPA).

Between 1999 and 2002, he was the President of MICPA and served as a member of the Malaysian Accounting Standards Board and Financial Reporting Foundation. He was also the President of MIA from September 2000 to August 2005. Tan Sri Dr. Abdul Samad was the first Malaysian to be elected to the 22-member Board of the International Federation of Accountants.

Tan Sri Dr. Abdul Samad is currently the Chairman of Malaysian Venture Capital Management Berhad as well as the Chairman of Perbadanan Insurans Deposit Malaysia. He was a Director of Bursa Malaysia Berhad.

Tan Sri Dr. Abdul Samad bin Haji Alias does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past ten (10) years.



DATUK SERI
NURMALA
BINTI ABD
RAHIM

Datuk Seri Nurmala binti Abd Rahim is an Independent Non-Executive Director of THP. She was appointed to the Board of THP on 10 March 2014.

She holds a Master's Degree in Public Administration from Pennsylvania State University, U.S.A., an Honours Degree in Social Science from Universiti Sains Malaysia and a Diploma in Public Administration from the National Institute of Public Administration (INTAN). She has vast and in-depth experience in public administration including *inter alia*, policy formulations and execution. She is currently the Secretary General of the Ministry of Plantation Industries and Commodities (MPIC).

She began her career with the Public Service as an Administrative and Diplomatic Officer (PTD) in 1978 and was first posted to the Ministry of Agriculture as an Assistant Secretary. In 1984, she served as a Senior Project Officer with INTAN for two (2) years before being promoted as a Principal Assistant Director in the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU), Prime Minister's Department. She then served the Ministry of International Trade and Industry (MITI) in 2002 in various positions such as the Director for ASEAN Division, Minister Counsellor at the Embassy of Malaysia in Tokyo, Japan, Senior Director (Strategic Planning Division), Senior Director (Management Services) and later as Deputy Secretary General (Commodities) with MPIC in 2007.

At the international level, she is the Head of the National Tripartite Rubber Cooperation between Malaysia, Indonesia and Thailand. She is also the Governor for Malaysia under the Common Fund for Commodities (CFC), which was established within the framework of the United Nations. She is also actively involved in various capacities involving the Ministry's economic and technical missions, as well as bilateral, regional and multilateral negotiations and forums for the commodity sector.

Datuk Seri Nurmala binti Abd Rahim does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. She has not had a conviction for any offence within the past ten (10) years.

Aged 60, Malaysian

**Independent
Non-Executive Director**

**Number of Board
Meetings attended in
the Financial Year:
Not Applicable**

DATO'
PADUKA
ISMEE BIN
HAJI ISMAIL



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 is a member of the Remuneration Committee as well as a member of the Tender Committee A of the Company.

Aged 49, Malaysian

**Non-Independent
Non-Executive Director**

**Member of the
Remuneration
Committee**

**Member of the
Tender Committee A**

**Number of Board
Meetings attended in
the Financial Year: 5/6**

He began his career as a Management Accountant with Arab Malaysian Development Berhad in 1987. He obtained his Chartered Institute of Management Accountant (CIMA) qualification from the London School of Accountancy and is currently a Fellow of this organisation as well as a member of the Malaysian Institute of Accountants (MIA).

Dato' Paduka Ismee later joined the Shell Group of Companies in Malaysia and held various positions including the Head of Forex and Banking of Shell Malaysia Ltd and Group Accountant of Shell Malaysia Trading Sdn. Bhd.

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

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

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

- Chairman of Syarikat Takaful Malaysia Berhad;
- Director of 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 does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past ten (10) years.



DATUK
AZIZAN
BIN ABD
RAHMAN

Datuk Azizan bin Abd Rahman, was appointed to the Board of THP on 1 June 2005 as an Independent Non-Executive Director. On 26 February 2014 he was re-designated as a Non-Independent Non-Executive Director of THP. He is a member of the Audit Committee, Nomination Committee as well as the Investment, Risk & Compliance Committee of the Company.

After graduating from the University of Malaya in 1973 with a Bachelor of Arts degree, he began his career as a Shipping Executive at Harper Gilfillan (M) Sdn. Bhd. 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. In 1981, he held the position of Chartering Manager at Pan Ocean Tankers Ltd, London.

In 1982, Datuk Azizan joined JF Apex Securities Berhad (JFASB) as its Executive Director and launched his career in stockbroking and finance. While he was a Director of JFASB, he was an active member of the stockbrokers' fraternity and held the post of President of the Association of Stockbroking Companies of Malaysia until he left the industry.

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

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

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

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

Datuk Azizan bin Abd Rahman does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past ten (10) years.

Aged 64, Malaysian

**Non-Independent
Non-Executive Director**

**Member of the
Audit Committee**

**Member of the
Nomination Committee**

**Member of the
Investment, Risk &
Compliance Committee**

**Number of Board
Meetings attended in
the Financial Year: 5/6**

DATO'
HAJI WAN
ZAKARIA
BIN ABD
RAHMAN

Aged 69, Malaysian

**Independent
Non-Executive Director**

**Member of the
Remuneration
Committee**

**Member of the Tender
Committee A**

**Number of Board
Meetings attended in
the Financial Year: 5/6**



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 is a member of the Remuneration Committee as well as a member of the Tender Committee A of the Company.

His 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, he 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 does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has had no conviction for any offence within the past ten (10) years.



DATO'
NOORDIN
BIN MD
NOOR

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. He is the Chairman of the Employees' Share Option Scheme Committee and sits as a member of the Audit Committee of the Company.

His career began after he graduated from MARA University of Technology (UiTM) with a Diploma in Business Studies in 1976. His experiences are vast and varied, encompassing 21 years in the areas of business, information technology, construction, service, manufacturing, as well as transportation.

Dato' Noordin has 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 levels. These are some of the positions he has held:

- 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
- A committee member of the UMNO Youth Management and Administration.

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

Dato' Noordin bin Md Noor does not have any family relationship with any director and/or major shareholder(s) of the Company nor does he have any conflict of interest with the Company. He has not had a conviction for any offence within the past ten (10) years.

Aged 56, Malaysian

**Independent
Non-Executive Director**

**Chairman of the
Employees' Share
Option Scheme
Committee**

**Member of the Audit
Committee**

**Number of Board
Meetings attended in
the Financial Year: 4/6**

DATO'
AMRAN
BIN MAT NOR

Aged 48, Malaysian

**Independent
Non-Executive Director**

**Number of Board
Meetings attended in
the Financial Year: 4/6**



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.

He holds a Bachelor's Degree in Business Management and a Diploma Penilaian from the University Teknologi Malaysia (UTM). He also holds a Master's Degree in Business Management from the University of Newcastle, England.

Dato' Amran served as the Sport Facilities Officer for Majlis Sukan Negeri Kelantan in 1989 and was appointed as the Assistant Director (Athletes) in 1992. He was then promoted to Chairman of Majlis Sukan Negeri Kelantan in 2004. That same year, he became a State Assembly Member of Selising, Pasir Puteh, Kelantan. In 2008, he was appointed the Political Secretary to the Minister of Tourism, a position he held until 2009.

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

- 1991 to 1998 : 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 does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past ten (10) years.



MAHBOB
BIN
ABDULLAH

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 the Chairman of Tender Committees A and B as well as the Investment, Risk and Compliance Committee. He also 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 Plantations Agency Limited as their rubber plantation Assistant Manager. Between 1968 and 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 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 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 the production and marketing activities of refineries in Malaysia, Thailand, Singapore and Egypt. After his retirement from Sime Darby in 2000, he established his own company, IPC Services Sdn. Bhd., which provides consultancy services to local, international, upstream and downstream businesses within the plantation industry.

In 2001, he was awarded a Fellowship by the Incorporated Society of Planters for 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 a Board member for several years in Felda Plantations Berhad, Felda Products Industry Sdn. Bhd. and Felda Vegetable Oil Products Sdn. Bhd.

Mahbob bin Abdullah does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past ten (10) years.

Aged 69, Malaysian

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

Number of Board Meetings attended in the Financial Year: 5/6

SENIOR MANAGEMENT

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



2. **Radin Rosli
bin Radin Suhadi**
Plantation Director



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



7. **Abd Rashid
bin Sahibjan**
*Plantation Controller
(Sarawak)*



8. **Ghazali bin Limat**
*Plantation Controller
(Sabah)*



9. **Aruludin Raj
bin Azman Arasu**
*Head, Estate Department
& Administration
(Special Officer to CEO)*



10. **Aliatun binti Mahmud**
*Company Secretary /
Head, Legal & Secretarial*

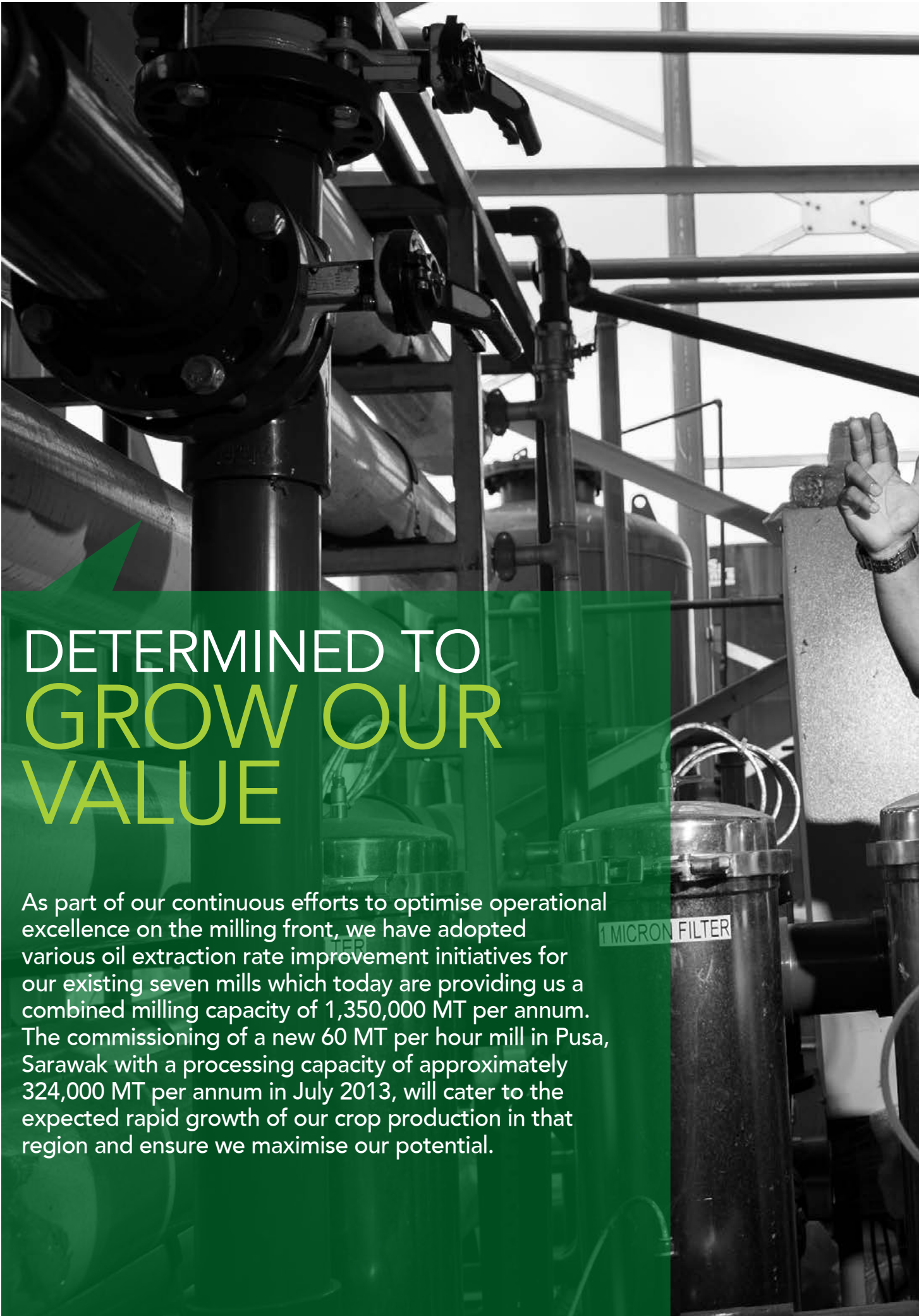


11. **Maizura
binti Mohamed**
*Head, Strategy &
Corporate Services*





12. **Syed Ali bin Syed Idros**
Plantation Controller
(Overseas)
13. **Ir. Ramli bin Mohd Tahar**
Chief Engineer
14. **Othman bin Somadi**
General Manager
(Marketing)
15. **Fadzil bin Abdullah**
General Manager
(Human Resource)
16. **Ahmad Nordzri bin Razali**
General Manager
Seconded to PT. Persada
Kencana Prima as
Vice-President Director
17. **Mohd Pilus bin Zambri**
General Manager
(Agronomy & Innovation)
18. **Dariman bin Darham**
General Manager
(Rubber)
19. **Ahmad Anuar bin Sairi**
General Manager
(Agronomy & R&D -
Overseas)
20. **Jamaluddin bin Hanafiah**
Assistant General
Manager
(Quality Assurance)
21. **Hamidon bin Hassan**
Assistant General
Manager
(Information Technology)
22. **Megat Rizal Ezzudin bin Abd Maulud**
Senior Manager
(Internal Audit)



DETERMINED TO GROW OUR VALUE

As part of our continuous efforts to optimise operational excellence on the milling front, we have adopted various oil extraction rate improvement initiatives for our existing seven mills which today are providing us a combined milling capacity of 1,350,000 MT per annum. The commissioning of a new 60 MT per hour mill in Pusa, Sarawak with a processing capacity of approximately 324,000 MT per annum in July 2013, will cater to the expected rapid growth of our crop production in that region and ensure we maximise our potential.



Kilang Sawit Ladang Raja Udang

CORPORATE HIGHLIGHTS

5 – 7 FEBRUARY 2013

BUSINESS PLAN RETREAT I

Port Dickson, Negeri Sembilan



20 FEBRUARY 2013

EXTRAORDINARY GENERAL MEETING

Kuala Lumpur





21 FEBRUARY 2013

PRIME MINISTER'S VISIT TO SARAWAK

Beladin, Sarawak



17 – 19 MARCH 2013

BUSINESS PLAN RETREAT II

Melaka



20 MAY 2013

39TH ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING

Kuala Lumpur



23 – 28 MAY 2013

UPSR WORKSHOP (PINTAR PROGRAMME)

Sekolah Rendah Kebangsaan Seri Bandi 2, Terengganu



18 JUNE 2013

INVESTOR DAY

Kompleks THP Kota Bahagia, Pahang



24 - 26 JUNE 2013

THE INCORPORATED SOCIETY OF PLANTERS' NATIONAL SEMINAR

Sibu, Sarawak



1 JULY 2013

COMMISSIONING OF RAJA UDANG PALM OIL MILL

Pusa, Sarawak



29 AUGUST 2013

PMR AND SPM WORKSHOP AND CLOSING CEREMONY (PINTAR PROGRAMME)

Sekolah Menengah Kebangsaan Pusa, Sarawak



9 DECEMBER 2013

SIGNING CEREMONY OF THE AKTA JUAL BELI OF PT. PERSADA KENCANA PRIMA

Jakarta, Indonesia



MEDIA HIGHLIGHTS



TH Plantations expands land bank

It expects to own 110,000ha by end-April with purchase of 14,000ha in Kalimantan

These acquisitions are timely and in line with our continued expansion plan to complement the existing growth strategy.

— DATUK ZAINAL AZWAR ZAINAL AMINUDDIN

KUALA LUMPUR: TH Plantations Bhd's (THP) land bank is expected to reach 110,000ha by end-April once the group completes the acquisition of 14,000ha of land in Kalimantan. Chief executive officer Datuk Zainal Azwar Zainal Aminuddin said the acquisition of PT Persada Kencana Prima, which owned the land, was in the midst of completion. Speaking after the group EGM, he said the group's total plantation land bank now stood at 97,920ha after the acquisition of two oil palm plantation companies in Sarawak for RM254.59mil.

During the EGM, shareholders approved the acquisition of Bumi Suria Ventures Sdn Bhd and Maju Warisanmas Sdn Bhd. Both companies collectively own 6,514ha of plantation land, of which, 5,500ha have been planted with oil palm. Zainal said upon completion of the acquisitions, THP's total land under oil palm cultivation would increase to 66,960ha from 60,790ha currently.

Following the acquisition, the output of fresh fruit bunches would increase from 500,000 tonnes to 800,000 tonnes per year, he added. "These acquisitions are timely and in line with our continued expansion plan at strategic locations to complement the existing growth strategy. "It is also timely for us to consolidate and add value to all the acquisitions in terms of development and enhance yield and productivity," Zainal said. — Bernama

TH Plantations hopes for soft loan from timber board

By **INTAN FARHANA ZAINUL**
intanzainul@thestar.com.my

KUALA LUMPUR: TH Plantations Bhd (THP) hopes to receive a soft loan of RM100mil from the Malaysian Timber Industry Board this year for its timber and rubber plantation development in Sabah.

The group also targets to increase its fresh fruit bunches (FFB) production to more than one million tonnes a year by 2014.

Chief executive officer Datuk Zainal Azwar Zainal Aminuddin said: "Once we receive the loan, we will be ready to go full swing with the timber and rubber plantation."

"We have already started planting 2,000ha and hope to finish the planting process on 8,000ha in the Bongaya forest reserve in Sandakan,

Sabah by 2014, once we get the loan approval. "The group has allocated about 15,000ha in Sabah to plant latex timber clone rubber trees, which would provide an opportunity for the group to diversify its revenue stream."

"From the latex timber clone rubber trees, we are going into an integrated approach to rubber planting, where the trees will take six years to begin producing latex and 15 years for them to be logged for timber," Zainal said.

Zainal told reporters after the group's AGM and EGM that the group's venture into timber and rubber plantation was timely as it had a land-bank of 97,592ha. From that it is targeting FFB production to grow at a compounded annual rate of

17.2% from 2013 to 2016. The group also expects to complete the acquisition of PT Persada Kencana Prima (PKP), which owns 11,837ha of green field area in Kalimantan, Indonesia, by June this year. With the acquisition, THP's total land-bank would reach almost 110,000ha.

The group is allocating RM350mil for capital expenditure (capex) this year. More than 50% of the amount would be used to develop its current green field that stood close to 16,000ha and to continue with its replanting initiatives.

"This year, we are going to continue with our replanting initiatives on 1,200ha of some mature area in Sabah, Klang in Johor and Keratong in Pahang," Zainal said.

He said the group would use the balance of the capex for mills maintenance. Malaysian Palm Oil Council chief executive officer Tan Sri Dr Yusof Basiron, who was present at the press conference, said that crude palm oil (CPO) prices could range from RM2,600 to RM2,800 a tonne by the second half of the year.

"The CPO recovery has been slow, looking at the fact that Malaysia's palm oil inventory has eased to about 1.9 million from 2.63 million tonnes at end-December 2012. "Nonetheless, we project the price will recover but it won't be that fast, because the world consumption will continue to increase and the current palm oil production is not fast enough to meet the demand," he explained.

TH Plantations to double oil palm production

By **RUPINDER SINGH**
sunbiz@thesundaily.com

KUALA LUMPUR: TH Plantations Bhd (THP), the plantation arm of Lembaga Tabung Haji, aims to more than double its production of oil palm fresh fruit bunches (FFB).



expansion of its landbank area.

THP expects to grow its landbank by 33% to reach 130,000ha by 2015 from the current 97,592ha.

"With 130,000ha of landbank, this would place us among the top two or three players in the mid-sized plantation category," he told pressmen after the company's AGM here yesterday.

THP's landbank will swell to 110,000ha when it completes the acquisition of Indonesia's PT Persada Kencana Prima, which owns 14,000ha in Kalimantan, by

FROM PAGE 15

While we strengthen our position in our core business, that is, producing oil palm FFB, we are actively seeking opportunities to secure new businesses that will bolster our future income stream and deliver greater value to our stakeholders."

Zainal also said the time has come for THP to seize the opportunities presented by the rapidly growing food and vegetable oil business. One of the options being considered is building its own refinery to cater to the demand for vegetable oils and thus extend its supply chain for the business.

Zainal opined that the maiden downstream refinery is likely to cost between RM70 million to RM80 million, with a production capacity of 150,000 tonnes.

On CPO prices, THP chairman Tan Sri Yusof Basiron said it should start to recover as demand from global consumption increases but not in the immediate period.

"I believe CPO prices will climb to between RM2,600 and RM2,800 per tonne level by the second half of this year," he said. CPO prices are

THP land bank to hit 110,000ha after acquisition

KUALA LUMPUR: TH Plantations Bhd's (THP) land bank is expected to reach 110,000ha by end-April once the group completes the acquisition of 14,000ha in Kalimantan.

Its CEO Datuk Zainal Azwar Zainal Aminuddin said the acquisition of PT Persada Kencana Prima, which owns the land, is in the midst of completion. Speaking after the group's EGM yesterday, he said the group's total plantation land bank now stands at 97,920ha after acquiring two oil palm plantation companies in Sarawak for RM254.585 million.

During the meeting, shareholders approved the acquisition of Bumi Suria Ventures Sdn Bhd and Maju Warisanmas Sdn Bhd.

The two companies collectively own 6,514ha, of which, 5,500ha has been planted with oil palm.

Zainal said upon completion of the acquisitions, THP's total land under oil palm cultivation will increase to 66,960ha from 60,790ha now.

Following the acquisition, the output of fresh fruit bunches will increase from 500,000 tonnes per year to 800,000



THP to raise FFB output to 800,000 tonnes

Acquisitions of two plantations in Sarawak approved at EGM

by **Shalini Kumar**

KUALA LUMPUR: TH Plantations Bhd (THP) expects its fresh fruit bunch (FFB) production to increase to 800,000 tonnes from the current 500,000 tonnes per year once its acquisitions of two oil palm plantation companies in Sarawak are completed. In October last year, THP — the plantation arm of Lembaga Tabung Haji — proposed to buy Bumi Suria Ventures Sdn Bhd for RM212.5 million and Maju Warisanmas Sdn Bhd for RM42.08 million from several vendors, including Weida (M) Bhd. Both companies collectively own 6,514ha of plantation land in Sarawak.

Following these acquisitions, THP's total plantation landbank will increase to 97,592ha from 91,078ha currently. Yesterday, THP shareholders approved these acquisitions at an EGM. THP chief executive Datuk Za-



Zainal Azwar: FFB production is expected to increase by 17% per year until 2016.

THP's landbank will be further increased to 110,000ha by end-April, once the group completes the acquisition of another 14,000ha of land in Kalimantan, Indonesia. Zainal Azwar said the company is now in the process of completing the acquisition of PT Persada Kencana Prima, the owner of the land.

The company is open to acquiring more land outside Malaysia. But the plan now is to consolidate and add value to its existing land in terms of plantation development and enhancing yield and productivity.

"But, this from looking opportunities very selective terms of the FFB's good but really considered THP has 97 million for capex in 2016 for extension development million will be four years to increase capacity mill, ture in Saraw

TH Plantations to build its first refinery in Sarawak

by **Janice Melissa Thean**
jmt@edgemy.com

KUALA LUMPUR: After increasing its plantation footprint to over 97,000ha in the past year, TH Plantations Bhd (THP) is embarking on its first downstream project, constructing its first palm oil refinery in Sarawak.

The holberton upstream oil palm player is looking to spend between RM70 million and RM80 million on the palm oil refinery, which is expected to have a refining capacity of 150,000 tonnes a day.

"This will make us an integrated player and also acts as a cushion or buffer against any fluctuation in commodity prices by leveraging on downstream or upstream products whenever necessary," THP chief executive Datuk Zainal Azwar Zainal Aminuddin said after the company's AGM and EGM yesterday.

THP is currently conducting feasibility studies on the proposed refinery, which could produce finished palm oil-based products over food products.

"The sensible choice of having a refinery is to ensure the stability of

Projected FFB growth

Year	FFB Production (tonnes)
2011	500,000
2012	560,000
2013	630,000
2014	700,000
2015	780,000
2016	800,000

Source: The Edge Malaysia

The company is not entirely opposed to future acquisitions but will be very selective in its purchases and will not be limited to Malaysia. THP is awaiting regulatory approvals for the purchase of a 58% stake in PT Persada Kencana Prima (PKP), which it expects to complete by mid-June. The deal involves 11,837ha of land in Kalimantan, Indonesia. From 2013 to 2016, we will have a compound annual growth rate of 17.2% in terms of fresh fruit bunch (FFB). This itself is a testimony of our landbank acquisition," Zainal Azwar said. Last year, THP produced 524,665 tonnes of FFB and expects to hit the one million tonne mark by 2014. As part of a dual crop strategy, THP has allocated 10,117ha in the Bongaya Forest Reserve in Sandakan, Sabah for rubber replanting. "Development work can be done in two years. We can finish planting 8,000ha by 2014," said Zainal Azwar. For the 2012 financial year ended on 31 (FY12), the company sustained a higher net profit



The Malaysian Reserve

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TUESDAY, MAY 21, 2013



WEDNESDAY, SEPTEMBER 18, 2013

BUSINESS TIMES

NEW STRAITS TIMES

August CPI likely higher -B2

TH Plantations to issue shares, enlarge share ca

by RANJIT SINGH

TH PLANTATIONS Bhd, a 71.6% subsidiary of Lembaga Tabung Haji, will implement a one-for-five bonus issue to reward shareholders and enlarge its share capital base.

The company also declared a dividend of one sen, bringing the total dividend for financial year 2012 (FY12) to 4.6 sen.

"In 2012, we increased our plantation size from 39,000ha to 93,000ha. We will take a breather this year and concentrate on consolidating our operations and replanting activities," said CEO Datuk Zainal Azwar yesterday.

He said at the moment the company is not looking into increasing the free float of its shares.

Zainal said the company has acquired 12,000ha of land in Sabah, which is located in a forest management area, to be planted with cloned rubber trees to enlarge and diversify its future earnings stream.

The company is also exploring the possibilities of venturing into downstream business related to palm oil — like retineries and oil and fats businesses.

TH Plantations landbank to reach 110,000ha

TH PLANTATIONS Bhd's (THP) landbank is expected to reach 110,000ha by end-April once the group completes the acquisition of 14,000ha of land in Kalimantan.

Chief executive officer Datuk Zainal Azwar Zainal Aminuddin said the acquisition of PT Persada Kencana Prima, which owns the land, was in the midst of completion.

Speaking after the group's extraordinary general meeting (EGM), he said the group's total plantation landbank now stood at 97,592ha after acquiring two oil palm plantation companies in Sarawak for RM254.59 million.



Zainal (left) and Dr Yusof at a media briefing after Kuala Lumpur. TH Plantations declares a dividend

trade by

Chairman Tan Sri Dr Yusof Basiron, who is also the CEO of the Malaysian Palm Oil Council, expects CPO prices to be firm in the second-half (2H) of the year.

He said demand for CPO will continue to be boosted by the increase in global population but in the case of commodities, price recovery takes a longer time than the fall in price.

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TH Plantations eyes 1m tonnes of fresh fruit bunches

EXPANSION DRIVE: Planter also plans to build its first refinery in Sarawak by year-end

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TH Plantations Bhd, a small-sized oil palm plantation company, aims to produce more than one million tonnes of fresh fruit bunches by the end of

tonities to grow either in greenfields or brownfields, as we seek to bolster our plantation size to 130,000ha by 2015. In line with our KPI (Key Performance Indicator), Zainal Azwar said after the company's 39th annual shareholders meeting here yesterday.

"This will make us at par with



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TH Plantations unit in S'wak quarry foray

KUALA LUMPUR: TH Plantations Bhd's wholly-owned subsidiary, Bumi Suria Ventures Sdn Bhd, has entered into a quarry and supply agreement with Blast Power Sdn Bhd. Bumi Suria owns a stone quarry located at Sibul Arip Land District in Sarawak and is licensed to manage the quarry to extract, process, remove and sell rock materials from the site for a period of five years from November 22 2010 as issued by the Sarawak Land and Survey Department. In a filing to Bursa Malaysia, TH Plantations said the agreement will grant Blast Power the exclusive rights to remove and sell the products produced from the rock materials extracted from Bumi Suria's quarry site to third parties and Bumi Suria itself. Blast Power is a subsidiary of Weida (M) Bhd. Bernama

TH Plantations plans Sarawak refinery

KUALA LUMPUR: TH Plantations Bhd, which already operates six oil palm mills in West Malaysia, plans to set up its first palm oil refinery in Sarawak. executive director Datuk

Zainal Azwar Zainal Aminuddin said yesterday. Construction will begin at year-end and will have a capacity to process 1,500 tonnes of fresh fruit bunches per day. — Bernama

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Tabung Haji a success story in social innovation



By Datuk Dr Ibrahim Ahmad Bajunid | iabaiw@yahoo.com

Writer is a deputy vice-chancellor, INTI Laureate International University

comments

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CLASS INVESTMENT ENTITY: The fund managers can be another potential platform for Malaysian Muslims to tap global business opportunities

BACK in the 1950s and 1960s, only the wealthy could afford to go for haj. The less rich could only dream. Though not compulsory for those who could not afford, all Muslims would yearn to have the opportunity to visit the holy sites of Mecca and Madinah at least once in their lifetime. Those days, the rich would normally sell their property to pay for the trip.

Some sold houses while others would sell livestock to cover the costs of the haj. There were some who were known to have sold everything they had to make the pilgrimage.

It is different now. Tabung Haji has changed all that. Now everyone who is willing to put aside savings in Tabung Haji can eventually make the trip.



TH Plantations bina kilang penapisan di Sarawak

TH Plantations Bhd merancang untuk mendirikan kilang penapisan minyak sawit pertamanya di Sarawak. Kumpulan itu setakat ini sudah mempunyai enam kilang minyak sawit di Semenanjung Malaysia.

Ketua Pegawai Eksekutifnya, Datuk Zainal Azwar Zainal Aminuddin, berkata pembinaan kilang penapisan itu akan bermula pada akhir tahun ini.

Ia katanya, akan mempunyai keupayaan memproses 1,500 tan tandan buah segar sehari apabila ia mula beroperasi dalam masa dua tahun lagi.

Kilang penapisan baru itu akan dibayai melalui sukuk bernilai RM2.5 bilion yang diterbitkan pada tahun lalu.

Daripada jumlah itu, sebanyak RM690 juta sudah digunakan, katanya kepada media selepas mesyuarat agung tahunan syarikat itu di Kuala Lumpur semalam.

Zainal Azwar berkata, TH Plantations Bhd berhasrat menghasilkan segala tan tandan buah segar sawit menjelang akhir tahun depan berbanding pengeluaran \$22,525 tan yang dianggarkan tahun ini.

Tambah saiz ladang beliau berkata, syarikat itu juga bercadang untuk menambah saiz ladangnya kepada 130,000 hektar menjelang 2015 daripada 97,500 hektar kini.

"Kami sedang menyelesaikan urusan pengambilalihan PT Persada Kencana Prima" katanya, sambil menambah bahawa urusan niaga itu yang membabitkan 11,837 hektar tanah di Kalimantan, Indonesia, akan selesai bulan depan.

Mengenai dasar dividennya, Zainal Azwar berkata, syarikat itu akan mengkalakan dasar dividen 50 peratus daripada keuntungan bersih setahun.

Sementara itu, Pengerusinya, Tan Sri Dr Yusof Basiron, berkata harga minyak sawit akan jatuh dan berlegar antara RM2,600 dan RM2,800 satu tan menjelang separuh kedua tahun ini daripada RM2,300 sekarang. BERNAMA

Pendapatan TH Plantations naik kepada RM470j

TH Plantations Bhd mencatat keuntungan sebelum cukai lebih rendah iaitu RM71.04 juta pada tahun kewangan berakhir 31 Disember 2013 berbanding RM185.85 juta pada tahun sebelumnya.

Pendapatan syarikat itu meningkat kepada RM469.95 juta tahun lalu berbanding RM375.85 juta pada 2012, katanya dalam satu kenyataan.

Syarikat itu mencadangkan dividen akhir sebanyak 3.62 sen sesaham.

TH Plantations berkata, peningkatan hasil tahun

lalu dipacu pertumbuhan 49 peratus dalam tandan buah segar (FFB), pertambahan 11 peratus hasil FFB kepada 23.86 tan sehektar, di samping pertumbuhan 66 peratus pengeluaran minyak sawit mentah (CPO).

"Peningkatan besar dalam pengeluaran disebabkan pengambilalihan yang dilakukan kumpulan pada 2012 dan awal tahun lalu, yang menambah pemilikan tanah sehingga hampir 150 peratus kepada kira-kira 98,000 hektar," kata kenyataan berkenaan. BERNAMA

Tabung Haji ambil alih ladang sawit di Indonesia

» Proses pembelian kini dalam peringkat akhir babit nilai RM16.822j

Oleh Ahmad Farizal Hajat ahmadfarizal@bh.com.my

ngan di republik itu. TH menerusi anak syarikatnya, TH Plantations Bhd berkata, ia kini pada peringkat akhir memuktamadkan pengambilalihan PT Persada Kencana Prima, firma yang memiliki ladang sawit seluas 14,180 hektar di Kalimantan Timur.

Jika semuanya berjalan lancar, urusan niaga itu dijangka menyediakan platform kukuh meraih satu lagi sumber pendapatan yang stabil kepada TH, sekali gus terus dapat memberikan pulangan berdaya saing kepada pendepositnya.

TH Plantations, dalam pengumuman kepada Bursa Malaysia semalam berkata, cadangan pengambilalihan Persada Kencana Prima kini semakin hampir dimuktamadkan.

"Lembaga Pengarah ingin mengumumkan bahawa TH Plantations dan Persada Kencana Prima sudah melengkapkan syarat di bawah Akta Jual Beli pada 9 Disember lalu.

"Ini menyebabkan pemindahan saham (dari Persada Kencana Prima kepada TH Plantations) dapat dilaksanakan mengikut undang-undang Syarikat Indonesia No. 40 tahun 2007," katanya.

Tungku kelulusan akhir Susunan itu, syarikat perladangan itu berkata, janji niaga berkenaan kini hanya menunggu

Kawasan ladang sawit pertapaan

INFO

Kawasan ladang sawit pertapaan di Sarawak dan Kalimantan Barat. TH Plantations Bhd dan PT Persada Kencana Prima.

TH Plantations Bhd (TH Plantations) mengumumkan pengeluaran keseluruhan sebanyak lebih sejuta tan tandan buah kelapa sawit segar menjelang akhir tahun depan berbanding anggaran \$23,825 tan tahun ini.

Ketua Pegawai Eksekutifnya, Datuk Zainal Azwar Zainal Aminuddin (gambar) berkata, langkah itu membolehkan syarikat menjadi Datuk Zainal Azwar Zainal Aminuddin (gambar) pengeluar kelapa sawit berdividen pertama berbanding syarikat sawit lainnya. "Langkah ini sebahagian pular peralihan sebagai pengembangan berterusan yang menyaksikan bank tanah kami meningkat tiga kali ganda kepada 97,502 hektar ketika ini pada 2007.

"Kami sentiasa mengintai peluang untuk berkembang sama ada padang hijau atau perang untuk melonjakkan saiz ladang kepada 130,000 hektar menjelang 2015, seperti dengan KPI (Danauku)

TH Plantations untung RM76.5j

KUALA LUMPUR 26 Feb. - TH Plantations Bhd. (THP) merekodkan keuntungan selepas cukai sebanyak RM76.5 juta dengan pendapatan sebanyak RM469.95 juta bagi tahun kewangan berakhir 31 Disember 2013.

Keuntungan itu adalah peningkatan sebanyak 15 peratus berbanding keseluruhan 2012, sementara pendapatannya meningkat 25 peratus disumbangkan oleh pertumbuhan buah tandan segar kelapa sawit (FFB) selain pengeluaran-minyak sawit mentah (MSM) yang naik 66 peratus.

Peningkatan mendadak itu berlaku selepas syarikat melakukan beberapa pengambilalihan tanah perladangan pada 2012 dan 2013 yang sekali gus meningkatkan simpanan tanahnya pada kadar 150 peratus kepada 98,000 hektar.

Malah, syarikat itu turut berjaya mengurangkan kos operasinya serta mencapai skala pengeluaran ekonomi yang baik.

Ketua Pegawai Eksekutif THP, Datuk Zainal Azwar Zainal Aminuddin berkata, prestasi syarikatnya itu mempamerkan potensi sebenar pemilikan tanah yang telah bertambah, ekoran pembelian tanah baharu.

"Kami jangka trend akan berterusan pada masa hadapan dengan beberapa tanah yang diusahakan itu mencapai kematangan," katanya dalam kenyataan di sini hari ini.

Syarikat itu juga baru-baru ini berjaya mengambil alih 93 peratus-pengangan ke-atas PT Persada Kencana Prima dengan keluasan tanah miliknya kira-kira 11,400 hektar.

"Dengan pengukuhan harga MSM, kami yakin mampu untuk menaikkan lagi pendapatan dan keuntungan bagi tahun semasa," kata Zainal Azwar lagi.

Syarikat itu ketika ini memiliki tanah seluas 98,000 hektar di seluruh Malaysia dengan 60,000 hektar telah diusahakan tanaman sawit dan 3,000 hektar tanaman getah.

Pengeluaran buah tandan segar untuk 2014 THP sasar 1 juta tan

KUALA LUMPUR 30 Mei - Berhad perladangan, TH Plantations Bhd. (THP) menyoal-sual untuk mencapai segala tan mentrik pengeluaran buah tandan segar (FFB) menjelang 2014.

Pada tahun lalu, THP telah menghasilkan kira-kira 24,000 tan mentrik FFB.

Ketua Pegawai Eksekutifnya, Datuk Zainal Azwar Zainal Aminuddin berkata, pada tahun ini, pihaknya menyoal-sual untuk memproses sebanyak 23,825 tan mentrik pengeluaran FFB.

Keluasan, tahun ini menunjukkan peningkatan pengeluaran tandan buah 50 peratus berbanding tahun lalu.

Jelas Zainal Azwar, pencapaian itu dijangka diperoleh melalui bantuk pokok kelapa sawit milik THP yang ditanam semula telah matang dan berbuah dalam tempoh beberapa tahun ini.

"Malah, banyak buah telah matang, kami juga merancang untuk mengumpul 500 bintan

Edisi Tengah

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Keluar 1 juta tan sawit

TH Plantations mahu jadi pengeluar bersaiz sederhana

"Kami sentiasa mengintai peluang untuk berkembang sama ada padang hijau atau perang untuk melonjakkan saiz ladang kepada 130,000 hektar menjelang 2015"

Zainal Azwar Zainal Aminuddin membolehkan kami berada sama paras dengan syarikat perladangan bersaiz sederhana contohnya Bonisad Plantations," katanya selepas Mesyuarat Agung Tahunan ke-39 TH Plantations di sini semalam.

Tabung Haji (TH) yang ketika ini mempunyai enam kilang penapisan pertamanya di Sarawak menjelang akhir tahun.

"Ini bagi menampung pertumbuhan di negeri itu yang mempunyai 52,000 hektar eset ladang sawit. Kilang penapisan ini akan mengambil masa dua tahun untuk disiapkan.

"Kos pembinaan akan dibayai sukur bernilai RM2.5 bilion yang diterbitkan pada September 2012 yang mana sebanyak RM830 juta sudah digunakan," katanya.

Zainal berkata, syarikat itu akan memastikan mampu mengekalkan polisi pulangan dividen 50 peratus daripada untung bersihnya setiap tahun.

Sementara itu, mencerminkan harga sawit mentah, Pengerusi TH Tan Sri Dr Yusof Basiron berkata, ia dijangka meningkat antara RM2,600 hingga RM2,800 setan menjelang akhir tahun disebabkan belakan sawit tidak begitu berkemangan untuk menampung keperluan dunia.

TH Plantations dimiliki TH sebanyak 71.8 peratus dan memiliki ladang sawit seluas 97,592 hektar di Malaysia dan Riau, Indo-

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SIN CHEW DAILY

TH 种植扩大橡胶园

(吉隆坡 20 日讯) 在原棕油及橡胶树种植双重业务扩展策略下, TH 种植 (THPlant, 5112, 主板种植股) 希望橡胶种植地可在 2014 年扩大至 8000 公顷。

TH 种植已在山打根 Bonggaya 森林保护区, 分配 1 万 117 公顷的土地用作种植橡胶。

TH 种植总执行长兼执行董事拿督再纳阿兹万表示: “我们可以在 2 年内完成发展活动, 并能在 2014 年完成占地 8000 公顷的橡胶种植活动。”

此外, 他们已向大马木材工业局申请, 以取得

取得这项贷款。

再纳阿兹万是在 TH 种植的股东常年大会及特大结束后, 向媒体发言。

他补充: “当我们完全取得这项贷款时, 我们会展开一项更加完整的橡胶种植方法。”

在开始种植之后, 必须等待 6 年才能开始生产乳胶, 并需要 15 年时间才能伐木。

TH 种植向大马朝圣基金局 (LTH) 收购地库之后, 在 2006 年先在 500 公顷的土地上种植橡胶。

截至去年 10 月, 共有

開發棕油下游業務 TH種植建砂煉油廠

(吉隆坡 20 日讯) TH 种植 (THPLANT, 5112, 主板种植组) 计划开发双作物 (Dual Cropping) 种植计划以及开发棕油下游业务, 以最大化发掘资产价值。

TH 种植在 2011 年仅有 3 万 9 千公顷, 经 4 项收购计划后, 在今年倍增至 9 万 7 千公顷地库。

该公司首席执行官再纳阿兹华在股东大会表示, 扩大地库使公司准备好开发双作物种植计划; 此外, 公司也计划开发下游业务, 包括

年杪在砂拉越兴建一座炼油厂, 产能约可处理 1500 公吨鲜果串。

他表示, 该公司日前发行伊斯兰债券主要用于融资下游开发计划, 如今该公司另外向大马木材工业局申请 1 亿令吉贷款, 若获批准, 公司将可致力进行双作物种植计划。

他表示, 公司预计今年棕油平均价格将复苏至 2 千 600 令吉, 但是价格至今仍盘旋在 2 千 200 令吉左右, 惟该公司今年的鲜果串 (FFB) 产量或可达 82 万 3 千公吨, 料可缓冲价格低迷对公司盈利的影响。

Oriental Daily News

東方日報

2013年5月21日 星期二 癸巳年四月十二
PP13061/12/2012(031027) RM1.00

TH种植扩大购地提升产量

(吉隆坡 20 日讯) TH 种植 (THPLANT, 5112, 主板种植股) 将通过收购活动持续扩大种植地库, 除了设下鲜果串产量于今年成长 50% 至 79 万 2000 公吨外, 亦冀望鲜果串产量在 2014 年突破 100 万公吨的里程碑。

TH 种植首席执行官兼执行董事拿督再纳阿兹万表示, 该公司将积极进行收购活动, 并放眼在 2014 年突破 100 万公吨的里程碑。同时, 该公司在 2013 至 2016 年鲜果串产量料每年成长 17%, 主要由收购地库活动提振鲜果串产量。

TH 种植在去年的鲜果串产量为 52 万 4000 公吨, 并在今年设下 50% 的成长, 达 79 万 2000 公吨。

针对 TH 种植的中期关键绩效指标 (KPI), 是在未来 3 年, 即到了 2015 年, 增加 3 万公顷土地。

再纳阿兹万补充: “届时, TH 种植一共会持有 13 万公顷土地, 在中型种植企业将名列第二或第三, 仅次于莫实得种植。”

目前, TH 种植为纯上游种植业者, 该公司有意多元化其业务至炼油厂和食品产品等, 以成为综合种植业者。TH 种植董事局将在未来一至两年内决定于砂拉越建立炼油厂的可能性, 这是基于当地的产量甚低, 现只有 6 间炼油

厂。同时, 这将会是 TH 种植的首家炼油厂。

今年暂缓收购活动

虽然 TH 种植将通过收购扩展规模, 不过该公司将在今年暂缓收购活动, 并在明年作出选择性的收购活动。该公司会考虑收购处女地库 (green field) 和成熟地库 (brown field), 以提供公司即时回酬和现金流。此外, TH 种植的地库收购目标未有局限在国内, 亦会在国外寻找合适的种植地。

TH 种植在印尼仍有一项未完成的收购活动, 即收购 PT Persada Kencana Prima 的 93% 股权, 包括 1 万 1000 公顷种植地, 仍待当地监管单位的最终审核, 料在今年 6 月杪完成。若加上这片土地, 将提升 TH 种植的种植地总额至 10 万 8000 公顷。

PT Persada Kencana Prima 旗下的种植地将在 2016 年开始对 TH




再纳阿兹万, TH 种植 CEO

种植盈利作出贡献, 这是基于有关土地未进行种植, 需要 3 至 4 年的时间开发。同时, TH 种植旗下的未种植土地约 1 万 6000 公顷, 将在未来 5 年进行种植。

该公司现有的股息政策为将税后净利润的 50% 用作派息, 由于目前其负债率达 0.79 倍, 因此资金方面需要进行多番考量。另外, 大马朝圣基金局未出售更多土地予 TH 种植, 不过前者将开发新土地让后者进行管理。


展望原棕油价格走势, TH 种植独立非执行董事丹斯里拿督尤素夫相信价格会走高, 因目前产量与全球的消费需求成长未有达成一致的水平。同时, 他预计下半年的棕油价格为每公吨 2600 至 2800 令吉。

ANALYST REPORTS



**BIMB SECURITIES RESEARCH
MARKET INSIGHT**

Go to www.bimbi.com.my
Thursday, 27 February, 2014
Results Review



TH Plantations
Buy

Price: **RM1.82**
Target Price: **(+30.8%) RM2.38**

4QFY13 TH Plantations

Above On an uptrend

Stock Data

Bloomberg Ticker: THP.MK Altman Z score: 1.02

Market Cap (RM'ns): 1,603 YTD price chg: (3.19)

Issued shares (mil): 881 YTD KLD chg: (1.30)

52-week high: 2.00 Beta: 2.18

52-week low: 1.60 Major Shareholders

3-mth avg daily volume (000): 138 Lam. Tabung Haj: 71.35%

Free Float (%): 21.65 IFF: 6.50%

ShareK Connect: Y Dimensional Fund: 0.25%


TH Plant's FY12 net earnings of RM63.1m were well above our forecast of RM30.5m. Full year revenue was RM470m, 25% higher than the FY12 due mainly to double digit growth in FFB (49%) and an 11% improvement in FFB yield to 22.8t ME/ha as well as the 66% growth in CPO production, catalysed by the land-bank acquisitions made in 2012 and early 2013. Nonetheless, TH Plant's PBT of RM77.5m was 62% lower than FY12 mainly due to the fair value surplus of RM101m arising from the acquisition of TH Ladang (Sabah & Sarawak) 5/8 in FY12, excluding this, core FY12 PBT is actually 16.2% lower. As such, we revised our FY14 and FY15 earnings forecast upwards to RM85.4m (+102%) and RM70.7m (+112%) respectively. Following the earnings revision, target price is now tagged at RM2.38 from RM2.23 before. Maintain BUY.

Y-o-Y performance. TH Plant reported higher revenue of RM154.5m as compared to RM99.1m achieved in 4QFY12 and RM130.1m in 3QFY13, as higher production and sales of CPO and PK couple with a higher average palm product prices (CPO: FY13 - RM2,200MT; FY12 - RM2,561MT and PK: FY13 - RM1,294MT; FY12 - RM1,520MT). The bottom-line was further strengthened as improved production costs as improvements in plantation practices and better economies of scale (FFB yield per matured hectare - FY13: 23.86MT/ha; FY12: 23.53MT/ha).

3.62sen dividend. Final single tier dividend of 3.62sen has been proposed by the Board and the payment is subject to shareholders approval.

View and Valuation. Subsequent to the forecast revision, we have revised upwards our target price to RM2.38 (from RM2.23) based on our FY14 EBITDA per share estimates of 23.85sen and a P/EBITDA ratio of 10.0x. Maintain BUY.

Share Price Chart





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Buy

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10FY13 TH Plantations


Buy

THP is a well-established palm oil producer with a strong track record in the palm oil industry. The company has a large land bank and is expected to continue to expand its operations. The stock is currently trading at a discount to its intrinsic value, making it an attractive investment opportunity. We recommend a Buy rating for THP with a target price of RM2.38.



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Equity | Malaysia | Plantations

07 February 2014

Buy

Price: RM1.72
Target: RM2.30

TH Plantations

Rapid expansion overlooked

THP offers high leverage to CPO prices and we think its rapid land bank expansion has been overlooked. Headline valuations are distorted by hefty non-cash costs and a high proportion of young estates. We initiate coverage on THP with a Buy and a TP of RM2.35, and add it to our top-picks list for the sector.

Flashnote

THP is a well-established palm oil producer with a strong track record in the palm oil industry. The company has a large land bank and is expected to continue to expand its operations. The stock is currently trading at a discount to its intrinsic value, making it an attractive investment opportunity. We recommend a Buy rating for THP with a target price of RM2.38.

Equity | Malaysia | Plantations

07 February 2014

Buy

Price: RM1.72
Target: RM2.30

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Flashnote

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TH Plantations Berhad | Annual Report 2013 56

Equity Beat



19 November 2013 | 3QFY13 Result Review

TH Plantations

Strongest production growth among peers

Maintain BUY

Target Price (TP): RM2.10

INVESTMENT HIGHLIGHTS

- THP's 9MFY13 revenue increased 14.0%yoy to RM315.4m.
- However, due to higher finance and amortization costs, earnings declined 50.7%yoy to RM25.7m, accounting for only 51% and 52% of ours and consensus full year earnings forecasts.
- The non-cash expenditure is expected to be offset by stronger volume and higher price moving forward. We expect the tipping point to be 2H14.
- We maintain our optimism on the long-term prospect of THP's earnings.
- Maintain BUY with a target price of RM2.10 per share.

Surge in revenue... Revenue for 3QFY13 increased 58.1%yoy to RM130.1m. For the cumulative 9MFY13, revenue was up by 14.0%yoy to RM315.4m. The higher revenue was due to higher sales volume of CPO and Palm Kernel.

...but, earnings still dragged mainly by accounting charges. Despite higher revenue, THP posted lower earnings of RM15.4m for 3QFY13. Cumulatively, THP's earnings declined by -50.7%yoy to RM25.7m. This lagged ours and consensus expectations, accounting for only 51% and 52% of respective full year estimates.

The decline in earnings was mainly attributable to:

- Higher finance cost – Finance cost in 9MFY13 surged more than 100% due to additional issuance of Sukuk Murabahah as to finance the acquisition of new subsidiaries.
- Higher non-cash expenditure (depreciation and amortization) – Depreciation and amortisation costs also increased by 97.8%yoy to RM53.9m. Excluding the depreciation and amortisation, EBITDA in 9MFY13 was up by 81%yoy to RM 112.5m
- Lower average selling price – CPO average realised price in 9MFY13 dropped from RM3,025/mt to RM2,143/mt, -29.2%yoy lower.

Slight downward revision to FY14 earnings forecast. We are reducing our FY14 earnings forecast downwards by a slight -3.5% as we have inputted a higher non-cash charges in FY14. Still, we expect a robust growth of almost 150% next year.

RETURN STATS

Price (18 Nov 2013)	RM1.90
Target Price	RM2.10
Expected Share Price Return	+10.5%
Expected Dividend Yield	+2.81%
Expected Total Return	+13.31%*

* We maintain BUY and make an exception to our rule. See explanation in the last para of this report.

STOCK INFO

KLCI	1,792.39
Bursa / Bloomberg	5112 / THP MK
Board / Sector	Mavri Plantation
Syariah Compliant	Yes
Issued shares (ml)	879.02
Par Value (RM)	0.50
Market cap. (RM'm)	1,670.1
Price over NA	1.58x
52-wk price range	RM1.80 – RM2.00
Beta (against KLCI)	0.86
3-mth Avg Daily Vol	0.11m
3-mth Avg Daily Value	RM2.20m
Major Shareholders	
Lembaga Tabung Haji	71.54%
EPF	6.94%

KINDLY REFER TO THE LAST PAGE OF THIS PUBLICATION FOR IMPORTANT DISCLOSURES

Equity Beat



21 February 2014 | 9MFY13 Result Review

TH Plantations

Strongest production growth among peers

Maintain BUY

Target Price (TP): RM2.10

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KINDLY REFER TO THE LAST PAGE OF THIS PUBLICATION FOR IMPORTANT DISCLOSURES

Equity Beat



20 June 2013 | 1QFY13 Results Review

TH Plantations

Strongest production growth among peers

Maintain BUY

Target Price (TP): RM2.10

INVESTMENT HIGHLIGHTS

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KINDLY REFER TO THE LAST PAGE OF THIS PUBLICATION FOR IMPORTANT DISCLOSURES

Maybank IB Research

February 27, 2014

TH Plantations (THP MK)

Share Price: MYR1.82
Target Price: MYR1.65 (-9%)

MACAP (USD): 0.58
ADTY (USD): 0.1M

Malaysia
Plantation

HOLD

(from SELL)

Slower growth in 2014

- Upgrade to HOLD with a higher TP of MYR1.65 (15x FY15 PER); the worst is over.
- 4Q13 core net profit was above our and consensus estimates.
- The performance was due to tax benefits and clearing of old CPO stocks.

What's New

4Q13 MYR37m core net profit (+142% QoQ, +31% YoY) brings 2013 core net profit to MYR53m (+22% YoY), 145%/154% of our and consensus full year forecasts. The performance was attributable to: i) positive net tax due to deferred tax reversal from unabsorbed capital allowances and unutilized tax losses; ii) higher-than-expected CPO sales due to clearing of old CPO stocks.

4Q13 core EBIT increased 8% QoQ (-16% YoY) on higher CPO sales (+9% QoQ, +45% YoY) and stronger CPO ASP (+5% QoQ, +14% YoY). However, 4Q13 FFB production was lower by 4% QoQ (+23% YoY).

What's Our View

2013 core pretax profit fell 35% YoY despite +9% YoY growth in FFB output due to lower CPO ASP (-17% YoY) and higher cost of production (COP1).

We revise our 2014/2015 FFB production forecasts by -8%/-3% which will be in line with management guidance. We also reduce our 2014/2015 COP1 in view of its cost cutting measures. After inputting actual 2013 financial numbers, we share our 2014/2015 net profit forecasts by -6%/-9%. We introduce 2016 forecast.

We roll forward our valuation to FY15 and on a higher 15x PER (from 14x), in line with its historical 5-year average PER and raise our TP to MYR1.65 (from MYR1.28). The rerating is due to our view that the worst is over for THP. We upgrade THP to a HOLD.

Key Data

Share status	YES
52w High/Low (MYR)	2.1/4
Free Float (%)	21.7
Issued shares (m)	881
Market capitalization	MYR1.40
Major shareholders:	
LEMBAGA TABUNG	71.4%
MLSP	
EMPLOYEES PROVIDENT	6.9%



Absolute (%)	2.2	4.2	9.2
Relative to country (%)	(0.2)	(5.4)	(1.0)

Maybank vs Market

Market Recs	13	0	0
Maybank Consensus	5 +/-		
Target Price (MYR)	1.65	1.77	(6.4)
2014 net profit (MYR m)	75	74	1.4
2015 Net Profit (MYR m)	97	80	(17.6)

Source: Bloomberg; Maybank

	2012A	2013A	2014F	2015F	2016F
Revenue (MYR m)	375.8	470.0	740.0	840.0	925.9
EBITDA	161.7	171.1	224.4	283.3	327.6
Core net profit	84.7	43.1	75.4	96.6	119.2
Core EPS (sen)	13.3	7.2	8.6	11.0	13.4
Core EPS growth (%)	(24.8)	(46.2)	16.4	28.2	22.3
Net DPS (sen)	3.8	3.6	4.3	5.5	6.8
EPSY (sen)	1.28	1.25	1.39	1.45	1.52
Core P/E (x)	11.7	25.4	21.3	16.6	13.6
EV/EBITDA (x)	26.2	16.7	12.4	10.0	8.5
Net dividend yield (%)	2.1	2.0	2.4	3.0	3.7
P/BV (x)	1.4	1.3	1.3	1.3	1.2
Net debt/equity (%)	32.6	72.5	71.1	61.4	46.6
ROAE (%)	18.0	5.9	6.2	7.7	9.1
ROAA (%)	8.3	2.8	2.3	2.9	3.4
Chg in net profit (%)	-	-	(15.9)	(9.3)	-

SEE PAGE 5 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

Maybank IB Research Malaysia

Self-Insight

TH Plantations

Seasonally Strong, But Not Good Enough

Stronger production growth in 1QFY13, but earnings fell 50.7%yoy to RM25.7m, accounting for only 51% and 52% of ours and consensus full year earnings forecasts.

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We maintain our optimism on the long-term prospect of THP's earnings.

Maintain BUY with a target price of RM2.10 per share.

Maybank IB Research Malaysia

Self-Insight

TH Plantations

A Slow Start To A New Chapter

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Self-Insight

TH Plantations

Still in Gestation Period

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CORPORATE RESPONSIBILITY





UPHOLDING OUR AGENDA OF SUSTAINABILITY

The agenda of sustainability has always been and will always be a priority at THP. As we work to create good shareholder value by delivering good business performance, we remain committed to going beyond mere profit to embedding responsible and sustainable practices within our operations. We strongly believe that we can achieve holistic, 360° value creation by taking care of our people, the communities and environment that we operate in, as well as our stakeholders in the marketplace. By ingraining good Corporate Responsibility ("CR") practices within our people and our businesses, we are confident of becoming a model for responsible corporate behaviour while safeguarding the Group's future.

In 2013, we continued to rigorously uphold our sustainability agenda by implementing effective CR initiatives for our Employees, the Community, the Environment and our Shareholders. As we continued to roll out existing CR initiatives and introduce new ones, our efforts brought about tangible outcomes that impacted positively upon our many stakeholders.

EMPLOYEES

OUR COMMITMENT
TO NURTURING
OUR PEOPLE

Our robust growth and achievements to date are the result of the dedication and competencies of our most valuable asset, our people. As such, we make it our goal to nurture them and provide them a healthy and safe working environment imbued with Islamic spirituality.



Developing Our Talent

We believe in providing our people the opportunity to polish, upgrade, and acquire new skills, so that they can be the best they can be and deliver top notch results. In 2013, we continued to undertake a host of training activities including the following:

- Courses on Management and Planting of Oil Palm Series
- THP Leadership Programme
- MAPA Regional Seminar
- Training programmes to upgrade computer and software skills
- Kursus Kesedaran Perkasa Diri

We also held two management retreats in 2013, mainly as brainstorming sessions in shaping THP's strategic direction and business objectives going forward. However, these sessions have also proven to be a useful avenue for the management to hone their leadership and problem-solving skills as well as to stimulate teamwork amongst each other. As a result, the participants re-emerged from the retreat with a strengthened commitment to improve their cross-functional cooperation towards an overall improvement in the Group's performance.

Prioritising Workplace Health and Safety

Health and safety remain a top priority at THP and we undertake all possible measures to protect our people and visitors. At the head office level, we have set up an Occupational Health and Safety Unit led by a qualified Occupational Safety and Health Administrative ("OSHA") officer to handle and coordinate health and safety matters. The importance of staying healthy and safe is cascaded down throughout our operations and our employees observe a strong health and safety culture.

Looking after Employee Welfare

THP staff are not only covered under SOCSO, they are also covered under various insurance plans. Compensation disbursements are also made in the rare circumstance where an unfortunate incident results in the loss of life or a disability.

Ensuring a Healthy Work-life Balance

At THP, we encourage our people to adopt a healthy and holistic work-life balance. To this end, we endeavour to make our employees' time at work as pleasant and fruitful as possible by assimilating Islamic values and the THP



SHARING

THE BOUNTIES WITH
OUR PEOPLE AND THE
COMMUNITY




culture into the practices and activities of every member of the THP Family. We provide various facilities to encourage a holistic work-life balance including *suraus*, multi-purpose halls and sports facilities, among others, in our many plantations.

Our employees are also encouraged to take part in sports activities, to enhance the camaraderie among themselves as well as with others. In 2013, our employees took part in a Sports Carnival organised by our parent company, Lembaga Tabung Haji ("LTH") which saw all the companies under the ambit of LTH coming together for a fun-filled occasion. From time to time, our employees also participate in sports and recreational activities or competitions organised by other external parties within the industry.

Acknowledging Loyalty and Success

The sacrifices, loyalty and commitment of our people are never forgotten at THP, regardless of one's position within the organisation. To convey the Company's appreciation for our employees' worthy contributions, particularly those at our estates and mills, the Company continued our practice of extending monetary contribution to all our employees in time for the Aidilfitri celebrations in 2013.

Achievements are also a cause for celebration at THP, and are not limited to staff alone. The academic achievements of our employees' children are also celebrated and recognised under the Recognition of Employees' Children's Achievements in Learning or RECAL for short. Every year, a number of children of employees have been identified as high achievers and are rewarded under the RECAL initiative. For the year 2012, a total of 23 high achievers were rewarded under this programme in a special ceremony held at Hotel Putra, Kuala Lumpur on 16 August 2013.

It has also been a continued THP tradition to bid farewell to retiring staff with a special function to honour their contributions to the Group. In 2013, Haji Mat Saad bin Ramli, formerly the Chief Operations Officer (Domestic), and Haji Muhamad Ariff bin Haji Arifin, formerly our Planting Advisor, were honoured in such a celebration.

COMMUNITY

OUR COMMITMENT
TO ENRICHING
COMMUNITIES

Poverty alleviation is at the heart of our CR philosophy and THP is proud to have a strong track record in this area.

Our effort to elevate the well-being of communities is evident in the long lasting economic progress that the communities we work among are enjoying to date.



Strengthening Native Communities

Our commitment to conducting our business in a transparent, fair and ethical manner continues to grant us favour, help strengthen relationships and build goodwill among the local native communities we operate in. THP now helps to manage 3,440 hectares under the new concept of Native Customary Rights (“NCR”) Land Development initiated by the Sarawak state government in 1997, providing lucrative sustainable income for some 1,704 native land owners. These efforts are certainly going a long way in alleviating poverty among the natives in rural areas.

Advancing Communities through Vendor Development

With every land expansion project that we undertake, we aim not just to create jobs but to ensure that our progress creates and maximises the shared economic value in each area by generating positive spin-offs for the local community.

Our Vendor Development Initiative (“VDI”) continues to benefit both existing and new local entrepreneurs. Aside from creating jobs for local communities by proactive recruitment of local talent, these local vendors have also helped open up the job market further. Moreover, the sale of local content has helped boost the local economy and enriched the surrounding communities. In the past five years between 2009 and 2013, the total contracts awarded to local vendors under this programme amounted to more than RM54 million, creating opportunities for more than 100 local entrepreneurs.



NURTURING

IMPROVING THE
QUALITY AND
STANDARD OF
EDUCATION



Nurturing Our Young

The PINTAR Programme, a school adoption initiative by Khazanah Nasional Berhad in partnership with Corporate Malaysia, provides a platform to assist schools. PINTAR is the acronym for "Promoting Intelligence, Nurturing Talent and Advocating Responsibility". To come under the scope of THP's PINTAR Programme, schools need to fulfil these criteria: (i) the schools have to be near THP plantations, (ii) these schools are attended by students whose parents are employed at THP, and (iii) the assistance required under the programme shall be in educational form and is reasonably expected to improve the overall academic performance of the students.

In 2013, THP carried out the PINTAR PMR and SPM Programme at Sekolah Kebangsaan Pusa in Sarawak as well as the UPSR Programme at Sekolah Menengah Kebangsaan Seri Bandi 2 in Terengganu. Sekolah Kebangsaan Pusa recorded a marked improvement in its PMR results, with an increase of 12% in the number of students passing the examination compared to the previous year and its PMR Grade Point Average ("GPA") improved from 3.11 in 2012 to 2.70 in 2013. The school also made remarkable progress in its SPM examinations, recording a 99.32% passing rate in 2013.

With our involvement in the PINTAR initiative, the quality and standard of education in the communities around the vicinity of THP's plantations is expected to improve. Consequently, we hope the higher standards of education shall then lead to improved socioeconomic standards for the communities as a whole.



OUR COMMITMENT TO PRESERVING THE ENVIRONMENT

To ensure we operate in a sustainable manner, THP is committed to leveraging innovation alongside standard environmentally-friendly practices, such as zero burning, soil conservation and integrated pest management.



Tiada bukti pembakaran di ladang milik TH

Titik panas dalam ladang milik penduduk setempat

Keadaaan tempatan

Sebuah kawasan ladang di Riau, Indonesia telah ditemui titik panas (hotspots) bersempadan dengan ladang milik PT TH Indo Plantations (PTTHIP) di Riau, Indonesia. Pihak berkuasa Indonesia telah mengesahkan bahawa ladang PTTHIP yang beroperasi mematu peraturan pembakaran yang ketat.

Keamatan juga menyedut, kerana ladang PTTHIP di Riau, Indonesia sudah pada peringkat matang, iaitu kerja penanaman tanah dan menanam semula yang dijalankan akan adalah terlewat sedikit.

Official Portal of National News Agency of Malaysia

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Indonesian Authorities Find No Evidence Of Open Burning In TH Plantations

KUALA LUMPUR, June 26 (Bernama) — Lembaga Tabung Haji (TH) plantation arm TH Plantations Bhd (THP) said Indonesian authorities found no evidence of open burning within its Indonesian plantation company, PT TH Indo Plantations (PTTHIP).

Officials of Indonesian Environment Ministry, the police and local authorities visited PTTHIP plantations, particularly the area or coordinates marked as hotspots based on satellite images provided by the National Oceanic and Atmospheric Administration (NOAA).

"The hotspots indicated by the satellite images are in fact located on land owned by local communities and adjacent to PTTHIP plantations, where incidences of open burning were indeed observed.

"These findings, substantiated earlier observation that the open fires might have originated from bordering plantations occupied by local communities who are cultivating their own crops," said THP in a statement today.

PTTHIP, formerly known as PT Multi Gambut Industri, was reported as one of the eight Malaysian plantation companies alleged to be responsible for the current haze.

THP reaffirmed that the company and its group of companies were not involved in any open burning activities that might have contributed to the haze.

It had always adhered to a strict zero-burning policy, both in Malaysia and Indonesia, and placed great emphasis on observing environmentally-friendly practices and policies throughout its operations.

The statement said PTTHIP plantations in Riau, Indonesia are at a mature stage and as such very minimal land development and replanting activities are being carried out.

-- BERNAMA

Zero Burning

We have always adhered to a strict zero-burning policy and we place great emphasis on observing environmentally-friendly practices and policies throughout our operations. In the event of any new land development or replanting activities, open burning is strictly not tolerated by the management of THP.

Tapping Precision Agriculture Management

Advances in technology and innovation are moving THP towards precision agricultural management whereby we will tap the use of Global Positioning Systems ("GPS"), sensors, aerial images and Geographical Information Systems ("GIS") to run our operations more effectively.

Where feasible, these new and proven technologies will be integrated with the existing THP Spatial Database Management System. Enhancements to our current system will see us tapping business intelligence and inter-departmental data sharing for better decision-making. This will lead to improvements across the board, from operations to management, once implemented across all our estates. Environmentally, we can also expect to see more judicious use of fertiliser and pest control measures at our estates and plantations.

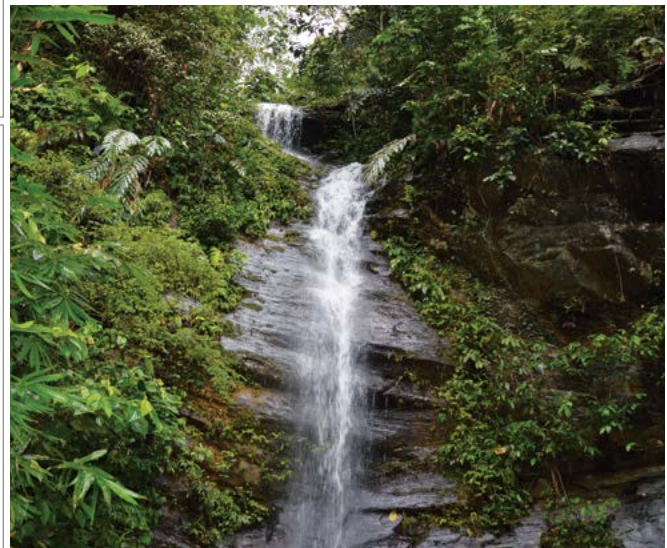
Our planters unfairly blamed

INFO GAP: Why is there constant negative portrayal of plantation companies and governance in Indonesia in times of haze? Experts tell Qoi Tee Ching that there is an increased need for communication of facts and figures on peatland agriculture to mitigate such misunderstandings



Malaysian oil palm companies in Indonesia have been facing a barrage of allegations of slash-and-burn activities.

EMPHASIS ON ENVIRONMENTALLY-FRIENDLY PRACTICES



Tiada bukti pembakaran di ladang Tabung Haji

KUALA LUMPUR - Pihak berkuasa Indonesia tidak menmua bukti berlaku pembakaran terbuka di ladang milik anak syarikat Lembaga Tabung Haji, TH Plantations Berhad di republik itu.

TH Plantations dalam kenyataan di sini, semalam berkata, perkara itu disahkan pegawai Kementerian Lingkungan Hidup dan Kepolisan Indonesia serta pihak berkuasa tempatan yang melawat ladang yang dimiliki menerusi PT TH Indo Plantations (PTTHIP), terutama di kawasan panas/pada



PTTHIP sebelum ini dilaporkan antara lapan syarikat perladangan Malaysia yang dikatakan penyumbang jeribu sekarang.

imajis satelit.

"Kawasan panas yang di-kesan satelit itu sebenarnya berada dalam kawasan tanah

milik penduduk setempat dan bersebelahan dengan ladang PTTHIP yang sememangnya memantau kejadian pem-

bakaran terbuka," kata kenyataan itu. Penemuan itu menyokong bahawa pembakaran terbuka mungkin berlaku di ladang bersebelahan yang diusahakan masyarakat setempat.

PTTHIP yang sebelum ini dikenali PT Multi Gambut Industri, dilaporkan sebagai antara lapan syarikat perladangan Malaysia yang dikatakan jeribu nyumbang dalam kejadian jerubu sekarang.

Tabung Haji Plantations juga menegaskan syarikat itu dan anak syarikat dalam

kumpulannya tidak terbahit dalam pembakaran terbuka.

Katanya, syarikat itu sentiasa mematuhi dasar ketat sifar pembakaran yang ditetapkan Malaysia dan Indonesia serta memberi penekanan kepada pematuhan dasar dan amalan yang mesra alam sekitar untuk seluruh operasinya.

Kenyataan itu juga menyebut semua ladang PTTHIP di Riau, Indonesia sudah pada peringkat matang, justeru kerja pembangunan tanah dan tanam semula yang dijalankan adalah terlalu sedikit. - Bernama

Better Fertiliser Placement Techniques

The development of an integrated site-specific fertiliser recommendation programme, together with the adoption of better fertiliser placement techniques, will provide an added advantage and enhance our current palm nutrition efficiency and fertiliser cost optimisation measures.

Strategic Water Management

A key focus area for strategic water management system in relation to peat has been identified and will be aggressively implemented to improve the oil yield per hectare in peat. Cost effective moisture conservation practices in mineral soil areas will also help to minimise the impact of dry spells on our oil palm production.

Integrated Pest Management

The implementation of an Integrated Pest Management ("IPM") System and effective use of bio-pesticides and bio-control agents will be the main focus for pest and disease control at THP's plantations. By identifying recurrent infestation areas (hot-spots) and developing an early warning assessment system, we hope to mitigate pest and disease ("P&D") outbreaks in a more effective manner.

Towards a Zero BOD Target

Not only are we consistently keeping our biochemical oxygen demand ("BOD") levels below the 20mg/L limit set by the authorities, we are actively pushing to bring our effluent levels down to zero. To this effect, initiatives to treat effluent water are being explored and will be implemented across all our mills progressively. We are also actively exploring the idea of using resultant gases from effluents to generate electricity.

SHAREHOLDERS

**OUR COMMITMENT
TO IMPLEMENTING
GOOD MARKETPLACE
PRACTICES**

THP remains committed to building a corporate climate founded on strong Islamic ethical values. We believe that by instilling an ethical culture, we are promoting ethical leadership which in turn helps to ensure that all our business transactions are conducted in a fair and professional manner. Moreover, this helps mitigate risks, safeguards the Group's reputation and raises the confidence level of our customers thereby ensuring the long-term sustainability of the Group.



THP's Business Ethics and Values

THP's Business Ethics and Values are based on the Islamic principles of faith, the practice of *amanah* and transparency in all our business transactions. Our efforts to uphold our Business Ethics and Values are underscored by our activities on the corporate governance, procurement system and investor relations fronts.

Upholding Good Governance

THP is committed to maintaining high standards of corporate governance throughout the length and breadth of our organisation. A high standard of corporate governance is necessary if we are to fulfil our responsibility towards protecting and increasing shareholders' value and the financial performance of THP Group and ultimately the sustainability of our business.

THP's Board of Directors and Management Team maintain a distinct, professional and transparent working relationship. The Management is responsible for the day-to-day operations and provides the Board monthly and quarterly financial and operational reports, while the Board has oversight of the Group's affairs, implements checks and balances, as well as helps steer the Group towards its primary goals. The details of THP's corporate governance practices as well as our internal control measures can be found in the Statement on Corporate Governance in this Annual Report.



MAINTAIN

A HIGH STANDARD OF
CORPORATE
GOVERNANCE



Ensuring Transparent Procurement Practices

We are committed to ensuring that tenders are awarded to reliable and qualified vendors that will provide high quality services and materials at the best price possible. To this end, THP has put in place a highly structured procurement system and policy while stringent internal control measures are enforced to keep the process both fair and transparent. These internal control measures are decided upon based on the authority limits set by the Board. To date, two tender committees, each headed by an Independent Non-Executive Director, have been established.

Implementing Good Investor Relations

We believe in providing succinct and accurate information in a timely manner to our shareholders, potential investors, the investing community and members of the public. To this end, we continue to implement the Investor Relations Policy approved by the Board.

THP's Annual General Meeting remains a vital channel for open dialogue with our shareholders. Here, shareholders are encouraged to participate by posing queries in relation to THP's operations. Aside from this, information is disseminated through our 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.

MOVING FORWARD

In line with our commitment to upholding the agenda of sustainability, THP will continue to exhibit exemplary corporate conduct that creates sustainable value for all while balancing out our economic ambitions. We believe that in doing so, we will ensure the sustainability of our growth as well as safeguard our future and that of the communities we operate in.

ENSURING A SUSTAINABLE FUTURE

While oil palm has been and will continue to be THP's main source of income, opportunities have arisen in rubber. THP currently owns a land bank measuring 15,714 hectares which has been earmarked for rubber. Currently, about 3,000 hectares have been planted with latex timber clones, which yield latex from the 6th year onwards and depending on market demand, can subsequently be harvested for rubber wood at year 11 onwards. We have undertaken a comprehensive feasibility study to analyse our rubber development plans and currently charting our future strategy for this crop.



Ladang Jatimas, Sabah

STATEMENT ON CORPORATE GOVERNANCE

OUR COMMITMENT TO GOOD CORPORATE GOVERNANCE

Good corporate governance serves as a testament to a company's commitment to embedding ethical values and business conduct in its operations. Effective governance structures encourage companies to create value through entrepreneurialism, innovation and development, as well as provide accountability and control systems which match the risks involved. Companies that are well governed are better able to attract capital investment. To this end, the Board of Directors of THP continues to ensure that the highest standards in corporate governance are upheld throughout the length and breadth of our operations. By consistently implementing and bolstering our standards of corporate governance, we are ensuring that we are in a strong position to enhance stakeholder value, strengthen investor and customer confidence, safeguard our reputation and build a competitive organisation.

This statement describes how THP has applied the key principles of the Malaysian Code on Corporate Governance 2012 ("the Code") and Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements") throughout the year ended 31 December 2013 and outlines the extent of its compliance with the Code's best practices.

THE BOARD OF DIRECTORS

1. Composition and Size of the Board

The Board strives to ensure that its integrity and professional conduct are beyond reproach. 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, accountability and ethical behaviour, as is expected of the Company by its stakeholders.

As at 31 December 2013, THP's Board of Directors comprised nine (9) members, of whom, seven (7) were Independent Non-Executive Directors, one (1), an Executive Director and one (1), a Non-Independent Non-Executive Director.

In February 2014, Tan Sri Datuk Dr. Yusof bin Basiran tendered his resignation as Independent Non-Executive Chairman of THP and Datuk Azizan bin Abd Rahman volunteered himself to be re-designated as a Non-Independent Non-Executive Director of THP.

In March 2014, Tan Sri Ab. Aziz bin Kasim was appointed as an Independent Non-Executive Chairman of THP in place of Tan Sri Datuk Dr. Yusof bin Basiran and Datuk Seri Nurmala binti Abd Rahim was appointed as an Independent Non-Executive Director of THP. The appointment of Datuk Seri Nurmala binti Abd Rahim as a director of THP demonstrates THP's commitment to promoting gender diversity among its Board members.

With these, as at the date of this Statement, the Board comprises ten (10) members, of whom, seven (7) are Independent Non-Executive Directors, one (1), an Executive Director and two (2), are Non-Independent Non-Executive Directors. 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 is of the view that the number and composition of the current Board are sufficient and well-balanced to ensure that its duties are carried out effectively and to provide assurance that no individual or small groups of individuals are allowed to dominate the Board's decision-making.

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 evident that the roles of the Chairman and the Chief Executive Officer are distinguishable and clearly defined.

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 are involved in any other form of relationship with the Company, ensures that they remain free from any conflict of interest situation and facilitates the effective discharge of their roles and responsibilities as Independent Directors.

The tenure of service of Independent Non-Executive Directors will be nine (9) years as advocated by the Code.

As at 31 December 2013, there are four (4) Independent Non-Executive Directors whose tenure of service will reach nine (9) years namely Tan Sri Datuk Dr. Yusof bin Basiran, Tan Sri Dr. Abdul Samad bin Haji Alias, Datuk Azizan bin Abd Rahman and Dato' Haji Wan Zakaria bin Abd Rahman.

Further to the resignation of Tan Sri Datuk Dr. Yusof bin Basiran and the re-designation of Datuk Azizan bin Abd Rahman as a Non-Independent Non-Executive Director of THP in February 2014, Tan Sri Dr. Abdul Samad bin Haji Alias who is over the age of seventy (70) years, has indicated his intention not to offer himself to be re-appointed as an Independent Non-Executive Director of the Company. Therefore, he will be retiring as an Independent Non-Executive Director of the Company at the conclusion of this forthcoming AGM of the Company pursuant to Section 129(2) of the Companies Act, 1965.

Therefore, at this forthcoming AGM, there is only one (1) Independent Non-Executive Director, namely, Dato' Haji Wan Zakaria bin Abd Rahman who will seek shareholders' approval to continue in office as Independent Non-Executive Directors of the Company and to hold office until the conclusion of the next AGM of the Company.

Dato' Haji Wan Zakaria bin Abd Rahman has proven to be reliable as an Independent Director given the professionalism and strong commitment he has shown for informed and balanced decision-making of the Board. As such, based on the independent assessment made, the Nomination Committee and the Board hereby recommend and seek the shareholders' approval for, Dato' Haji Wan Zakaria bin Abd Rahman to continue in office as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company.

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

The profiles of each member of the Board are outlined in pages 32 to 41 of this Annual Report.

2. Duties and Responsibilities of the Board

In discharging its duties, the Board is constantly mindful that the interests of THP Group's customers, investors and all other stakeholders are to be safeguarded.

The six (6) principal 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 and when the 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 is sought where necessary.

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

THP Group uses Key Performance Indicators ("KPIs") 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 set up 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 act as points of reference for press interviews, investor/analyst briefings as well as announcements of THP's yearly and quarterly results to the 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 of the Internal Audit functions are further discussed in the Audit Committee Report as set out on page 96 of this Annual Report.

The Company also subscribes to the principles in the Green Book which have 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 dialogue 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 other things, 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 a correct record of the Board's proceedings. All conclusions of the Board meetings are duly recorded and the minutes are kept by the Company Secretary.

The Senior Management are also invited to attend the Board meetings to supply additional details 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.

STATEMENT ON CORPORATE GOVERNANCE

A total of six (6) board meetings were held in 2013 and all Directors have complied with the minimum fifty per centum (50%) attendance as required under Paragraph 15.05(3) of the Listing Requirements.

The Chairman of the Audit Committee is to 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) principal 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 makes visits to the Company's estates and mills to better assess the operational progress, status of development and any important issues requiring their attention.

The Directors attendance at Board meetings for the financial year ended 31 December 2013 is detailed below:

Director	Designation	No. of Meetings Attended	%
Tan Sri Datuk Dr. Yusof bin Basiran (Resigned w.e.f 28 February 2014)	Independent Non-Executive Chairman	6/6	100
Tan Sri Ab. Aziz bin Kasim (Appointed w.e.f 10 March 2014)	Independent Non-Executive Chairman	Not Applicable	Not Applicable
Dato' Zainal Azwar bin Zainal Aminuddin	Chief Executive Officer / Executive Director	6/6	100
Tan Sri Dr. Abdul Samad bin Haji Alias	Independent Non-Executive Director	5/6	83
Datuk Seri Nurmala binti Abd Rahim (Appointed w.e.f 10 March 2014)	Independent Non-Executive Director	Not Applicable	Not Applicable
Dato' Paduka Ismee bin Haji Ismail	Non-Independent Non-Executive Director	5/6	83
Datuk Azizan bin Abd Rahman (Re-designated from Independent Non-Executive Director to Non-Independent Non-Executive Director w.e.f. 26 February 2014)	Non-Independent Non-Executive Director	5/6	83
Dato' Haji Wan Zakaria bin Abd Rahman	Independent Non-Executive Director	5/6	83
Dato' Noordin bin Md Noor	Independent Non-Executive Director	4/6	66
Dato' Amran bin Mat Nor	Independent Non-Executive Director	4/6	66
Mahbob bin Abdullah	Independent Non-Executive Director	5/6	83

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 the 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.

All newly-appointed Directors will undergo specific briefings with the objective of providing an overview of the Company's vision and mission, nature of business, current issues and the long-term target of the Group. In addition, visits to the Company's estates and mills are also conducted, whenever necessary.

Tan Sri Ab. Aziz bin Kasim and Datuk Seri Nurmala binti Abd Rahim attended such briefing held in April 2014.

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").

At this forthcoming AGM, Datuk Azizan bin Abd Rahman, Dato' Noordin bin Md Nor and Dato' Amran bin Mat Nor 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. Accordingly, Tan Sri Ab. Aziz bin Kasim and Datuk Seri Nurmala binti Abd Rahim who were newly appointed Independent Non-Executive Directors of the Company will be retiring and have offered themselves for re-election at this forthcoming AGM.

The Board has adopted a retirement age policy for its members, guided in general by the Companies Act, 1965 and the "Green Book on Enhancing Board Effectiveness" initiated by the Putrajaya Committee on GLC High Performance as part of the Government Linked Companies ("GLC") Transformation Programme. Both of these 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.

STATEMENT ON CORPORATE GOVERNANCE

Tan Sri Dr. Abdul Samad bin Haji Alias, who is over the age of seventy (70) years and who has indicated his intention not to offer himself to be re-appointed as an Independent Non-Executive Director of the Company will be retiring at the conclusion of this forthcoming AGM of the Company pursuant to Section 129(2) of the Companies Act, 1965.

Apart from Tan Sri Dr. Abdul Samad bin Haji Alias, no director has attained the age of seventy (70) years as at the date of this Annual Report.

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;
- Investment, Risk & Compliance 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.

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 financial year ended 31 December 2013 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 2013 is presented on pages 96 to 102 of this Annual Report.

b. Nomination Committee

MEMBERSHIP

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, Non-Independent Non-Executive Director
(Re-designated from Independent Non-Executive Director to Non-Independent Non-Executive Director w.e.f. 26 February 2014)
- 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 individual Directors, including Independent Non-Executive Directors as well as the Chief Executive Officer, and to identify areas for improvement;
- 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;

STATEMENT ON CORPORATE GOVERNANCE

- 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 personnel 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.

During the year, the Nomination Committee held two (2) meetings, details of which are presented on page 82 of this Annual Report.

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.

c. Remuneration Committee

MEMBERSHIP

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:

- Tan Sri Ab. Aziz bin Kasim
Chairman, Independent Non-Executive Director
(Appointed w.e.f 10 March 2014)
- Tan Sri Datuk Dr. Yusof bin Basiran
Chairman, Independent Non-Executive Director
(Resigned w.e.f 28 February 2014)
- Dato' Paduka Ismee bin Haji Ismail
Member, Non-Independent Non-Executive Director
- 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.

During the year, the Remuneration Committee held three (3) meetings, the details of which are presented on page 82 of this Annual Report.

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 discussions pertaining to 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.

d. Investment, Risk & Compliance Committee

MEMBERSHIP

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. Their 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, Non-Independent Non-Executive Director
(Re-designated from Independent Non-Executive Director to Non-Independent Non-Executive Director w.e.f. 26 February 2014)

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 teamwork 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 shortlist 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; and
- 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.

During the year, the Investment, Risk & Compliance Committee held three (3) meetings, the details of which are presented on page 82 of this Annual Report.

e. Tender Committee A**MEMBERSHIP**

Composition

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

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.

During the year, the Tender Committee A held four (4) meetings, the details of which are presented on page 82 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

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

The attendance of members at such meetings for the financial year ended 31 December 2013 is as follows:

Committee	Committee Members	No. of Meetings Attended	%
Nomination Committee	Tan Sri Dr. Abdul Samad bin Haji Alias	2/2	100
	Datuk Azizan bin Abd Rahman	2/2	100
	Mahbob bin Abdullah	2/2	100
Remuneration Committee	Tan Sri Datuk Dr. Yusof bin Basiran	3/3	100
	Dato' Paduka Ismee bin Haji Ismail	3/3	100
	Dato' Haji Wan Zakaria bin Abd Rahman	2/3	66
Investment, Risk & Compliance Committee	Mahbob bin Abdullah	3/3	100
	Tan Sri Dr. Abdul Samad bin Haji Alias	3/3	100
	Datuk Azizan bin Abd Rahman	3/3	100
Tender Committee A	Mahbob bin Abdullah	4/4	100
	Dato' Paduka Ismee bin Haji Ismail	3/4	75
	Dato' Haji Wan Zakaria bin Abd Rahman	4/4	100

7. 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 Executive Directors includes salary and emoluments, bonus and benefits-in-kind. The Executive Directors are also eligible to participate in the Company's Employees' Share Option Scheme ("THP 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 ESOS.

Details of remuneration (including benefits-in-kind) of each Director for the financial year ended 31 December 2013 are as follows:

Executive Director	RM					Total
	Salary	Fees*	Bonus	Other Emoluments	Benefits-in-kind	
Dato' Zainal Azwar bin Zainal Aminuddin	747,184	54,000	375,000	184,070	7,200	1,367,454
Non-Executive Directors						
Tan Sri Datuk Dr. Yusof bin Basiran (Resigned w.e.f 28 February 2014)	-	108,000	-	-	24,600	132,600
Tan Sri Ab. Aziz bin Kasim (Appointed w.e.f 10 March 2014)	NA	NA	NA	NA	NA	NA
Tan Sri Dr. Abdul Samad bin Haji Alias	-	78,000	-	-	-	78,000
Datuk Seri Nurmala binti Abd Rahim (Appointed w.e.f 10 March 2014)	NA	NA	NA	NA	NA	NA
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	-	66,000	-	-	-	66,000
Dato' Amran bin Mat Nor	-	54,000	-	-	-	54,000
Mahbob bin Abdullah	-	54,000	-	-	-	54,000
TOTAL	747,184	588,000	375,000	184,070	31,800	1,926,054

Note: * Fees include those disbursed for being a member of Board Committees.
NA Not Applicable

STATEMENT ON CORPORATE GOVERNANCE

Number of Directors whose remuneration falls within the following bands:

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

8. 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 except for the newly appointed Directors namely Tan Sri Ab. Aziz bin Kasim and Datuk Seri Nurmala binti Abd. Rahim. The Listing Requirements require newly appointed directors of public listed companies to attend the MAP within four (4) months after their appointment. Both newly appointed Directors will be attending the MAP scheduled to be held in June 2014.

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 2013, the Directors have attended the following conferences, seminars and training programmes:

Plantation Industry

- Global Rubber Conference 2013
- PIPOC 2013
- 24th Palm & Lauric Oils Conference
- 10th ISP National Seminar 2013 (NATSEM 2013) – Confronting Management Challenges in the Oil Palm Industry

Corporate Governance

- 5th Annual Corporate Governance

Finance, Business, Banking, & Economy

- 9th World Islamic Economic Forum
- Khazanah Megatrends Forum 2013
- Audit Committee (AC) Seminar 2013 : Improving AC Effectiveness
- Invest Malaysia 2013
- Successful Corporate Banking
- 2013 National Conference on Internal Auditing
- World Capital Markets Symposium: Redefining Markets – Sustaining Growth and Resilience

Board Leadership

- Bursa Nominating Committee Programme
- Persidangan Pengarah TH Negeri Dan Pengurus TH Daerah Bersama Pengurusan TH

Insurance

- 11th Annual Meeting of International Association of Deposit Insurers (IADI) Asia Pacific Regional Committee and International Conference: Key Elements of Deposit Insurance and Challenges in Practice
- Developments in the Takaful and Insurance Industry
- Risk Management in Takaful Industry

9. 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 shareholders and investors informed of any major developments and changes affecting the Group.

Apart from 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 clarification 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 are held periodically with investors, research analysts, bankers and the media 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 is 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

10. Accountability and Audit

Financial Reporting

The Board aims to present to 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 the information for disclosure to ensure accuracy and completeness of information.

Internal Controls

The review of the system of internal controls is set out under the Statement on Risk Management and Internal Control from pages 90 to 95 of this Annual Report. In 2013, 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 upon at arm's length distance and on normal commercial terms that are not more favourable to the related parties than those generally available to the public, and are not detrimental to the minority shareholders of the Company.

The Shareholders' mandate in respect of the Recurrent Related Party Transactions is obtained at the annual general meeting of the Company on a yearly basis. Details of these transactions are set out from page 89 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 96 to 102 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.

11. 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 THP Group at the end of the financial year and of the profit and loss of the Company and the Group for the financial year under review. In preparing these audited financial statements, the Directors have:

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

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of THP Group and to enable them to ensure that the financial statements comply with the Companies Act, 1965 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 15 April 2014.

ADDITIONAL COMPLIANCE INFORMATION

a. Utilisation of Proceeds from Corporate Proposals

During the financial year ended 31 December 2013, the Company had issued RM510.0 million of Sukuk Murabahah under its RM1.0 billion Sukuk Murabahah Programme. The proceeds raised from the Sukuk Murabahah were for the following purposes:

- i. To finance THP Group's capital expenditure requirements; and
- ii. To finance general corporate requirements of THP Group.

b. Share Buy-Back

The Company did not make any proposals for share buy-back during the financial year ended 31 December 2013.

c. Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year 2013 other than granting the options under ESOS as disclosed in pages 117 to 118 of this Annual Report.

The aggregate maximum and actual ESOS allocation to the Executive Director and Senior Management during the financial year 2013 and since the commencement of the ESOS are as follows:

	Financial Year 2013		Since the Commencement of the ESOS	
	Maximum Allowable Allocation %	Actual Allocation %	Maximum Allowable Allocation %	Actual Allocation %
Executive Director and Senior Management	1.18	1.18	13.46	12.14

d. Depository Receipt Programme ("DRP")

The Company did not sponsor DRP during the financial year ended 31 December 2013.

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 2013.

f. Non-Audit Fees

There was no non-audit fees incurred for the financial year ended 31 December 2013.

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 unaudited results for the financial year ended 31 December 2013 and the audited financial statements of THP Group for the financial year ended 31 December 2013.

h. Profit Guarantee

The Company did not give any profit guarantee during the financial year ended 31 December 2013.

i. Material Contracts

There were no material contracts entered into by the Company and its Subsidiaries involving Directors' and major shareholders' interest which were still subsisting at the end of the financial year ended 31 December 2013 or which were entered into since the end of the previous financial period.

j. Recurrent Related Party Transactions

The aggregate value of the Recurrent Related Party Transactions of a revenue or trading nature conducted in pursuant to the shareholders' mandate during the financial year ended 31 December 2013 between THP and/or its subsidiary companies with related parties are set out below:-

THP and/or Subsidiaries Transacting with Related Parties	Related Parties	Relationship with THP	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	16,612
	Sistem Komunikasi Gelombang Sdn. Bhd.	Related Company	Telecommunication	850
	TH Travel Services Sdn. Bhd.	Related Company	Purchase of flight tickets	651
	Syarikat Takaful Malaysia Berhad	Related Company	Purchase of insurance	2,513
THP Agro Management Sdn. Bhd.	PT. TH Indo Plantations	Related Company	Provision of management services	17,110

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of a listed company is required to include in its annual report, a "statement about the state of internal control of the listed issuer as a group". In addition, the revised Malaysian Code on Corporate Governance 2012 issued by the Securities Commission Malaysia requires the Board to establish a sound risk management framework and internal control system.

Accordingly, the Board of Directors of THP Group is pleased to present the following statement that is prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" endorsed by Bursa Malaysia Securities Berhad which outlines the risk management and internal control system of the Group during the financial year under review.

BOARD RESPONSIBILITIES

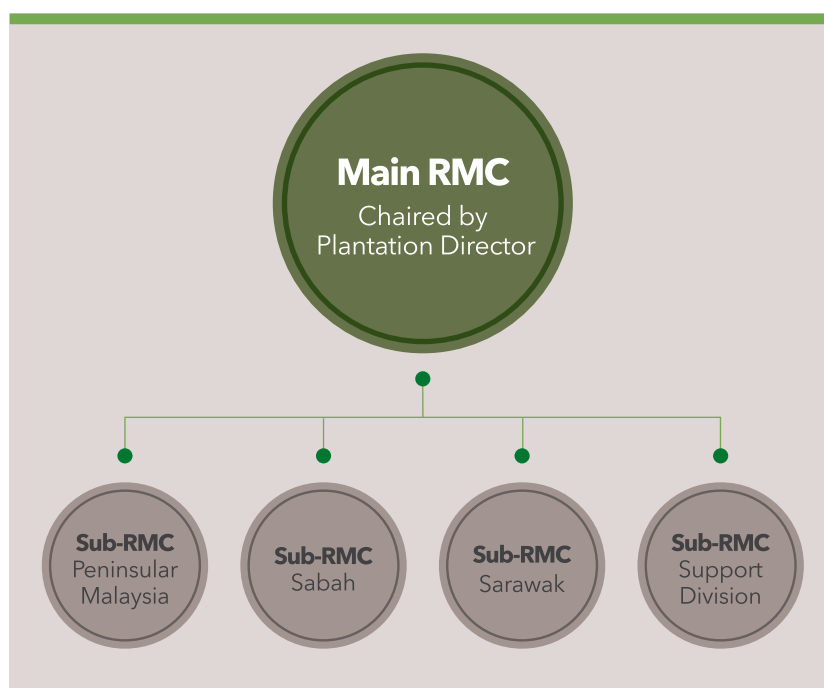
The Board of Directors is responsible and accountable for the governance of THP Group's risk management and internal controls. The Board is also fully responsible for maintaining a sound risk management and internal control system, and reviewing its adequacy, effectiveness and integrity to safeguard shareholders' investments and the Group's assets.

The Board, with the assistance of the Investment, Risk and Compliance Committee, has established an on-going process for identifying, evaluating and managing risks faced by THP Group. The Group's risk management and internal control system is designed to manage, rather than eliminate the risks of failure to achieve its business objectives. The system by its nature can only provide reasonable but not absolute assurance against material misstatements, 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.

RISK MANAGEMENT

Structure

The structure of THP Group's Risk Management Committee ("RMC") has been enhanced in 2013 as a continuous effort to strengthen its functions. It is divided into two levels of committees which are the Main Risk Management Committee, chaired by the Plantation Director (previously designated as the Chief Operation Officer), which in turn is supported by four (4) Sub-Risk Management Committees as illustrated here:



The members of the Main RMC and Sub-RMCs are represented by key Senior Management personnel from various operation units. The Chairman and members of the RMCs are nominated by the Management and formally appointed by the Board.

The main objective of the Committees is to oversee the risk management activities within THP Group, as well as to ensure the effective implementation and maintenance of the Risk Management Policy and that all personnel adhere to its mandates.

The Committee is also responsible for ensuring that the Risk Management Policy is in line with the policy as adopted by the Board in accordance with the enterprise-wide risk management framework.

The key functions of the Group's Risk Management Committee are as follows:

- To assist the Board in discharging its duties and to provide information of risk management reports and the status of action plans to the Board;
- To determine a process that enables the Management to identify, evaluate, monitor and mitigate the risks faced by the respective business units and THP Group;
- To identify and evaluate new strategic risks including corporate matters (e.g. regulatory, business development matters) and key operational risks;
- To review and update the existing Risk Map and Risk Profiling in line with the needs of the current business environment; and
- To report to the Board any major changes to the risk profile requiring immediate attention or notification.

The above functions will serve as a platform for timely identification, evaluation and management of significant risks affecting the business objectives.

RISK MANAGEMENT FRAMEWORK

The Group has established a Risk Management Framework which includes the risk management reporting procedures, risk mapping for reporting and risk profiles, along with their corresponding controls which are categorised mainly as follows:

Governance Risks	Business Risks	Operational Risks	Financial Risks	Information Risks	Transaction Risks	Human Capital Risks
Risks that affect the corporate governance and overall administration of the Group	Risks that affect the strategies and decisions made by the Group	Risks that impact the operations of the estates and mills	Risks associated with financial processes and reporting	Risks associated with information systems and safeguarding the confidentiality of corporate information	Risks associated with authorisation and accuracy of business transactions	Risks that affect human resources, human capital and succession planning

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group's Risk Management Framework will serve as a review and reporting tool for the Management and the Group. Any significant issues regarding risk management including its policy and the system of the internal control are to be discussed at Board meetings, Audit Committee meetings and Management meetings, where any strategies will be formulated and action plans will be implemented and monitored.

INTERNAL CONTROL SYSTEM

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

Organisation Structure and Authorisation Policy

The Board has formed the following committees which oversee the conduct of THP Group's business and management, each with clear Terms of Reference ("TOR"):

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

THP Group also maintains a formal organisational structure which organises the business operations into functional and support groups. The structure provides clear lines of reporting with well-defined roles and responsibilities, accountability and ownership and proper segregation of duties. The structure is designed to promote and ensure good and strong corporate governance practices within THP Group.

A proper and formal authorisation policy as well as related procedures is in place to define lines of accountability and delegate authority for planning, executing, controlling and monitoring business operations.

The organisational structure and authorisation policy and procedures are reviewed on a regular basis to incorporate any emerging business needs.

Operational Policies and Procedures

The Board and the Management acknowledge the importance of documented policies and Standard Operating Procedures ("SOP") in managing the operations of THP Group at the head office, estates and mills. This ensures that proper internal control measures are designed and implemented accordingly to manage business risks and the risk of fraud and material misstatements, which may affect the goals and objectives of the Group.

The established policies and SOP with respect to all key operational areas are continuously reviewed and updated by the Management to ensure their effectiveness and to reflect any change in business activities.

THP Group also places emphasis on a comprehensive annual budgeting process to ensure business and operational plans are in line with the Group's objectives.

Independent Members in Audit Committee

The Audit Committee, whose members are all Independent Non-Executive Directors, supports the Board's oversight function in evaluating the effectiveness of the THP Group's internal control system through reports from the Internal Audit Department, External Auditors and the Management. Any internal control issues are brought to the attention of the Audit Committee which, in turn, will report these matters to the Board.

Internal Audit Function

The Internal Audit Department (“IAD”) provides the Board, through the Audit Committee, with independent assurance with regards to the effectiveness of risk management, internal control and governance processes.

The IAD assists in discharging the Audit Committee’s duties and responsibilities by bringing a systematic and disciplined approach to evaluate and improve the organisation’s business operations. A risk-based approach is used in preparing audit strategies to evaluate the effectiveness of the risk management, internal control and governance structures within each operating unit.

The internal audit reports that highlight audit findings, audit recommendations and management’s comments are prepared for the Audit Committee’s review and deliberation which periodically will be followed up on to ascertain the status of the actions to be carried out.

Information and Communication

The Board and the Management leverage on information technology to assist the organisation to operate efficiently. This includes the use of THP’s Management Information System (“THPMIS”), Human Resources Management Information System (“HRMIS”), GPS Information System (“GIS”) and Accpac accounting software which produce business information for performance review, analysis, deliberation and decision-making in a timely manner.

These systems also provide the Management with secure communication, information, data integrity and accuracy and accessibility to financial and operational information.

Operational Review and Monitoring

The operations of THP Group are closely monitored by the Board and the Management through operational reports. The reviews on current performance are based on the actual results against business plan, annual budget and prior year performances. Material variances are identified, analysed and discussed by the Management and appropriate corrective measures and action plans are undertaken where necessary.

The performance of the estates and mills as well as its managers is monitored directly by the Plantation Director, Plantation Controllers and Head of Engineering (mills only) based on actual results achieved in relation to productivity, efficiency, quality and cost control.

A Quality Department which was formed in 2013 also assists the Management in monitoring the performance of estates and mills, particularly in the areas of technical compliance and product quality.

Monthly performance reports for estates and mills are compiled by the Estate Department and then distributed to other departments for their review and analysis.

Human Capital Development

The knowledge and competency of THP Group’s Directors and its employees are continuously enhanced and updated through various training and development programmes. The Directors have attended various training programmes to maintain good corporate awareness and governance while employees are provided with opportunities to develop within their functions through seminars and courses coordinated by the Human Resource Department.

The performance of the individual employees is assessed annually through reviews of Key Performance Indicators (“KPIs”). This review will allow the Management to identify talent among employees within the organisation and use this to formulate the succession planning process. It also helps the Human Resource Department in planning and organising training programmes for the benefit of the Group’s employees.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Group Takaful and Physical Safeguards

The Takaful coverage on assets is adequately in place to provide sufficient protection against mishaps that may result in human and material losses to THP Group. A review of the list of all THP Group's assets and the adequacy of the coverage is conducted annually by the Management.

The Takaful coverage also safeguards THP Group's employees across the board particularly by way of hospitalisation benefits, general personal accident insurance and group term life insurance to ensure that the Group's human capital is adequately protected.

Procurement and Tender Award System

Clearly defined policies and procedures on the award of tenders are in place to effectively control the activity and process of procurement of goods and services. Comprehensive internal control measures are implemented throughout the procurement and tender award processes to safeguard the interests of THP Group. The Tender Committees which are composed of Independent Non-Executive Directors are also responsible for oversight of the tender processes for any procurement with a value more than the Management's authorisation limit.

REVIEW OF EFFECTIVENESS

The processes adopted to monitor the effectiveness of the Risk Management and Internal Control system are:

- The completion of Five-Year Business Plan (2013-2017) conducted by an independent consultant (which highlights the current state of assessment of THP Group's performance, presents the external landscape in which THP Group operates, tables the desired future state and KPI targets, identifies strategies in order to achieve the desired future state and presents a monitoring programme mechanism to facilitate tracking of key execution priorities);
- The risk reports that are prepared by the Risk Management Committee on a half-yearly basis to be reviewed by the Management and reported to the Board; and
- Feedback received through the Management's comments in the reports with respect to risk management and internal control related issues.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice Guide ("RPG") 5 issued by the Malaysian Institute of Accountants. RPG 5 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of THP Group.

CONCLUSION

Based on the observations and reports provided to the Board for the financial year under review, the Board is of the opinion that the risk management and internal control system that is in place is 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 objectives.

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 have received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report of the Board for the financial year ended 31 December 2013.

COMPOSITION

The Audit Committee currently comprises the following members of the Board of Directors:



**Tan Sri Dr. Abdul Samad
bin Haji Alias***

Chairman, Independent
Non-Executive Director



Datuk Azizan bin Abd Rahman

Member, Non-Independent
Non-Executive Director
(Re-designated from Independent Non-Executive
Director to Non-Independent Non-Executive
Director w.e.f. 26 February 2014)



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.

*A member of the Malaysian Institute of Accountants

2. Membership

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

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

3. Chairman

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

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 THP Group whom the Committee thinks fit to attend the Audit Committee Meeting, to assist in resolving and clarifying matters raised in the audit report and/or to brief on their respective reports and findings; and

- f) The Committee shall report to the full Board from time to time, its recommendation for consideration and implementation and the final decision shall be the responsibility of the Board.

6. Voting and Proceedings of Meeting

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

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

7. Minutes

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

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

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

8. Authority

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

- a) The authority to investigate any matter within its terms of reference;
- b) The resources required to perform its duties;
- c) Full and unrestricted access to any information, records, properties and personnel of THP Group;
- d) Direct communication channels with the external auditors and internal auditors;
- e) The right to obtain independent professional or other advice and to invite any person with relevant experience and expertise to attend the Committee Meeting whenever deemed necessary; and
- f) The right to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

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; and
 - iv) The going concern assumption;
 - e) To review and consider the adequacy of scope, functions, competencies and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - f) To review the internal audit programme, internal audit plan, the reports prepared by the internal audit department and to ensure that appropriate actions are taken on the recommendations made by the internal audit function;
 - g) To review any appraisal or assessment of the performance of members of the internal audit function;
 - h) To approve any appointment or termination of senior members of the internal audit function;
 - i) To be informed of any resignation of internal audit staff members and provide an avenue for the resigning staff member to explain or submit his/her reasons for resignation;
 - j) To review any related party transactions and conflict of interest situation that may arise within the Company or THP Group including any transactions, procedures or course of conduct that may raise questions on the integrity of the management;
 - k) To consider the reports and major findings of any internal investigations and management's responses thereto;
 - l) To verify the allocation of options (if any) under a share scheme for employees to ensure compliance with the allocation criteria determined by the Company's share option committee and in accordance with the by-laws of the relevant option scheme;
 - m) To promptly report to Bursa Malaysia Securities Berhad, a matter reported to the Board of Directors by the Audit Committee which has not been satisfactorily resolved resulting in a breach of the Listing Requirements; and
 - n) Such other functions or responsibilities as may be agreed to by the Committee and the Board.

10. Review of the Audit Committee Charter

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

11. Review of the Audit Committee

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

ATTENDANCE

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

Members	No. of Meetings Attended During the Year	%
Tan Sri Dr. Abdul Samad bin Haji Alias	8/8	100%
Datuk Azizan bin Abd Rahman	5/8	63%
Dato' Noordin bin Md Noor	5/8	63%

Meetings were also attended by the Chief Executive Officer, Plantation Director (previously designated as Chief Operating Officer), and Chief Financial Officer; the Head of Internal Audit, External Auditors and members of the Senior Management team as and when requested 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:

- Reviewed the quarterly financial and operational reports, interim financial results, interim financial reports to Bursa Securities and the annual audited financial statements prior to submission to the Board for approval;
- 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;
- Reviewed and approved the External Auditors' scope of work and audit plan;
- Reviewed with the External Auditors, the Company's and THP Group's annual financial statements' compliance with Bursa Securities' Listing Requirements and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board (MASB);
- Reviewed with the External Auditors the results of the audit and the management letter including Management's responses on matters highlighted in the report;
- Reviewed the conduct, and considered the remuneration and re-appointment of the External Auditors;

- g) Held independent meetings (without the presence of the Management) with the External Auditors on significant findings in the course of their audit;
- h) Reviewed and approved the Internal Audit team's scope of work and audit plan;
- i) Reviewed the Audit Committee Report, Statement on Risk Management and Internal Control and Statement on Corporate Governance prior to their inclusion in the Annual Report 2013;
- j) Reviewed the internal audit results and reported to the Board on relevant matters deliberated at the Audit Committee meetings;
- k) Held independent meetings (without the presence of the Management) with the Internal Auditors on significant findings in the course of their audit;
- l) Performed periodic site visits to familiarise and confirm that a system of internal controls is in place and being observed; and
- m) Reviewed all related party transactions entered into by the Company and THP Group to ensure that such transactions are undertaken on an arm's length basis on normal commercial terms which are not detrimental to the interests of the minority shareholders of the Company and the related internal control procedures are both sufficient and effective.

STATEMENT OF VERIFICATION ON ALLOCATION OF OPTIONS PURSUANT TO EMPLOYEES' 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 Employees Share Option Scheme ("ESOS") for compliance with the criteria for allocation of options, at the end of each financial year.

During the financial year ended 31 December 2013, the Company did not grant any share under the ESOS.

INTERNAL AUDIT FUNCTION AND ACTIVITIES

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

During the financial year under review, the Internal Audit Department has:

- a) Conducted 47 audits and 8 follow-ups on various operating units based on the annually approved internal audit plan and 2 special reviews requested by the Management;
- b) Reviewed and evaluated the adequacy and application of financial and operational controls and continuously promoted the importance of effective controls throughout THP Group;

AUDIT COMMITTEE REPORT

- c) Reviewed and evaluated the operating units' compliance to established policies, procedures and relevant statutory requirements;
- d) Presented the findings and recommendations for Management's actions 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 the Management in promoting better environmental, safety and health practices throughout THP Group; and
- h) Undertaken special assignments 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 approximately RM1.53 million.

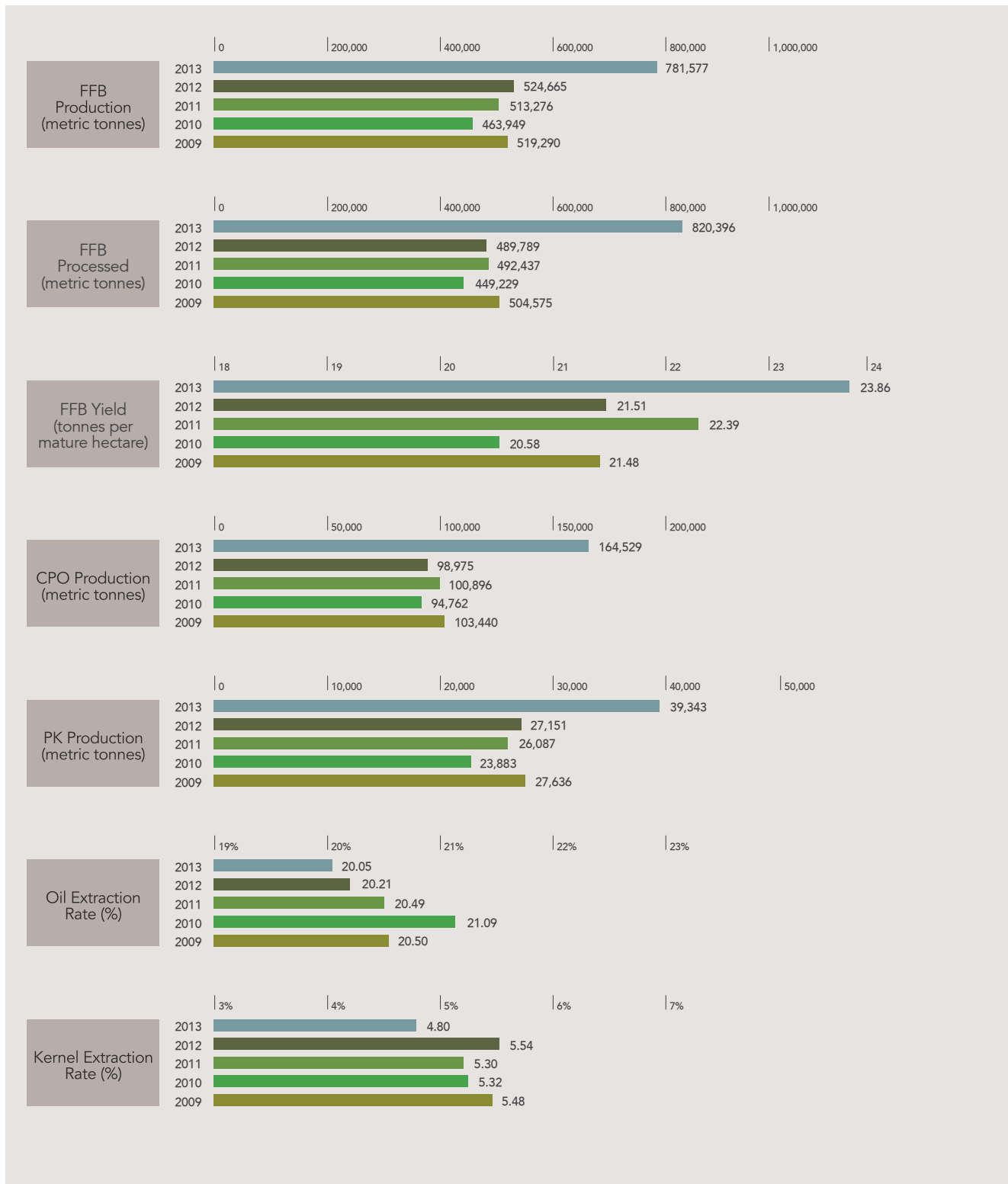
This Audit Committee Report is prepared in accordance with a resolution of the Board of Directors dated 15 April 2014.



Ladang Jatimas, Sabah

PERFORMANCE STATISTICS

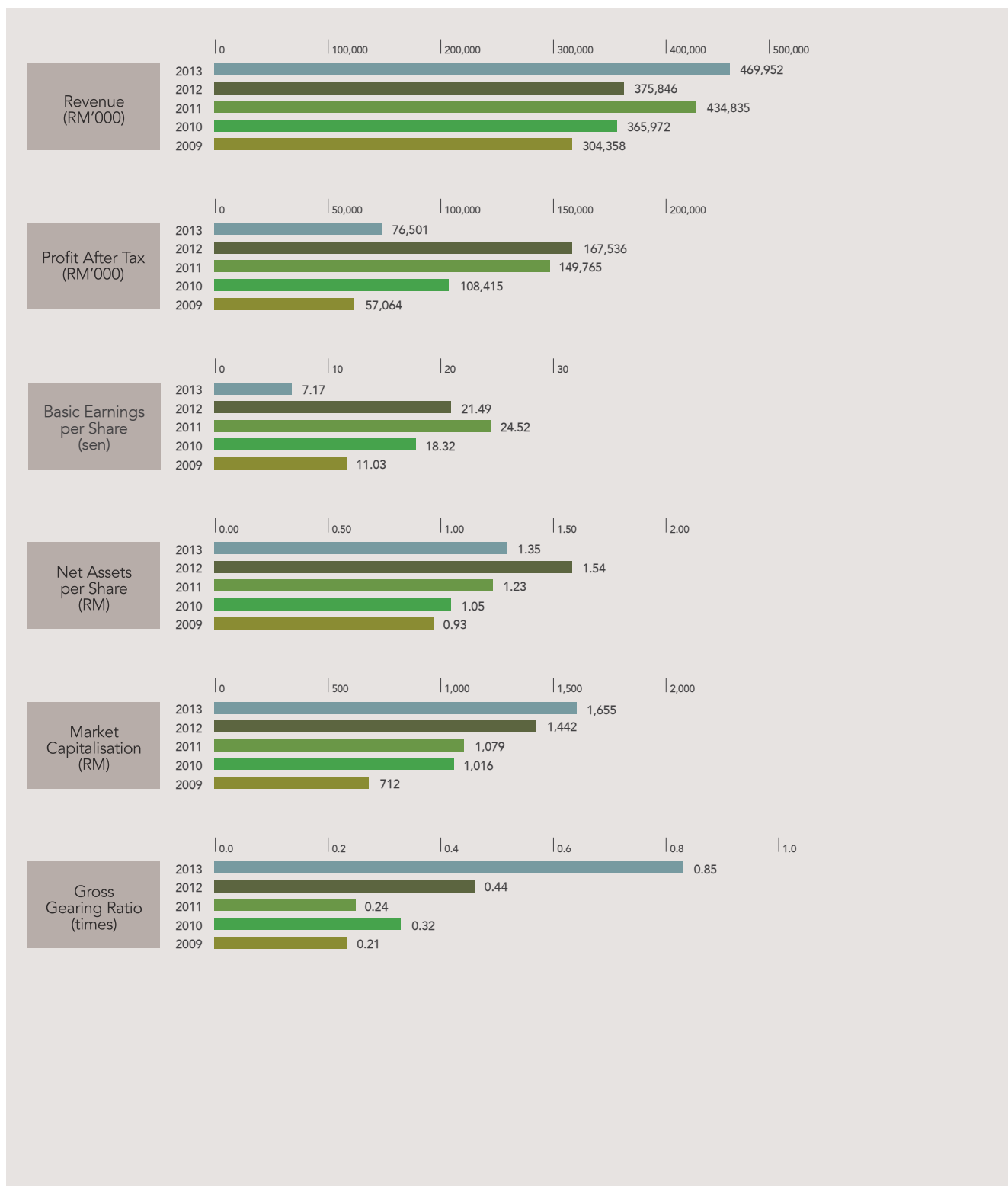
GROUP 5-YEAR PLANTATION STATISTICS



GROUP 5-YEAR PLANTATION STATISTICS

	2013	2012	2011	2010	2009
Production (metric tonnes)					
FFB produced - total	781,577	524,665	513,276	463,949	519,290
FFB processed - total	820,396	489,789	492,437	449,229	504,575
FFB purchased	121,913	61,139	50,707	27,052	42,841
Yield and Extraction Rates					
FFB yield (tonnes per mature hectare)	23.86	21.51	22.39	20.58	21.48
OER (%)	20.05%	20.21%	20.49%	21.09%	20.50%
KER (%)	4.80%	5.54%	5.30%	5.32%	5.48%
Average Selling Prices (RM per tonne)					
Crude Palm Oil	2,199	2,661	3,096	2,617	2,050
Palm Kernel	1,294	1,602	2,187	1,773	1,036
FFB	362	472	586	566	429
AREA STATEMENT (HECTARES)					
Oil Palm					
- mature	32,871	24,392	22,920	22,541	24,178
- immature	27,399	17,079	12,650	14,943	12,266
Planted Area	60,270	41,471	35,570	37,484	36,444
Other crops					
- mature	-	-	-	-	-
- immature	8,110	-	-	-	-
Total Planted Area	68,380	41,471	35,570	37,484	36,444
In Course of Planting	9,502	1,368	1,837	243	1,950
Reserve land, building sites etc	19,829	7,045	1,965	1,386	765
Total Titled Area	97,711	49,884	39,372	39,113	39,159

GROUP 5-YEAR FINANCIAL STATISTICS



GROUP 5-YEAR KEY FINANCIAL INDICATORS

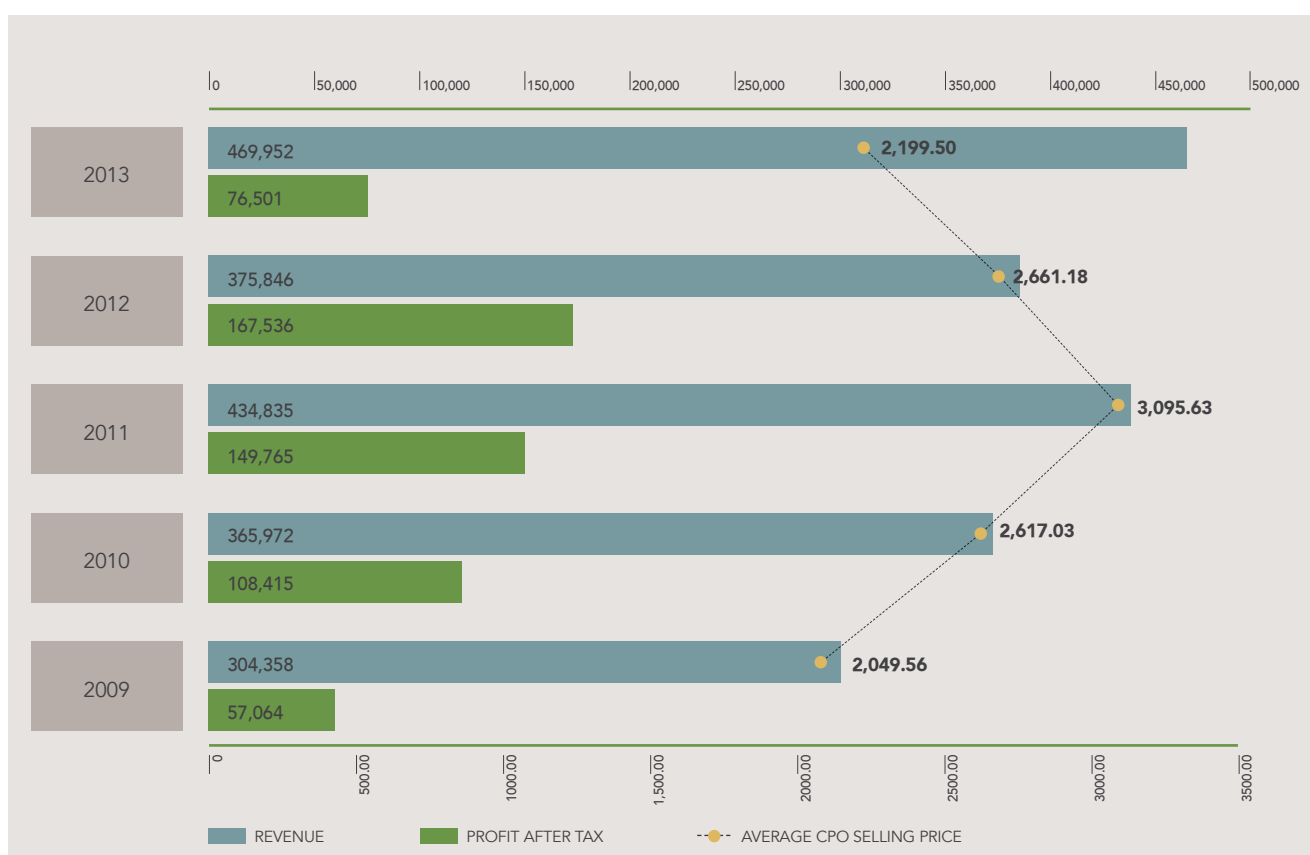
	2013	2012	2011	2010	2009
Profitability and Returns					
Gross profit margin	24.72%	30.15%	45.87%	45.18%	33.28%
Profit before tax margin	15.12%	49.45%	42.09%	39.50%	23.30%
Profit after tax and minority interest margin	13.43%	41.65%	28.71%	24.45%	17.68%
Return on average shareholders' equity	5.74%	16.34%	28.43%	27.90%	15.43%
Return on average capital employed	5.24%	25.06%	74.76%	51.17%	21.80%
Net assets per share (RM)	1.35	1.54	1.23	1.05	0.93
Solvency and Liquidity					
Gross Gearing ratios (times)	0.85	0.44	0.24	0.32	0.21
Interest cover (times)	3.95	19.07	22.85	16.33	9.91
Current ratio (times)	1.10	1.11	1.65	1.59	1.41
Financial Market					
Earnings per share (sen)					
- Basic	7.17	21.49	24.52	18.32	11.03
- Diluted	6.92	21.07	23.34	16.99	10.22
Gross dividend paid per share (sen)	3.62	4.60	12.50	12.50	8.50
Gross dividend paid rate (%)	7.24%	9.20%	24.92%	25.00%	17.00%
Gross dividend yield (%)	1.93%	2.31%	5.90%	6.01%	5.82%
Net dividend payout rate (%)	7.24%	9.20%	24.92%	18.75%	12.75%
Price-to-earnings ratio (times)	26.23	9.26	8.65	11.35	13.24
Price-to-book ratio (times)	1.04	0.96	1.32	1.49	1.17

GROUP 5-YEAR FINANCIAL STATISTICS

Statements of Profit or Loss Highlights (RM'000)

	2013	2012	2011	2010	2009
Revenue	469,952	375,846	434,835	365,972	304,358
Results from operating activities	92,431	193,131	185,813	152,662	77,995
Profit margin income from short term investments and receivables	2,727	3,007	5,586	1,321	879
Finance cost	(24,115)	(10,286)	(8,377)	(9,431)	(7,962)
Profit before tax	71,043	185,852	183,022	144,552	70,912
Tax expense	5,458	(18,316)	(33,257)	(36,137)	(13,848)
Net profit for the year	76,501	167,536	149,765	108,415	57,064
Attributable to :					
Owners of the Company	63,107	156,554	124,829	89,482	53,807
Non-controlling interests	13,394	10,982	24,936	18,933	3,257
Net profit for the year	76,501	167,536	149,765	108,415	57,064

GROUP 5-YEAR PROFIT vs AVERAGE CPO SELLING PRICE



GROUP 5-YEAR FINANCIAL STATISTICS

Statements of Financial Position Highlights (RM'000)

	2013	2012	2011	2010	2009
ASSETS					
Other non-current assets	2,793,994	2,232,516	972,341	917,163	843,317
Intangible asset	73,265	14,006	-	-	-
Total non-current assets	2,867,259	2,246,522	972,341	917,163	843,317
Other current assets	164,804	155,231	107,113	61,771	79,523
Cash and cash equivalents	145,235	125,217	167,194	130,568	19,923
Total current assets	310,039	280,448	274,307	192,339	99,446
Total assets	3,177,298	2,526,970	1,246,648	1,109,502	942,763
EQUITY					
Share capital	440,256	364,178	254,548	244,215	243,893
Share premium	417,559	484,206	39,925	14,599	13,809
Other reserves	(82,557)	(82,557)	26,245	26,245	26,126
Share option reserve	2,823	4,317	5,149	7,833	7,965
Retained earnings	411,174	348,942	298,149	220,489	162,103
Total equity attributable to owners of the Company	1,189,255	1,119,086	624,016	513,381	453,896
Non-controlling interests	396,726	393,899	194,631	169,268	152,641
Total equity	1,585,981	1,512,985	818,647	682,649	606,537
LIABILITIES					
Long term borrowings	997,513	470,562	150,000	166,276	95,254
Other long term liabilities	311,902	289,715	111,970	139,680	170,650
Total non-current liabilities	1,309,415	760,277	261,970	305,956	265,904
Other current liabilities	271,902	233,708	166,031	120,897	68,343
Loans and borrowings	10,000	20,000	-	-	1,979
Total current liabilities	281,902	253,708	166,031	120,897	70,322
Total liabilities	1,591,317	1,013,985	428,001	426,853	336,226
Total equity and liabilities	3,177,298	2,526,970	1,246,648	1,109,502	942,763
Average capital employed	2,584,329	1,676,940	1,034,611	930,523	821,397
Average shareholders' equity	1,154,171	871,551	568,699	483,639	426,694

GROUP 5-YEAR FINANCIAL STATISTICS

Statement of Cash Flows Highlights (RM'000)

	2013	2012	2011	2010	2009
Profit before tax	71,043	185,852	183,022	144,552	70,912
Adjustment for non-cash items	98,773	(50,910)	39,938	45,833	55,197
Changes in working capital	22,548	(104,698)	1,501	46,983	(99,272)
Cash generated from operations	192,364	30,244	224,461	237,368	26,837
Profit margin income from short term investments and receivables	2,190	2,724	5,084	1,174	864
Profit margin expenses on payables, borrowing cost, tax and zakat paid	(63,339)	(62,348)	(70,604)	(51,644)	(20,894)
Net cash from/(used in) operating activities	131,215	(29,380)	158,941	186,898	6,807
Acquisition of property, plant and equipment	(110,873)	(46,550)	(22,757)	(34,940)	(20,518)
Plantation development expenditure	(164,539)	(89,307)	(63,886)	(75,467)	(75,830)
Acquisition of subsidiaries	(264,137)	(62,388)	-	-	(145)
Other investing activities	(2,185)	(547)	1,427	312	376
Net cash used in investing activities	(541,734)	(198,792)	(85,216)	(110,095)	(96,117)
Proceeds from drawdown of loans and borrowings	537,067	250,000	-	70,000	80,000
Proceeds from issue of new ordinary share capital	8,429	16,283	31,423	980	243
Repayments of loans and borrowings	(71,765)	-	(15,524)	(1,979)	(2,250)
Dividends paid to owners of the Company	(45,668)	(80,835)	(52,065)	(34,987)	(27,731)
Net cash from/(used in) financing activities	428,063	185,448	(36,166)	34,014	50,262
Net increase/(decrease) in cash and cash equivalents	17,544	(42,724)	37,559	110,817	(39,048)

GROUP QUARTERLY PERFORMANCE

Financial Performance (RM'000)

	2013			
	Q4	Q3	Q2	Q1
Revenue	154,548	130,146	95,805	89,453
Results from operating activities	37,541	34,760	13,178	9,679
Finance cost	(6,740)	(6,997)	(5,748)	(4,630)
Profit before tax	30,801	27,763	7,430	5,049
Tax expense	9,854	(8,633)	3,037	1,200
Profit for the year	40,655	19,130	10,467	6,249
Attributable to :				
Owners of the Company	37,376	15,418	7,104	3,209
Non-controlling interests	3,279	3,712	3,363	3,040
Profit for the year	40,655	19,130	10,467	6,249
Earnings per ordinary share (sen)				
- Basic	4.24	1.75	0.81	0.44
- Diluted	4.10	1.72	0.79	0.43

	2012			
	Q4	Q3	Q2	Q1
Revenue	99,106	82,342	99,352	95,046
Results from operating activities	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 year	98,820	29,748	23,222	15,746
Attributable to :				
Owners of the Company	104,393	19,209	19,886	13,066
Non-controlling interest	(5,573)	10,539	3,336	2,680
Profit for the year	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



Ladang Lupar, Sarawak

CONSOLIDATED FINANCIAL STATEMENTS



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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

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 2013.

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 6 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	63,107	67,179
Non-controlling interests	13,394	-
	<hr/> 76,501	<hr/> 67,179

Reserves and provisions

There were no material 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 of 1.00 sen per ordinary share, tax exempt under the single-tier tax system, totalling RM7.30 million in respect of the financial year ended 31 December 2012 on 6 June 2013.

The final ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2013 is 3.62 sen per ordinary share, tax exempt under the single-tier tax system, totalling RM31.86 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 RM1 each				At 31.12.2013
	At 1.1.2013	Bonus Issue	Bought	(Sold)	
Interest in the Company:					
Tan Sri Datuk Dr Yusof bin Basiran					
- own	4,000	800	-	-	4,800
- others*	58,000	11,600	-	-	69,600
Dato' Zainal Azwar bin Zainal Aminuddin					
- own	83,000	16,600	-	(94,800)	4,800
Tan Sri Dr Abdul Samad bin Haji Alias					
- own	275,600	55,120	280	-	331,000
Dato' Haji Wan Zakaria bin Abd Rahman					
- own	4,000	800	-	-	4,800

* 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' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013
(CONTINUED)

Directors' interests in shares (continued)

	Number of ordinary shares of RM1 each			
	At 1.1.2013	Bonus Issue	Granted	(Sold) At 31.12.2013
Share option in the Company:				
Dato' Zainal Azwar bin Zainal Aminuddin				
- own	1,200,000	240,000	-	- 1,440,000

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 2013 had any interest in the ordinary shares and options over shares of the Company and of its related corporations during the financial year.

Directors' benefits

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

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

Issue of shares

During the financial year, the Company issued:

- i) 5,125,200 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at an option price of RM1.27 per ordinary share;
- ii) 788,000 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at an option price of RM1.45 per ordinary share;

Issue of shares (continued)

- iii) 67,000 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at an option price of RM1.74 per ordinary shares; and
- iv) 146,176,995 new ordinary shares of RM0.50 on the basis of one bonus share for every five existing TH Plantations Berhad shares held in the Company.

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 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the Company preceding the date of offer and shall not 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 with the Group.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013
(CONTINUED)

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 over ordinary shares of RM0.50 each				
		At 1.1.2013 '000	Bonus issued '000	(Exercised) '000	(Forfeited) '000	At 31.12.2013 '000
8 June 2009	RM1.27	10,523	1,801	(5,125)	-	7,199
4 January 2011	RM1.45	4,098	569	(788)	(311)	3,568
18 June 2012	RM1.74	5,675	1,094	(67)	(264)	6,438
		20,296	3,464	(5,980)	(575)	17,205

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 320,400 shares of RM0.50 each, except for Directors.

The names of option holders granted options under the ESOS to subscribe for 320,400 or more ordinary shares of RM0.50 each are as follows:

	Number of options over ordinary shares of RM0.50 each			
	At 1.1.2013	Bonus issue	(Sold)	At 31.12.2013
Share option in the Company:				
Dato' Che Abdullah @ Rashidi bin Che Omar	720,000	144,000	-	864,000
Marzuki bin Abd. Rahman	720,000	144,000	-	864,000
Mat Saad bin Ramli	360,000	72,000	-	432,000
Mohamed Azman Shah bin Ishak	640,000	128,000	(288,000)	480,000
Radin Rosli bin Radin Suhadi	580,000	74,000	(210,000)	444,000
Maizura binti Mohamed	400,000	80,000	-	480,000
Azmat bin Rahmat	450,000	30,000	-	480,000
Mohamad bin Karim	450,000	30,000	-	480,000
Kamar Bin Jamian	267,000	53,400	-	320,400

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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013
(CONTINUED)

Subsequent events

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 which has been issued "izin lokasi" for approximately 11,400 hectares, 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 2012 of Rp2,747:1.00. The transaction was completed on 10 January 2014.

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:



.....
Datuk Azizan bin Abd Rahman



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

Kuala Lumpur,

Date: 25 February 2014

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Assets					
Property, plant and equipment	3	1,961,740	1,673,475	16,453	15,617
Plantation development expenditure	4	831,655	558,442	44,232	29,491
Intangible asset	5	73,265	14,006	-	-
Investment in subsidiaries	6	-	-	1,160,345	907,512
Other investment	7	599	599	599	599
Trade and other receivables	8	-	-	439,092	309,634
Total non-current assets		2,867,259	2,246,522	1,660,721	1,262,853
Inventories	9	39,238	41,733	1,913	2,599
Current tax assets		9,499	2,170	4,150	2,170
Trade and other receivables	8	77,335	105,086	286,199	150,991
Prepayments and other assets		3,451	6,242	651	653
Cash and cash equivalents	10	145,235	125,217	139,568	113,387
		274,758	280,448	432,481	269,800
Assets classified as held for sale	11	35,281	-	14,057	-
Total current assets		310,039	280,448	446,538	269,800
Total assets		3,177,298	2,526,970	2,107,259	1,532,653
Equity					
Capital reserve	12	778,081	770,144	758,710	750,773
Retained earnings		411,174	348,942	247,456	187,580
Equity attributable to owners of the Company		1,189,255	1,119,086	1,006,166	938,353
Non-controlling interests		396,726	393,899	-	-
Total equity		1,585,981	1,512,985	1,006,166	938,353

The notes on pages 131 to 217 form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013
(CONTINUED)

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Liabilities					
Loans and borrowings	13	997,513	470,562	910,000	400,000
Deferred tax liabilities	14	300,017	278,366	12,864	11,109
Trade and other payables	15	11,885	11,349	10,923	10,455
Total non-current liabilities		1,309,415	760,277	933,787	421,564
Loans and borrowings	13	10,000	20,000	-	-
Trade and other payables	15	264,963	230,340	167,306	172,736
Current tax payables		3,716	3,368	-	-
		278,679	253,708	167,306	172,736
Liabilities classified as held for sale	11	3,223	-	-	-
Total current liabilities		281,902	253,708	167,306	172,736
Total liabilities		1,591,317	1,013,985	1,101,093	594,300
Total equity and liabilities		3,177,298	2,526,970	2,107,259	1,532,653

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	16	469,952	375,846	122,024	118,870
Cost of sales		(353,762)	(262,511)	(48,485)	(50,584)
Gross profit		116,190	113,335	73,539	68,286
Other income		1,507	103,837	6,450	6,397
Administrative expenses		(17,630)	(16,509)	(12,059)	(12,287)
Other expenses		(7,358)	(7,651)	(3,188)	(3,370)
Zakat expense		(278)	119	-	-
Results from operating activities		92,431	193,131	64,742	59,026
Profit margin income from short-term investments and receivables	17	2,727	3,007	58,300	33,611
Finance cost	18	(24,115)	(10,286)	(50,238)	(18,548)
Net finance (cost)/income		(21,388)	(7,279)	8,062	15,063
Profit before tax		71,043	185,852	72,804	74,089
Tax expense	19	5,458	(18,316)	(5,625)	(2,765)
Profit and total comprehensive income for the year	20	76,501	167,536	67,179	71,324
Profit and total comprehensive income attributable to:					
Owners of the Company		63,107	156,554	67,179	71,324
Non-controlling interests		13,394	10,982	-	-
Profit and total comprehensive income for the year		76,501	167,536	67,179	71,324
Earnings per ordinary share (sen)					
- Basic	21	7.17	21.49		
- Diluted	21	6.92	21.07		

The notes on pages 131 to 217 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

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			
At 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	27	-	-	-	1,156	1,156	-	1,156	-	1,156
Issuance of ordinary shares pursuant to ESOS	12	5,013	13,258	-	(1,988)	16,283	-	16,283	-	16,283
Issuance of new ordinary shares in relation to acquisition of subsidiaries	12	104,617	431,023	-	-	535,640	-	535,640	-	535,640
Investment from non-controlling minority interest		-	-	-	-	-	-	-	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	22	-	-	-	-	-	(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

CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013
(CONTINUED)

Group	Note	Attributable to owners of the Company					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 RM'000	Non-controlling interest RM'000	Total RM'000		
At 1 January 2013		364,178	484,206	(82,557)	4,317	770,144	348,942	1,119,086	393,899	1,512,985		
Profit and total comprehensive income for the year		-	-	-	-	-	63,107	63,107	13,394	76,501		
<i>Contribution by and distribution to owners of the Company</i>												
Issuance of ordinary shares pursuant to ESOS	12	2,990	6,441	-	(1,002)	8,429	-	8,429	-	8,429		
Issuance of new ordinary shares-bonus issue	12	73,088	(73,088)	-	-	-	-	-	-	-		
Adjustment on premium of shares issued on bonus issue pursuant to ESOS		-	-	-	(492)	(492)	-	(492)	-	(492)		
Investment from non-controlling minority interest		-	-	-	-	-	-	-	1,241	1,241		
Dividends to owners of the Company	22	-	-	-	-	-	(7,303)	(7,303)	-	(7,303)		
Dividends to non-controlling interests		-	-	-	-	-	6,428	6,428	(11,808)	(5,380)		
Total transactions with owners of the Company		76,078	(66,647)	-	(1,494)	7,937	(875)	7,062	(10,567)	(3,505)		
At 31 December 2013		440,256	417,559	(82,557)	2,823	778,081	411,174	1,189,255	396,726	1,585,981		

The notes on pages 131 to 217 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

Company	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	
At 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	27	-	-	-	1,156	1,156	-	1,156
Issuance of ordinary shares pursuant to ESOS	12	5,013	13,258	-	(1,988)	16,283	-	16,283
Issuance of new ordinary shares in relation to acquisition of subsidiaries	12	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	22	-	-	-	-	-	(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

Company	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
At 1 January 2013		364,178	484,206	(101,928)	4,317	750,773	187,580	938,353
Profit and total comprehensive income for the year		-	-	-	-	-	67,179	67,179
Contribution by and distribution to owners of the Company								
Issuance of ordinary shares pursuant to ESOS	12	2,990	6,441	-	(1,002)	8,429	-	8,429
Issuance of new ordinary shares-bonus issue	12	73,088	(73,088)	-	-	-	-	-
Adjustment on premium of shares issued on bonus issue		-	-	-	(492)	(492)	-	(492)
Dividends to owners of the Company	22	-	-	-	-	-	(7,303)	(7,303)
Total transactions with owners of the Company		76,078	(66,647)	-	(1,494)	7,937	(7,303)	634
At 31 December 2013		440,256	417,559	(101,928)	2,823	758,710	247,456	1,006,166

The notes on pages 131 to 217 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash flows from operating activities					
Profit before tax		71,043	185,852	72,804	74,089
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	20	76,252	39,262	1,179	1,169
Dividend income	16	(91)	(73)	(58,795)	(50,689)
Profit margin income from short-term investments and other receivables	17	(2,727)	(3,007)	(58,300)	(33,611)
Finance cost on:					
- Borrowings		20,766	6,735	44,261	13,226
- Profit margin expense on subsidiaries		-	-	3,437	3,348
- Profit margin expense on related companies		2,540	1,974	2,540	1,974
- Profit margin expense on holding corporation		809	1,577	-	-
Impairment loss on:					
- Financial asset	20	-	14	-	7
- Inventory	20	35	39	-	-
Surplus over fair value of net assets acquired	20	-	(101,241)	-	-
Gain on disposal of property, plant and equipment	20	(138)	(110)	(25)	-
Property, plant and equipment written off	20	640	2,883	28	81
Plantation development expenditure written off	20	901	-	-	-
Zakat expenses	20	278	(119)	-	-
Fair value of ESOS granted	27	(492)	1,156	(492)	1,156
Operating profit before changes in working capital					
		169,816	134,942	6,637	10,750
Change in inventories		3,257	10,308	686	1,351
Change in trade and other payables		2,078	10,482	8,706	(83,211)
Change in trade and other receivables, prepayments and other assets		17,213	(125,488)	(310,042)	(118,315)
Cash generated from/(used in) operations					
		192,364	30,244	(294,013)	(189,425)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

(CONTINUED)

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash flows from operating activities (continued)		192,364	30,244	(294,013)	(189,425)
Profit margin income from short-term investments and other receivables		2,190	2,724	2,115	9,592
Profit margin income from subsidiary		-	-	55,647	-
Finance cost on:					
- Borrowings		(35,614)	(9,317)	(31,613)	(11,232)
- Profit margin expense on subsidiaries		-	-	(3,437)	(3,348)
- Profit margin expense on related companies		(2,540)	(1,974)	(2,540)	(1,974)
- Profit margin expense on holding corporation		(809)	(1,577)	-	-
Tax paid		(33,070)	(49,480)	(6,390)	(22,408)
Tax refund		8,694	-	5,765	-
Net cash from/(used in) operating activities		131,215	(29,380)	(274,466)	(218,795)
Cash flows from investing activities					
Acquisition of property, plant and equipment	(i)	(110,873)	(46,550)	(2,427)	(2,072)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	30	(264,137)	(62,388)	-	-
Dividends received		91	73	95,685	54,052
Increase in deposits pledged		(2,489)	(747)	-	-
Increase in investments in subsidiaries	6	-	-	(264,194)	(72,500)
Plantation development expenditure	(ii)	(164,539)	(89,307)	(13,253)	(14,229)
Proceeds from disposal of property, plant and equipment		213	127	25	-
Net cash used in investing activities		(541,734)	(198,792)	(184,164)	(34,749)
Cash flows from financing activities					
Dividends paid to owners of the Company		(45,668)	(80,835)	(33,618)	(64,491)
Proceeds from issuance of new ordinary shares		8,429	16,283	8,429	16,283
Proceeds from drawdown of loans and borrowings		537,067	250,000	510,000	250,000
Loan repayment		(71,765)	-	-	-
Net cash from financing activities		428,063	185,448	484,811	201,792

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

(CONTINUED)

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Net increase/(decrease) in cash and cash equivalents		17,544	(42,724)	26,181	(51,752)
Cash and cash equivalents at 1 January	(iii)	123,764	166,488	112,731	164,483
Cash and cash equivalents at 31 December	(iii)	141,308	123,764	138,912	112,731

(i) Acquisition of property, plant and equipment

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM111,834,000 and RM2,427,000 (2012: RM46,550,000 ; 2012: RM2,072,000), of which RM961,000 and RM Nil (2012: RM Nil ; 2012: RM Nil) were acquired by means of issuance of new ordinary share to non-controlling interests.

(ii) Plantation development expenditure

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Addition of plantation development expenditure	4	(199,993)	(99,899)	(14,741)	(15,764)
Depreciation of property, plant and equipment	4	7,957	3,710	384	391
Borrowing cost capitalised	4	27,497	6,882	-	-
Management fees capitalised	4	-	-	1,104	1,144
		(164,539)	(89,307)	(13,253)	(14,229)

(iii) Cash and cash equivalents

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deposits	10	135,133	104,795	132,743	102,529
Less: Pledged deposits	10	(3,942)	(1,453)	(656)	(656)
		131,191	103,342	132,087	101,873
Cash and bank balances	10	10,117	20,422	6,825	10,858
		141,308	123,764	138,912	112,731

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, Malaysia

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 December 2013 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 6.

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

These financial statements were authorised for issue by the Board of Directors on 25 February 2014.

1. Basis of preparation

(a) Statement of compliance

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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*
- Amendments to FRS 136, *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

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

- Amendments to FRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to FRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to FRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to FRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 140, *Investment Properties (Annual Improvements 2011-2013 Cycle)*

FRSs, Interpretations and amendments effective for a date yet to be confirmed

- FRS 9, *Financial Instruments (2009)*
- FRS 9, *Financial Instruments (2010)*
- FRS 9, *Financial Instruments – Hedge Accounting and Amendments to FRS 9, FRS 7 and FRS 139*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of FRS 9 and Transition Disclosures*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

- from the annual period beginning on 1 January 2014 for those accounting 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 accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014 and 1 January 2015.
- 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.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below:

(i) FRS 9, Financial Instruments

FRS 9 replaces the guidance in FRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group and the Company is currently assessing the financial impact that may arise from the adoption of FRS 9.

(ii) FRS 119, Employee Benefits

The amendments to FRS 119 introduces a practical expedient for employee or third party contributions set out in the formal terms of the plan that are linked to service and independent of the number of years of service.

The Group and the Company plans to apply the amendments to FRS 119 retrospective from annual period beginning 1 January 2015, and is currently assessing the financial impact that may arise from the adoption of FRS 119.

The Company falls within the scope of MFRS 141, *Agriculture*. Therefore, the Company is currently exempted from adopting the Malaysian Financial Reporting Standards ("MFRS") and is referred to as a "Transitioning Entity". Being a Transitioning Entity, the Company will adopt the MFRS and present its first set of MFRS financial statements when adoption of the MFRS is mandated by the MASB.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

1. Basis of preparation (continued)

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the 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, other than as disclosed in Note 3, Note 5 and Note 31.

2. Significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

The Group adopted FRS 10, *Consolidated Financial Statements* in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, 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.
- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider de facto power in its assessment of control.

The adoption of FRS 10 has no significant impact to the financial statements of the Group.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. 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.

(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.

For new acquisitions, 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

When the excess is negative, a bargain purchase gain 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 former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former 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.

(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.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(v) Non-controlling interests (continued)

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 issue 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 as 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

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

Financial assets (continued)

(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(k)(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.

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.

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) Derecognition (continued)

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. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(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 is depreciated separately.

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:

	Current	Comparative
• leasehold land	60 - 999 years	60 - 999 years
• estates	30 years	25 years
• buildings	25 years	25 years
• temporary buildings	5 years	5 years
• plant, machinery and equipment	10 years	10 years
• computer equipment	3 years	3 years
• motor vehicles	5 years	5 years

Estates consist of matured plantation development expenditure and are depreciated over thirty (30) years (2012: twenty five (25) years), based on estimated annual production yield table. An oil palm estate is declared mature when the palm age has reached 36 months or more at the beginning of the financial year. The cost of rubber trees will be expensed off to profit or loss once the commercial tapping process commence.

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

2. Significant accounting policies (continued)

(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.

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, or as investment property if held to earn rental income or for capital appreciation or for both.

(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.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. Significant accounting policies (continued)

(e) Intangible assets

Goodwill

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates and joint venture, 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 associates and joint venture.

(f) Investment property

Investment property carried at cost

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include freehold land and leasehold land which in substance is a finance lease held for a currently undetermined future use. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

(g) 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 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.

(h) 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.

2. Significant accounting policies (continued)

(h) Inventories (continued)

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.

(i) Non-current assets held for sale or distribution to owners

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale or distribution to owners rather than through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group are measured at the lower of their carrying amount and fair value less costs of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale or distribution.

(j) 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 fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. Significant accounting policies (continued)

(k) 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 impairment loss of the financial asset 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 and non-current assets classified as held for sale) 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)

(k) 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.

(l) 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. Significant accounting policies (continued)

(m) 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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(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)

(n) 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, 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.

(o) Borrowing costs

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. Significant accounting policies (continued)

(o) Borrowing costs (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.

(p) 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)

(q) 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.

(r) 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.

(s) 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. Significant accounting policies (continued)

(t) Zakat expense

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

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

The Group and the Company 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.

(u) Fair value measurement

From 1 January 2013, the Group adopted FRS 13, *Fair Value Measurement* which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

In accordance with the transitional provision of FRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of FRS 13 has not significantly affected the measurements of the Group's assets or liabilities other than the additional disclosures.

3. Property, plant and equipment

Group	Note	Leasehold land		Estates	Buildings	Plant, machinery and equipment		Motor vehicles	Work-in-progress	Total
		RM'000	RM'000			RM'000	RM'000			
Cost										
At 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	
Written off		-	(10,682)	(438)	(953)	(50)	(524)	-	(12,647)	
Transfer from plantation development expenditure	4	-	72,964	-	-	-	-	-	72,964	
Disposals		-	-	(50)	(2)	-	(103)	-	(155)	
Transfers		-	-	11,302	8,809	1,094	428	(21,633)	-	
At 31 December 2012/1 January 2013		979,830	629,673	115,408	128,521	13,192	33,584	30,170	1,930,378	
Acquisition of subsidiaries		193,888	92,001	7,122	2,053	143	217	836	296,260	
Additions		961	-	9,944	6,584	479	9,387	84,479	111,834	
Written off		-	(9,461)	(538)	(981)	(112)	(520)	(135)	(11,747)	
Disposals		-	-	-	-	(15)	(248)	-	(263)	
Transfers		-	-	34,690	57,073	109	-	(91,872)	-	
Transfer to assets held for sale	11	(11,063)	(19,841)	(4,119)	(788)	(18)	(227)	(138)	(36,194)	
At 31 December 2013		1,163,616	692,372	162,507	192,462	13,778	42,193	23,340	2,290,268	

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

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 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 2012/1 January 2013		28,490	111,792	31,932	54,926	10,959	18,804	-	256,903
Depreciation for the year	(i)	20,010	36,771	7,444	12,351	1,291	6,342	-	84,209
Written off		-	(9,461)	(371)	(665)	(112)	(498)	-	(11,107)
Disposals		-	-	-	-	(12)	(176)	-	(188)
Transfers		-	-	-	(49)	49	-	-	-
Transfer to assets held for sale	11	(255)	(623)	(192)	(112)	(10)	(97)	-	(1,289)
At 31 December 2013		48,245	138,479	38,813	66,451	12,165	24,375	-	328,528
Carrying amounts									
At 1 January 2012		374,205	209,196	44,004	44,336	1,589	7,852	11,716	692,898
At 31 December 2012/1 January 2013		951,340	517,881	83,476	73,595	2,233	14,780	30,170	1,673,475
At 31 December 2013		1,115,371	553,893	123,694	126,011	1,613	17,818	23,340	1,961,740

3. Property, plant and equipment (continued)

Company	Note	Leasehold land		Estates	Buildings	Plant, machinery and equipment		Motor vehicles	Work-in-progress	Total
		RM'000	RM'000			RM'000	RM'000			
Cost										
At 1 January 2012		9,411	10,817	14,545	16,289	179	3,327	164	54,732	
Additions		-	-	927	488	38	619	-	2,072	
Written off		-	(3,321)	(227)	(770)	(13)	(74)	-	(4,405)	
Transfers		-	-	148	16	-	-	(164)	-	
At 31 December 2012/1 January 2013		9,411	7,496	15,393	16,023	204	3,872	-	52,399	
Additions		-	-	586	165	19	619	1,038	2,427	
Written off		-	-	(97)	(267)	(19)	(40)	-	(423)	
Disposals		-	-	-	-	-	(75)	-	(75)	
At 31 December 2013		9,411	7,496	15,882	15,921	204	4,376	1,038	54,328	
Accumulated depreciation										
At 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 January 2013		1,574	7,347	10,774	13,970	162	2,955	-	36,782	
Depreciation for the year	(i)	95	26	540	473	34	395	-	1,563	
Written off		-	-	(77)	(259)	(19)	(40)	-	(395)	
Disposals		-	-	-	-	-	(75)	-	(75)	
At 31 December 2013		1,669	7,373	11,237	14,184	177	3,235	-	37,875	
Carrying amounts										
At 1 January 2012		7,932	176	4,178	2,058	45	633	164	15,186	
At 31 December 2012/1 January 2013		7,837	149	4,619	2,053	42	917	-	15,617	
At 31 December 2013		7,742	123	4,645	1,737	27	1,141	1,038	16,453	

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. Property, plant and equipment (continued)

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

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit or loss	19	76,252	39,262	1,179	1,169
Plantation development expenditure	4	7,957	3,710	384	391
		84,209	42,972	1,563	1,560

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 2013, the carrying amount of the leasehold land sub-leased to the subsidiary is RM5,045,307 (2012: RM5,103,000).

3.2 Security

At 31 December 2013, the Group's leasehold land with a carrying amount of RM16,548,000 (2012: RM23,521,000) is subject to a registered debenture to secure bank loan granted to its subsidiaries (see Note 13).

3.3 Change in estimate

During the financial year ended 31 December 2013, the Group has conducted an operational efficiency on its estates, which resulted in changes in the expected usage of the matured estates. Matured estates, which management previously intended to perform replanting after 25 years, is now expected to remain in production for 30 years after its maturity. As a result, the expected useful lives of these assets increased and their estimated residual values decreased. The effect of these changes on depreciation expenses, recognised in cost of sales, in current and future periods is as follows:

Group

	2013 RM'000	2014 RM'000	2015 RM'000	2016 RM'000	2017 RM'000
Decrease in depreciation expense	5,664	4,371	3,773	1,340	1,932

Company

There is no effect of these changes on depreciation expenses, recognised in cost of sales, in current and future periods.

3. Property, plant and equipment (continued)

3.4 Management depreciated matured estate based on estimate in which the management calculates based on the potential yield per hectare by age of the trees. The potential yield per hectare is determined by internal planting advisors, who have appropriate recognised professional qualifications and experience in the field.

4. Plantation development expenditure

Group	Note	Oil palm RM'000	Rubber RM'000	Total	
				2013 RM'000	2012 RM'000
At 1 January		519,805	38,637	558,442	278,844
Acquisition of subsidiaries		74,121	-	74,121	252,663
Additions during the year		172,131	27,862	199,993	99,899
Written off		(901)	-	(901)	-
		765,156	66,499	831,655	631,406
Less: Transfer to property, plant and equipment	3	-	-	-	(72,964)
At 31 December		765,156	66,499	831,655	558,442

Company	/-----Oil palm-----/	
	2013 RM'000	2012 RM'000
At 1 January	29,491	13,727
Additions during the year	14,741	15,764
At 31 December	44,232	29,491

Included in additions during the year are as follows:

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Depreciation of property, plant and equipment	3	7,957	3,710	384	391
Personnel expenses:					
- Wages, salaries and others		49,543	36,785	5,431	5,157
- Contribution to Employees Provident Fund		2,275	1,571	268	223
Borrowing cost capitalised*	18	27,497	6,882	-	-
Management fees capitalised		-	-	1,104	1,144

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

4. Plantation development expenditure (continued)

* Profit margin expense is capitalised at a rate of 5.75% per annum (2012: 5.45% per annum).

Plantation development expenditure of the Group amounting to RM17,618,000 (2012: RM11,101,000) of the Group is planted on a land with native status.

5. Intangible asset

	Group	
	2013 RM'000	2012 RM'000
Goodwill	73,265	14,006

Impairment testing for cash-generating units containing goodwill

5.1 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:

	Note	Group	
		2013 RM'000	2012 RM'000
Hydroflow Sdn. Bhd.		13,855	13,855
TH Bakti Sdn. Bhd.		151	151
Bumi Suria Ventures Sdn. Bhd.		27,789	-
Maju Warisanmas Sdn. Bhd.		31,621	-
		73,416	14,006
Transfer to asset held for sale	11	(151)	-
		73,265	14,006

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 30 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.

5. Intangible asset (continued)

Impairment testing for cash-generating units containing goodwill (continued)

- 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 5 percentage point in the discount rate used would have resulted in an impairment loss of RM1,100,000.
- A 15% decrease in price of FFB would have resulted in an impairment loss of RM7,300,000.

6. Investments in subsidiaries

	Note	Group	
		2013 RM'000	2012 RM'000
Unquoted shares at cost, in Malaysia			
At 1 January		907,512	402,796
Acquisition of new subsidiaries	6.1	264,194	499,339
Fair value adjustment on financial assets		2,696	5,377
Transfer to asset held for sale	11	(14,057)	-
		1,160,345	907,512

6.1 Acquisition of new subsidiaries consists of:

	2013 RM'000	2012 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
(iii) Acquisition of Bumi Suria Ventures Sdn. Bhd. via cash	221,700	-
(iv) Acquisition of Maju Warisanmas Sdn. Bhd. via cash	42,494	-
	264,194	499,339

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. Investments in subsidiaries (continued)

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

Name of subsidiary	Effective ownership interest and voting interest		Principal activities
	2013 %	2012 %	
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, processing of FFB and marketing of CPO, PK and 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	70	Cultivation of oil palm and marketing of FFB.
TH Ladang (Sabah & Sarawak) Sdn. Bhd.	100	100	Investment holding.

6. Investments in subsidiaries (continued)

Name of subsidiary	Effective ownership interest and voting interest		Principal activities
	2013 %	2012 %	
Direct subsidiaries (continued)			
TH Bakti Sdn. Bhd.	70	70	Cultivation of oil palm and marketing of FFB.
Bumi Suria Ventures Sdn. Bhd.	100	-	Cultivation of oil palm and marketing of FFB.
Maju Warisanmas Sdn. Bhd.	100	-	Letting of investment property.
Indirect subsidiaries held through TH Ladang (Sabah & Sarawak) Sdn. Bhd.			
Ladang Jati Keningau Sdn. Bhd.	82.53	82.53	Teak plantation.
TH-Bonggaya Sdn. Bhd.	100	100	Teak and rubber plantations.
TH-USIA Jatimas Sdn. Bhd.	70	70	Teak and rubber plantations.
Derujaya Sdn. Bhd.	100	100	Dormant.
Halus Riang Sdn. Bhd.	100	100	Dormant.
Kuni Riang Sdn. Bhd.	100	100	Dormant.
Manisraya Sdn. Bhd.	100	100	Dormant.
Pinekey Enterprise Sdn. Bhd.	100	100	Dormant.
TH PELITA Meludam Sdn. Bhd.	60	60	Cultivation of oil palm and marketing of FFB.
Cempaka Teratai Sdn. Bhd.	100	100	Investment holding.
Kee Wee Plantation Sdn. Bhd.	100	100	Investment holding.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. Investments in subsidiaries (continued)

Name of subsidiary	Effective ownership interest and voting interest		Principal activities
	2013 %	2012 %	
Indirect subsidiaries held through TH Ladang (Sabah & Sarawak) Sdn. Bhd. (continued)			
TH PELITA Gedong Sdn. Bhd.	70	70	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
TH PELITA Sadong Sdn. Bhd.	70	70	Cultivation of oil palm and marketing of FFB.
TH PELITA Simunjan Sdn. Bhd.	60	60	Cultivation of oil palm and marketing of FFB.
TH PELITA Beladin Sdn. Bhd.	55	55	Cultivation of oil palm and marketing of FFB.

Non-controlling interests in subsidiaries

The Group's subsidiaries that have a material non-controlling interests ("NCI") are as follows:

2013			
Subsidiary name	NCI percentage of ownership interest and voting interest (%)	Carrying amount of NCI RM'000	Profit allocated to NCI RM'000
THP Sabaco Sdn. Bhd.	49	178,632	5,626
THP Saribas Sdn. Bhd.	20	13,552	2,337
THP-YT Plantation Sdn. Bhd.	30	10,872	(53)
Hydroflow Sdn. Bhd.	30	24,979	(3,387)
TH PELITA Gedong Sdn. Bhd.	30	64,315	(158)
TH PELITA Sadong Sdn. Bhd.	30	40,310	2,158
TH PELITA Meludam Sdn. Bhd.	40	11,349	3,671
Other individually immaterial subsidiaries	-	52,717	3,200
Total		396,726	13,394

6. Investments in subsidiaries (continued)

Non-controlling interests in subsidiaries (continued)

Subsidiary name	Summarised financial information before intra-group elimination													
	Non-current assets RM'000	Current assets RM'000	Non-current liabilities RM'000	Current liabilities RM'000	Net assets/(liabilities) RM'000	Revenue RM'000	Profit for the year RM'000	Total comprehensive income RM'000	Cash flows from operating activities RM'000	Cash flows from investing activities RM'000	Cash flows from financing activities RM'000	Net increase/(decrease) in cash and cash equivalents RM'000	Dividends paid to NCI RM'000	
	As at 31 December 2013													
	Year ended 31 December 2013													
THP														
Sabaco														
Sdn. Bhd.	153,348	63,539	(8,906)	(18,625)	189,356	100,247	18,001	18,001	24,598	(16,118)	(8,455)	25	-	
THP														
Saribas														
Sdn. Bhd.	541,484	14,680	(396,943)	(30,028)	129,193	69,878	12,308	12,308	107,464	(98,247)	(9,501)	(284)	-	
THP-YT														
Plantation														
Sdn. Bhd.	85,370	1,148	(42,148)	(853)	43,517	-	(175)	2,520	9,247	(9,208)	-	39	-	
Hydroflow														
Sdn. Bhd.	24,140	2,333	-	(10,624)	15,849	3,180	807	807	8,130	(8,000)	-	130	-	
TH														
PELITA														
Gedong														
Sdn. Bhd.	136,223	28,046	(34,429)	(21,997)	107,843	101,852	8,423	8,423	22,767	(16,217)	(7,000)	(450)	-	

NOTES TO THE FINANCIAL STATEMENTS
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6. Investments in subsidiaries (continued)

Non-controlling interests in subsidiaries (continued)

Subsidiary name	Summarised financial information before intra-group elimination											
	As at 31 December 2013					Year ended 31 December 2013						
Non-current assets RM'000	Current assets RM'000	Non-current liabilities RM'000	Current liabilities RM'000	Net assets/(liabilities) RM'000	Revenue RM'000	Profit for the year RM'000	Total comprehensive income RM'000	Cash flows from operating activities RM'000	Cash flows from investing activities RM'000	Cash flows from financing activities RM'000	Net increase/(decrease) in cash and cash equivalents RM'000	Dividends paid to NCI RM'000
TH PELITA Sadong Sdn. Bhd.	61,765	26,922	(15,899)	(9,144)	63,644	36,951	10,695	6,606	(4,452)	(2,076)	78	-
TH PELITA Meludam Sdn. Bhd.	188,911	1,477	(129,531)	(4,792)	56,065	10,138	10,110	(5,905)	(21,157)	27,067	5	-

6. Investments in subsidiaries (continued)

Non-controlling interests in subsidiaries (continued)

2012			
Subsidiary name	NCI percentage of ownership interest and voting interest (%)	Carrying amount of NCI RM'000	Profit allocated to NCI RM'000
THP Sabaco Sdn. Bhd.	49	182,361	9,107
THP Saribas Sdn. Bhd.	20	11,216	(385)
THP-YT Plantation Sdn. Bhd.	30	10,924	(84)
Hydroflow Sdn. Bhd.	30	28,366	3,232
TH PELITA Gedong Sdn. Bhd.	30	69,791	5,356
TH PELITA Sadong Sdn. Bhd.	30	40,905	4,142
TH PELITA Meludam Sdn. Bhd.	40	7,678	(609)
Other individually immaterial subsidiaries	-	42,658	(9,777)
Total		393,899	10,982

6. Investments in subsidiaries (continued)

Non-controlling interests in subsidiaries (continued)

Subsidiary name	Summarised financial information before intra-group elimination											
	As at 31 December 2012					Year ended 31 December 2012						
Non-current assets RM'000	Current assets RM'000	Non-current liabilities RM'000	Current liabilities RM'000	Net assets/(liabilities) RM'000	Revenue RM'000	Profit for the year RM'000	Total comprehensive income RM'000	Cash flows from operating activities RM'000	Cash flows from investing activities RM'000	Cash flows from financing activities RM'000	Net increase/(decrease) in cash and cash equivalents RM'000	Dividends paid to NCI RM'000
TH PELITA Sadong Sch. Bhd.	60,580	22,403	(18,585)	(9,187)	55,211	46,398	13,807	12,284	(4,224)	(7,843)	217	-
TH PELITA Meludam Sch. Bhd.	154,007	1,699	(104,442)	(5,309)	45,955	6,021	3,182	23,158	(23,204)	(477)	(523)	-

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. Investments in subsidiaries (continued)

Significant restrictions

Other than those disclosed elsewhere in the financial statements, the carrying amounts of assets to which significant restrictions apply are as follows:

	Group	
	2013 RM'000	2012 RM'000
Cash and cash equivalents	1,199	1,088
Land	16,548	23,521
At 31 December	17,747	24,609

The above restrictions arise from the following:

Restriction imposed by bank covenants

The covenants of bank loan taken by TH Pelita Gedong Sdn. Bhd. and TH Pelita Sadong Sdn. Bhd., a subsidiary of the Company, restricts the ability of the subsidiary 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.

The covenants of bank loan taken by TH Pelita Meludam Sdn. Bhd., a subsidiary of the Company, restricts the ability of the subsidiary 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. It also restricts the ability of the subsidiary 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.

7. Other investments

	Group and Company	
	2013 RM'000	2012 RM'000
Unquoted shares		
Available-for-sale financial assets	1,920	1,920
Less: Impairment loss	(1,321)	(1,321)
At 31 December	599	599

8. Trade and other receivables

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current					
Non-trade					
Amount due from subsidiaries	8.1	-	-	439,092	309,634
Current					
Trade					
Trade receivables		46,748	39,566	5,833	4,722
Non-trade					
Amount due from subsidiaries	8.2	-	-	255,350	54,325
Amount due from related companies	8.3	4,494	2,611	497	262
Other receivables		21,542	53,291	13,619	38,666
Tax credit	8.4	4,712	9,618	-	3,924
Dividend receivables		-	-	10,900	49,092
		30,748	65,520	280,366	146,269
Transfer to assets held for sale	11	(161)	-	-	-
		77,335	105,086	286,199	150,991

8.1 The amount due from subsidiaries are unsecured, no profit margin applied, stated at amortised cost and is not expected to be received in the next twelve (12) months of RM364,193,000 (2012: RM259,278,000), which is subject to profit margin ranges from 2.95% to 3.07% (2012: 2.96% to 3.10%).

8.2 The amount due from subsidiaries are unsecured, no profit margin applied and repayable on demand except for an amount of RM236,636,000 (2012: RM51,497,000), which is subject to profit margin ranges from 2.95% to 3.07% (2012: 2.96% to 3.10%).

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

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

NOTES TO THE FINANCIAL STATEMENTS

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9. Inventories

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Finished goods		2,430	8,921	235	787
Stores		23,088	24,599	829	1,272
Nurseries		13,761	8,213	849	540
		39,279	41,733	1,913	2,599
Transfer to assets held for sale	11	(41)	-	-	-
		39,238	41,733	1,913	2,599

Included in finished goods of the Company is Nil (2012: RM229,000), held by a subsidiary.

10. Cash and cash equivalents

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deposits placed with licensed banks	10.1	135,133	104,795	132,743	102,529
Cash and bank balances	10.2	10,117	20,422	6,825	10,858
		145,250	125,217	139,568	113,387
Transfer to assets held for sale	11	(15)	-	-	-
		145,235	125,217	139,568	113,387

10.1 Deposits which are placed with licensed banks for Group and Company have profit margins ranging between 2.90% to 3.44% (2012: 2.90% to 3.60%).

Included in the deposits placed with licensed banks for Group and Company are RM3,942,000 (2012: RM1,453,000) and RM655,800 (2012: RM655,800) respectively pledged for a bank guarantee issued to a third party.

10.2 Included in the bank balances is RM5,377,742 (2012: RM11,476,000) and RM4,584,000 (2012: RM9,896,000) which is maintained by the Group and the Company respectively with a related company.

11. Group assets held for sale

Investment in subsidiary, TH Bakti Sdn. Bhd. is presented as an asset held for sale following the approval of Board of Directors to sell the whole investment in TH Bakti Sdn. Bhd. on 30 May 2013. Efforts to sell the disposal group have commenced, and a sale is expected by June 2014. Asset classified as held for sale is as below:

Group	Note	RM'000
Assets classified as held for sale		
Property, plant and equipment	a	34,905
Intangible assets		151
Inventories	b	41
Trade and other receivables		161
Deposits and prepayments		8
Cash and cash equivalents		15
		35,281
Liabilities classified as held for sale		
Deferred tax liability		2,870
Payables and accruals		352
Current tax liability		1
		3,223

Note a

Property, plant and equipment held for sale comprise the following:

Group	RM'000
Cost	36,194
Accumulated depreciation	(1,289)
	34,905

Note b

The inventories held for sale are carried at cost.

Company	RM'000
Investment in subsidiary	
TH Bakti Sdn. Bhd.	14,057

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

12. Capital and reserves

12.1 Share capital

	Group and Company			
	Amount 2013 RM'000	Number of shares 2013 '000	Amount 2012 RM'000	Number of shares 2012 '000
Authorised:				
Ordinary shares of RM0.50 each	500,000	1,000,000	500,000	1,000,000
Issued and fully paid:				
Ordinary shares of RM0.50 each				
At 1 January	364,178	728,356	254,548	509,096
Issued in relation to acquisition of subsidiaries	-	-	104,617	209,234
Issue of shares under ESOS	2,990	5,980	5,013	10,026
Issue of shares under Bonus issue	73,088	146,177	-	-
At 31 December	440,256	880,513	364,178	728,356

12.2 Share premium

	Group and Company	
	2013 RM'000	2012 RM'000
At 1 January	484,206	39,925
Issued in relation to acquisition of subsidiaries*	-	431,023
Issue of shares under ESOS	6,441	13,258
Issue of shares – Bonus Issued	(73,088)	-
At 31 December	417,559	484,206

* 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.

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 27.

13. Loans and borrowings

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current					
Secured					
Flexi Term Financing-i	13.1	55,789	28,722	-	-
Ijarah Term Financing-i Facility	13.2	31,724	41,840	-	-
Unsecured					
Murabahah Medium Term Notes ("MMTN")		200,000	200,000	200,000	200,000
SUKUK Murabahah Medium Term Notes	13.3	710,000	200,000	710,000	200,000
		997,513	470,562	910,000	400,000
Current					
Secured					
Ijarah Term Financing-i Facility	13.2	10,000	10,000	-	-
Tawarruq Flexi Term Financing-i		-	10,000	-	-
		10,000	20,000	-	-
		1,007,513	490,562	910,000	400,000

Security

13.1 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 RM11,906,000 (2012: RM12,135,000) (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;

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

13. Loans and borrowings (continued)

13.1 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 prior consent of the Bank;
- (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.

13. Loans and borrowings (continued)

13.2 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 RM4,642,000 (2012: RM10,140,000)(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;

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

13. Loans and borrowings (continued)

13.2 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.

13.3 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.

13. Loans and borrowings (continued)

13.3 SUKUK Murabahah Medium Term Notes (continued)

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;
- (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;

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

13. Loans and borrowings (continued)

13.3 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;
- (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;

13. Loans and borrowings (continued)

13.3 SUKUK Murabahah Medium Term Notes (continued)

Significant covenants (continued)

TH Plantations Berhad (continued)

- (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.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

14. Deferred tax liabilities

Recognised deferred tax (assets)/liabilities

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

	Assets		Liabilities		Net	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Group						
Provisions	(234)	(79)	-	-	(234)	(79)
Unutilised tax losses	(35,513)	(14,670)	-	-	(35,513)	(14,670)
Unutilised capital allowances	(132,632)	(63,350)	-	-	(132,632)	(63,350)
Property, plant and equipment	-	-	459,370	350,318	459,370	350,318
FRS 139 adjustment on initial recognition of amount due to holding corporation and related company	-	-	9,026	6,147	9,026	6,147
Net tax (assets)/liabilities	(168,379)	(78,099)	468,396	356,465	300,017	278,366
Company						
Provisions	(497)	(137)	-	-	(497)	(137)
Property, plant and equipment	-	-	6,846	6,464	6,846	6,464
Unutilised capital allowances	(1,349)	-	-	-	(1,349)	-
FRS 139 adjustment on initial recognition of amount due to holding corporation and related company	-	-	7,864	4,782	7,864	4,782
Net tax (assets)/liabilities	(1,846)	(137)	14,710	11,246	12,864	11,109

14. 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	
	2013 RM'000	2012 RM'000
Deductible temporary differences	163,088	243,438
Unutilised tax loss carry-forwards	(89,967)	(92,045)
Capital allowance carry-forwards	(175,849)	(269,302)
At 31 December	(102,728)	(117,909)
Tax at 24% (2012: 25%)	(24,655)	(29,477)

The deductible temporary differences do not expire under current tax legislation. Unutilised tax loss carry-forwards and unutilised capital allowance carry-forwards of approximately RM89,967,000 (2012: RM92,045,000) and RM175,849,000 (2012: RM269,302,000) 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 for certain companies as at 31 December 2013.

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14. Deferred tax liabilities (continued)

Movement in temporary differences during the year

Group	At	Recognised	Acquired	At	Recognised	Acquired	Transfer to	At
	1.1.2012 RM'000	in profit or loss RM'000	in business combination (Note 30) RM'000	31.12.2012/ 1.1.2013 RM'000	in profit or loss RM'000	in business combination (note 30) RM'000	assets held for sale RM'000	31.12.2013 RM'000
Provisions	(977)	917	(19)	(79)	(155)	-	-	(234)
Unutilised tax losses	(2,490)	(12,016)	(164)	(14,670)	(14,965)	(5,878)	-	(35,513)
Unutilised capital allowances	(13,469)	(48,170)	(1,711)	(63,350)	(57,821)	(11,461)	-	(132,632)
Property, plant and equipment	105,647	51,388	193,283	350,318	33,987	77,935	(2,870)	459,370
FRS 139 adjustment on initial recognition of amount due to holding corporation and related company	2,222	3,925	-	6,147	2,879	-	-	9,026
	90,933	(3,956)	191,389	278,366	(36,075)	60,596	(2,870)	300,017
Company								
Provisions	(256)	119	-	(137)	(360)	-	-	(497)
Property, plant and equipment	4,621	1,843	-	6,464	382	-	-	6,846
Unutilised capital allowances	-	-	-	-	(1,349)	-	-	(1,349)
FRS 139 adjustment on initial recognition of amount due to holding corporation and related company	1,737	3,045	-	4,782	3,082	-	-	7,864
	6,102	5,007	-	11,109	1,755	-	-	12,864

15. Trade and other payables

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current					
Non-trade					
Amount due to related companies	15.1	11,885	11,349	10,923	10,455
Current					
Trade					
Trade payables		39,937	22,644	4,066	2,021
Non-trade					
Amount due to holding corporation	15.2	2,361	16,043	2,331	1,305
Amount due to subsidiaries	15.3	-	-	76,277	113,842
Amount due to related companies	15.4	66,244	29,798	66,237	19,342
Other payables		53,471	35,459	5,618	5,565
Accrued expenses		22,958	7,687	12,701	4,272
Dividend payable		80,344	118,709	76	26,389
		225,378	207,696	163,240	170,715
Transfer to asset held for sale	11	(352)	-	-	-
		225,026	207,696	163,240	170,715
		264,963	230,340	167,306	172,736

15.1 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.

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

15.3 The amount due to subsidiaries are unsecured, repayable on demand and subject to profit margin ranges from 2.95% to 3.07% (2012: 2.96% to 3.10%).

15.4 The amount due to related companies are unsecured, repayable on demand and is subject to profit margin ranges from 2.95% to 3.07% (2012: 2.96% to 3.10%).

NOTES TO THE FINANCIAL STATEMENTS

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16. Revenue

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sales	452,751	352,429	63,229	68,181
Dividends	91	73	58,795	50,689
Management fees - related companies	17,110	23,344	-	-
	469,952	375,846	122,024	118,870

17. Finance income

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit margin income on financial assets that are not at fair value through profit or loss:				
- intercompany receivables	-	15	55,647	30,690
- short-term fixed deposits	2,727	2,992	2,653	2,921
	2,727	3,007	58,300	33,611
Recognised in profit or loss	2,727	3,007	58,300	33,611

18. Finance cost

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Finance cost on financial liabilities that are not at fair value through profit or loss:				
- Borrowings	48,263	13,617	44,261	13,226
- Profit margin expense on subsidiaries	-	-	3,437	3,348
- Profit margin expense on related companies	2,540	1,974	2,540	1,974
- Profit margin expense on holding corporation	809	1,577	-	-
	51,612	17,168	50,238	18,548
Recognised in profit or loss	24,115	10,286	50,238	18,548
Capitalised in plantation development expenditure	27,497	6,882	-	-
	51,612	17,168	50,238	18,548

19. Tax expense

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax expense					
Malaysia - current year		29,099	27,144	3,542	4,592
- prior years		1,518	(4,872)	328	(6,834)
Total current tax recognised in profit or loss		30,617	22,272	3,870	(2,242)
Deferred tax expense					
Origination and reversal of temporary differences		(35,048)	(6,326)	2,769	3,485
(Over)/Under provision in prior year		(1,027)	2,370	(1,014)	1,522
Total deferred tax recognised in profit or loss	14	(36,075)	(3,956)	1,755	5,007
Total income tax expense		(5,458)	18,316	5,625	2,765
Reconciliation of effective tax expense					
Profit for the year		76,501	167,536	67,179	71,324
Total income tax expense		(5,458)	18,316	5,625	2,765
Profit excluding tax		71,043	185,852	72,804	74,089
Tax calculated using Malaysian tax rate of 25% (2012: 25%)		17,761	46,463	18,201	18,522
Effect from deferred tax asset not recognised		3,643	27,787	-	-
Recognition of previously unrecognised deferred tax assets		(19,777)	-	-	-
Effect of changes in tax rates on deferred tax assets not recognised *		1,179	-	-	-
Non-assessable income		(12,943)	(58,221)	(11,890)	(10,445)
Non-deductible expenses		4,188	4,789	-	-
Under/(Over) provided in prior years					
- current tax		1,518	(4,872)	328	(6,834)
- deferred tax		(1,027)	2,370	(1,014)	1,522
		(5,458)	18,316	5,625	2,765

* The Malaysian Budget 2014 announced the reduction of corporate tax rate to 24% with effect from year of assessment 2016. Consequently unrecognised deferred tax assets are measured using this tax rate.

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20. Profit for the year

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit for the year is arrived at after charging:					
Auditors' remuneration:					
- Audit fees					
KPMG Malaysia		838	534	160	160
- Non-audit fees					
KPMG Malaysia		23	90	23	90
Impairment loss:					
- Financial asset		-	14	-	7
- Inventory		35	39	-	-
Depreciation of property, plant and equipment	3	76,252	39,262	1,179	1,169
Fair value of ESOS granted		-	1,156	-	1,156
Personnel expenses (including key management personnel):					
- Wages, salaries and others		94,893	84,136	6,480	6,083
- Contribution to Employees Provident Fund		5,569	4,917	387	328
Property, plant and equipment written off	3	640	2,883	28	81
Plantation development expenditure written off	4	901	-	-	-
Rental expense in respect of:					
- Premises		1,932	1,932	1,932	1,932
- Land		2,420	2,420	2,420	2,420
Zakat expense		278	-	-	-
and after crediting:					
Surplus over fair value of net assets acquired		-	101,241	-	-
Gain on disposal of property, plant and equipment		138	110	25	-
Rental income from property		2,054	2,054	5,779	5,779
Zakat expense		-	119	-	-
Fair value of ESOS granted		492	-	492	-

21. Earnings per share

Basic earnings per share

The calculation of basic and diluted earnings per share at 31 December 2013 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2013 RM'000	2012 RM'000
Profit for the year attributable to shareholders	63,107	156,554

Weighted average number of ordinary shares

	Group	
	2013 '000	2012 '000
Issued ordinary shares at 1 January	728,356	509,096
Effect of issuance of new ordinary shares	-	209,234
Effect of ordinary shares issued under ESOS	5,980	10,026
Effect of Bonus Issued	146,177	-
Weighted average number of ordinary shares at 31 December	880,513	728,356

Weighted average number of ordinary shares (diluted)

	Group	
	2013 '000	2012 '000
Issued ordinary shares at 1 January	742,977	509,096
Effect of issuance of new ordinary shares	-	209,234
Effect of ordinary shares issued under ESOS	5,980	10,026
Effect of Bonus Issued	146,177	-
Effect of share options on issue	17,205	14,621
Weighted average number of ordinary shares at 31 December	912,339	742,977

	Group	
	2013 Sen	2012 Sen
Basic earnings per ordinary share	7.17	21.49
Diluted earnings per ordinary share	6.92	21.07

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

22. Dividends

Dividends recognised in the current year by the Company are:

	Sen per share	Total amount RM'000	Date of payment
2013			
Final 2012 ordinary (net of tax)	1.00	7,303	6 June 2013
		7,303	
2012			
Final 2011 ordinary (net of tax)	12.50	64,525	9 May 2012
Interim 2012 ordinary (net of tax)	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	

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 2013 ordinary (net of tax)	3.62	31,860

23. 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(r).

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

23. Operating segments (continued)

	Oil palm plantations		Management services		Elimination		Consolidation	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Segment profit/(loss)								
<i>Included in the measure of segment profit/ (loss) are:</i>								
Revenue from external customers	452,751	352,502	17,110	23,344	-	-	469,861	375,846
Inter-segment revenue	134,993	68,146	19,764	12,144	(154,757)	(80,290)	-	-
<i>Not included in the measure of segment profit but provided to Group's Chief Executive Officer</i>								
Depreciation	(83,032)	(41,683)	(1,177)	(1,289)	-	-	(84,209)	(42,972)
Finance costs	(72,724)	(41,220)	-	-	48,609	30,934	(24,115)	(10,286)
Profit margin income from short-term investments and receivables	80,504	52,901	-	-	(77,777)	(49,894)	2,727	3,007
Income tax expense	(2,574)	(32,631)	(3,686)	(4,063)	11,718	18,378	5,458	(18,316)
Segment assets	4,598,422	3,623,363	16,187	13,986	(1,437,311)	(1,110,379)	3,177,298	2,526,970
<i>Included in the measure of segment assets are:</i>								
Additions to non-current assets other than financial instrument and deferred tax assets	229,751	38,552	1,175	1,131	975,613	(2)	1,206,539	39,681

23. Operating segments (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and other material items

	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
2013						
Total profit or loss for reportable segments	624,709	(84,209)	(72,724)	80,504	4,614,609	230,926
Elimination of inter-segment transaction or balances	(154,757)	-	48,609	(77,777)	(1,437,311)	975,613
Consolidated total	469,952	(84,209)	(24,115)	2,727	3,177,298	1,206,539
2012						
Total profit or loss for 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

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

23. 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.

	Group	
	2013 RM'000	2012 RM'000
Malaysia	-	6,993
Indonesia	17,110	16,351
	17,110	23,344

Major customers

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

	2013 RM'000	2012 RM'000	Segment
Ngo Chew Hong Oil & Fats Sdn. Bhd.	53,251	73,314	Oil palm plantations
Bintulu Edible Oils Sdn. Bhd.	81,997	31,496	Oil palm plantations

24. Financial instruments

24.1 Categories of financial instruments

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

- (a) Loans and receivables ("L&R");
- (b) Financial liabilities measured at amortised cost ("FL"); and
- (c) Available-for-sale financial assets ("AFS").

2013	Carrying amount RM'000	L&R/ (FL) RM'000	AFS RM'000
Group			
Financial assets			
Other investment	599	-	599
Amount due from related companies	4,494	4,494	-
Trade and other receivables	68,290	68,290	-
Cash and cash equivalents	145,250	145,250	-
	218,633	218,034	599
Financial liabilities			
Murabahah Medium Term Notes	(200,000)	(200,000)	-
SUKUK Murabahah Medium Term Notes	(710,000)	(710,000)	-
Flexi Term Financing-i	(55,789)	(55,789)	-
Ijarah Term Financing-i Facility	(41,724)	(41,724)	-
Amount due to related companies	(78,129)	(78,129)	-
Amount due to holding corporation	(2,361)	(2,361)	-
Trade and other payables	(93,408)	(93,408)	-
	(1,181,411)	(1,181,411)	-
Company			
Financial assets			
Other investment	599	-	599
Amount due from related companies	497	497	-
Amount due from subsidiaries	694,442	694,442	-
Trade and other receivables	30,352	30,352	-
Cash and cash equivalents	139,568	139,568	-
	865,458	864,859	599
Financial liabilities			
Murabahah Medium Term Notes	(200,000)	(200,000)	-
SUKUK Murabahah Medium Term Notes	(710,000)	(710,000)	-
Amount due to subsidiaries	(76,277)	(76,277)	-
Amount due to related companies	(77,160)	(77,160)	-
Amount due to holding corporation	(2,331)	(2,331)	-
Trade and other payables	(9,684)	(9,684)	-
	(1,075,452)	(1,075,452)	-

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

24. Financial instruments (continued)

24.1 Categories of financial instruments (continued)

2012	Carrying amount RM'000	L&R/ (FL) RM'000	AFS RM'000
Group			
Financial assets			
Other investment	599	-	599
Amount due from related companies	2,611	2,611	-
Trade and other receivables	102,475	102,475	-
Cash and cash equivalents	125,217	125,217	-
	230,902	230,303	599
Financial liabilities			
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)	-
Company			
Financial assets			
Other investment	599	-	599
Amount due from related companies	262	262	-
Amount due from subsidiaries	363,959	363,959	-
Trade and other receivables	96,404	96,404	-
Cash and cash equivalents	113,387	113,387	-
	574,611	574,012	599
Financial liabilities			
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)	-

24. Financial instruments (continued)

24.2 Net gains and losses arising from financial instruments

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Net gains/(losses) on:				
Loans and receivables	2,727	2,993	58,300	33,604
Financial liabilities measured at amortised cost	(51,612)	(17,168)	(50,238)	(18,548)
	(48,885)	(14,175)	8,062	15,056

Included in other financial liabilities of the above, RM27,497,000 (2012: RM6,882,000) has been capitalised in plantation development expenditure (see Note 4).

24.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

24.4 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 contractual 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 receivables 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 customers requiring credit over a certain amount. The Group and the Company do not require collateral in respect of financial assets.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

24. Financial instruments (continued)

24.4 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:

	Group	
	2013 RM'000	2012 RM'000
Malaysia	68,626	102,737
Indonesia	3,997	2,349

Impairment losses

The Group maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Not past due	45,865	31,878	5,700	3,139
Past due 0-30 days	883	7,688	133	1,583
	46,748	39,566	5,833	4,722

There was no impairment required on trade receivables.

24. Financial instruments (continued)

24.4 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 loans and advances

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.

24.5 Liquidity risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

24. Financial instruments (continued)

24.5 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:

Group	Carrying amount RM'000	Contractual profit margin 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
2013							
<i>Non-derivative financial liabilities</i>							
Murabahah Medium Term Notes	200,000	8.60	238,066	10,445	99,647	76,451	51,523
SUKUK Murabahah Medium Term Notes	710,000	6.60	1,152,478	42,429	85,204	195,568	829,277
Flexi Term Financing-i	55,789	4.75	58,202	-	-	-	58,202
Ijarah Term Financing-i Facility	41,724	6.39	47,666	12,802	18,318	16,546	-
Amount due to holding corporation	2,361	-	2,361	2,361	-	-	-
Amount due to related companies	78,129	2.95-3.07	80,473	80,473	-	-	-
Trade and other payables	93,408	-	93,408	93,408	-	-	-
	1,181,411		1,672,654	241,918	203,169	288,565	939,002
2012							
<i>Non-derivative 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	2.96-3.10	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

24. Financial instruments (continued)

24.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual margin 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
2013							
<i>Non-derivative financial liabilities</i>							
Murabahah Medium Term Notes	200,000	8.60	238,066	10,445	99,647	76,451	51,523
SUKUK Murabahah Medium Term Notes	710,000	6.60	1,152,478	42,429	85,204	195,568	829,277
Amount due to subsidiaries	76,277	3.06	76,366	76,366	-	-	-
Amount due to holding corporation	2,331	-	2,331	2,331	-	-	-
Amount due to related companies	77,160	-	77,160	77,160	-	-	-
Trade and other payables	9,684	-	9,684	9,684	-	-	-
	1,075,452		1,556,085	218,415	184,851	272,019	880,800
2012							
<i>Non-derivative 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	29,797	-	-	-
Trade and other payables	38,247	-	38,247	38,247	-	-	-
	583,191		833,212	210,274	23,645	215,733	383,560

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

24. Financial instruments (continued)

24.6 Market risk

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

24.6.1 Profit margin risk

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

Risk management objectives, policies and processes for managing the risk

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

Exposure to profit margin risk

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Fixed rate instruments				
Murabahah Medium Term Notes	200,000	200,000	200,000	200,000
SUKUK Murabahah Medium Term Notes	710,000	200,000	710,000	200,000
Ijarah Term Financing-i Facility	41,724	51,840	-	-
	951,724	451,840	910,000	400,000
Floating rate instruments				
Tawarruq Flexi Term Financing-i	-	10,000	-	-
Flexi Term Financing-i	55,789	28,722	-	-
	55,789	38,722	-	-

As at 31 December 2013, 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 15.4.

As at 31 December 2013, 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 7 and Note 15 respectively.

24. Financial instruments (continued)

24.6 Market risk (continued)

24.6.1 Profit margin risk (continued)

Profit margin risk sensitivity analysis

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.

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		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	2013 RM'000	2013 RM'000	2012 RM'000	2012 RM'000
Group				
Floating rate instruments				
Flexi Term Financing-i	(418)	418	(215)	215
Tawarruq Flexi Term Financing-i	-	-	(75)	75
	(418)	418	(290)	290

24.7 Fair value information

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

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market prices in an active market and the fair value cannot be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Financial instruments (continued)

24.7 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

Group	Fair value of financial instruments carried at fair value*				Fair value of financial instruments not carried at fair value* RM'000	Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000			
2013							
Financial assets							
Unquoted investments	-	-	599	599	-	599	599
Financial liabilities							
Flexi Term Financing-i	-	-	-	-	55,789	55,789	55,789
Murabahah Medium Term Notes – unsecured	-	-	-	-	200,000	200,000	200,000
SUKUK Murabahah Medium Term Notes – unsecured	-	-	-	-	710,000	710,000	710,000
Ijarah Term Financing-i Facility	-	-	-	-	41,724	41,724	41,724
Amount due to related companies	-	-	-	-	11,885	11,885	11,885
	-	-	-	-	1,019,398	1,019,398	1,019,398

24. Financial instruments (continued)

24.7 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

Company	Fair value of financial instruments carried at fair value*				Total RM'000	Fair value of financial instruments not carried at fair value* RM'000	Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000					
2013								
Financial assets								
Unquoted investments	-	-	599		599	-	599	599
Amount due from subsidiaries	-	-	-		-	439,092	439,092	439,092
	-	-	599		599	439,092	439,691	439,691
Financial liabilities								
Murabahah Medium Term Notes – unsecured	-	-	-		-	200,000	200,000	200,000
SUKUK Murabahah Medium Term Notes – unsecured	-	-	-		-	710,000	710,000	710,000
Amount due to related companies	-	-	-		-	10,923	10,923	10,923
	-	-	-		-	920,923	920,923	920,923

* Comparative figures have not been analysed by levels, by virtue of transitional provision given in Appendix C2 of FRS 13.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

24. Financial instruments (continued)

24.7 Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2012: no transfer in either directions).

24. Financial instruments (continued)

24.7 Fair value information (continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

(a) Financial instruments not carried at fair value

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Amount due to related companies	Discounted cash flows	Not applicable	Not applicable

Interest rates used to determine financial instrument

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	2013	2012
Loans and borrowings	4.59%	4.56%

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25. 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 2013, the Group's strategy, which was unchanged from 2012, was to maintain the debt-to-equity ratio less than one time. The debt-to-equity ratios at 31 December 2013 and at 31 December 2012 were as follows:

		Group	
	Note	2013 RM'000	2012 RM'000
Total borrowings	13	1,007,513	490,562
Less: Cash and cash equivalents	10	(145,250)	(125,217)
Net debt		862,263	365,345
Total equity		1,585,981	1,512,985
Debt-to-equity ratios		54%	24%

There was no change in the Group's approach to capital management during the financial 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.

26. 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:

	Group	
	2013 RM'000	2012 RM'000
Less than one year	537	2,677
Between one and three years	1,232	4,799
	1,769	7,476

27. Employee benefits

Share-based payments arrangement

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 an 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
Total share options	52,790		

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

	2013		2012	
	Weighted average exercise price RM	Number of options	Weighted average exercise price RM	Number of options
Outstanding at 1 January	1.72	20,296	1.61	25,754
Granted during the year	-	-	2.09	5,818
Bonus issued during the year	1.27	1,801	-	-
Bonus issued during the year	1.45	569	-	-
Bonus issued during the year	1.74	1,094	-	-
Forfeited during the year	1.27	-	1.52	(1,157)
Forfeited during the year	1.45	(311)	-	-
Forfeited during the year	1.74	(264)	2.09	(93)
Exercised during the year	1.27	(5,125)	1.52	(5,362)
Exercised during the year	1.45	(788)	1.74	(4,614)
Exercised during the year	1.74	(67)	2.09	(50)

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

27. Employee benefits (continued)

Share-based payments (continued)

The options outstanding at 31 December 2013 have an exercise price at RM1.27, RM1.45 and RM1.74 per ordinary share respectively and a weighted average of the remaining contractual life of 1 year.

During the year, 5,980,200 share options were exercised. The weighted average share price for the year was RM1.27, RM1.45 and RM1.74 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	
	2013	2012
Fair value at grant date	-	RM0.24
Weighted average share price exercise price	-	RM2.09
Fair value adjustment on financial assets	-	2 years

Employee expenses

	Group and Company	
	2013 RM'000	2012 RM'000
Total expense recognised as share-based payments	(492)	1,156

28. Capital and other commitments

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Property, plant and equipment				
<i>Authorised but not contracted for:</i>				
Within one year	160,235	223,211	14,171	12,382
Plantation development expenditure				
<i>Authorised but not contracted for:</i>				
Within one year	257,940	205,038	17,576	13,230
Investment				
<i>Authorised and contracted for:</i>				
Within one year	-	276,842	-	276,842
	418,175	705,091	31,747	302,454

29. 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.

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 8 and 15.

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
A. Holding corporation				
Expenses				
Rental of premise	(1,932)	(1,932)	(1,932)	(1,932)
Rental of land	(2,420)	(2,420)	(2,420)	(2,420)
B. Related companies				
Income				
Management fees income	17,110	23,344	-	-
Profit margin income from related companies	-	15	-	15
Expenses				
Purchase of fertilisers	(16,612)	(39,987)	(2,263)	(2,625)
Purchase of flight tickets	(651)	(882)	(109)	(206)
Telecommunication equipment	(850)	(735)	(87)	(146)
Insurance policy	(2,513)	(3,399)	(281)	(367)

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

29. Related parties (continued)

Significant related party transactions (continued)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
C. Subsidiaries companies				
Income				
Rental of premise	-	-	1,932	1,932
Profit margin income from subsidiaries receivables	-	-	55,647	30,675
Expenses				
Management fees	-	-	(2,121)	(1,932)
Profit margin expense from subsidiaries payables	-	-	(3,437)	(3,348)
D. Key management personnel				
Directors				
- Fees	(1,706)	(1,645)	(588)	(611)
- Remuneration	(1,306)	(1,395)	(1,306)	(1,395)
- Other short-term employee benefits	(32)	(231)	(32)	(32)
	(3,044)	(3,271)	(1,926)	(2,038)
Other key management personnel				
- Short-term employee benefits	(1,912)	(1,550)	(1,912)	(1,550)
	(4,956)	(4,821)	(3,838)	(3,588)

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

For salaried key management personnel, the Group also contributes to state plans at the minimum statutory rate.

The estimated monetary value of Directors' benefit-in-kind is RM31,800 (2012: RM31,800).

Executive officers also participate in the Group's share option programme (see Note 27).

Certain executive officers are subject to mutual term of notice of 12 months. Upon resignation at the Group's request, they are entitled to termination benefits up to 24 months gross salary.

30. Acquisition of subsidiaries

Acquisition of subsidiaries in 2013

30.1 Acquisition of subsidiary – Bumi Suria Ventures Sdn. Bhd.

On 27 February 2013, the Group acquired 100% shares in Bumi Suria Ventures Sdn. Bhd. (“BSV”) for RM221,699,000 satisfied in cash. BSV is involved in oil palm plantations. The acquisition of BSV has further expanded the Group’s operation into Sarawak. In the period from 27 February 2013 to 31 December 2013, the subsidiary contributed revenue of RM4,810,000 and loss of RM1,266,000. If the acquisition had occurred on 1 January 2013, management estimates that consolidated revenue would have increased by RM556,000 and consolidated profit for the year would have increased by RM3,602,000. 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 2013.

	Group 2013 RM'000
Fair value of consideration transferred	
Cash and cash equivalents	221,699
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	282,485
Plantation development expenditure	74,121
Inventories	838
Trade and other receivable	1,206
Cash and bank balances	10
Trade and other payable	(55,701)
Loans and borrowings	(51,765)
Deferred tax liabilities	(57,284)
	193,910
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration settled in cash and cash equivalents	221,699
Cash and cash equivalents	(10)
	221,689
Goodwill	
Goodwill was recognised as a result of acquisition as follows:	
Total consideration transferred	221,699
Fair value of identifiable net assets	(193,910)
	27,789

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

30. Acquisition of subsidiaries (continued)

Acquisition of subsidiaries in 2013 (continued)

30.2 Acquisition of subsidiary – Maju Warisanmas Sdn. Bhd.

On 27 February 2013, the Group acquired 100% shares in Maju Warisanmas Sdn. Bhd. (“MWM”) for RM42,494,000 satisfied in cash. MWM is involved in letting of investment property. The acquisition of MWM has further expanded the Group’s operation into Sarawak. In the period from 27 February 2013 to 31 December 2013, the subsidiary contributed revenue of RM Nil and loss of RM121,144. If the acquisition had occurred on 1 January 2013, management estimates that consolidated revenue would have increased by RM Nil and consolidated profit for the year would have decreased by RM15,000. 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 2013.

	Group 2013 RM'000
Fair value of consideration transferred	
Cash and cash equivalents	42,494
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	13,775
Trade and other receivable	430
Cash and bank balances	46
Trade and other payable	(66)
Deferred tax liabilities	(3,312)
	10,873
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration settled in cash and cash equivalents	42,494
Cash and cash equivalents	(46)
	42,448
Goodwill	
Goodwill was recognised as a result of acquisition as follows:	
Total consideration transferred	42,494
Fair value of identifiable net assets	(10,873)
	31,621

30. Acquisition of subsidiaries (continued)

Acquisition of subsidiaries in 2012

30.3 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 1 July 2012 to 31 December 2012 the subsidiary contributed revenue of RM1,209,044 and profit of RM643,018. If the acquisition had occurred on 1 January 2012, management estimates that consolidated revenue would have increased by RM2,471,762 and consolidated profit for the year would have increased by RM10,774,970. 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
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	101,210
Plantation development expenditure	4,201
Inventories	1,066
Cash and bank balance	#
Deferred tax liabilities	(22,698)
	83,779
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration settled in cash and cash equivalents	72,500
Cash and cash equivalents	#
	72,500

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

30. Acquisition of subsidiaries (continued)

Acquisition of subsidiaries in 2012 (continued)

30.3 Acquisition of subsidiary – Hydroflow Sdn. Bhd. (continued)

	Group 2012 RM'000
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)
	13,855

Represent RM10

30.4 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. ("THLSS") 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 THLSS has further expanded the Group's operation into Sarawak and Sabah. In 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 increase by RM146,250,000 and consolidated profit for the year would have increase 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 instrument issued (202,343,750 ordinary shares valued based on the share price on completion date of RM2.04)	412,782

30. Acquisition of subsidiaries (continued)

Acquisition of subsidiaries in 2012 (continued)

30.4 Acquisition of subsidiary – TH Ladang (Sabah & Sarawak) Sdn. Bhd. (continued)

	Group 2012 RM'000
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)
	675,606
Net cash inflow arising from acquisition of subsidiary	
Cash and cash equivalents acquired	(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)
	(101,241)

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

30. Acquisition of subsidiaries (continued)

Acquisition of subsidiaries in 2012 (continued)

30.5 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 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 increase by RM3,664,000 and consolidated profit for the year would have decrease 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.

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 instrument issued (6,890,625 ordinary shares valued based on the share price on completion date of RM2.04)	14,057
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)
	19,866

30. Acquisition of subsidiaries (continued)

Acquisition of subsidiaries in 2012 (continued)

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

	Group 2012 RM'000
Net cash inflow arising from acquisition of subsidiary	
Cash and bank balance acquired	(112)
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)
	151

31. Material litigations

Certain portion of the plantation land currently owned by subsidiaries of the Company, TH PELITA Sadong Sdn. Bhd. and TH PELITA Gedong Sdn. Bhd. ("Affected Entities"), are currently being implicated under legal proceedings of which the defendants are the joint venture partners of the Affected Entities together with the Superintendent of Land & Survey Department and the State Government of Sarawak. The ultimate outcome is still pending. The Affected Entities are not the parties to these legal suits. However, to safeguard their interest on the respective land, the Affected Entities have subsequently filed an application to the Court of Appeal to be an intervener.

The cases involved are as follows:

(i) The Kuching High Court Suit No. 22-249-98-III(I)

TR. Nyutan Ak Jami, Gangak Anak Guma, Langa Anak Kama and 183 Others vs. Lembaga Pembangunan dan Lindungan Tanah, Nirwana Muhibbah Sdn. Bhd. and the State Government of Sarawak; and

(ii) The Kuching High Court Suit No. 22-249-98-III(I) (The Court of Appeal Civil Appeal No. Q-01-136-03/2012 and Civil Appeal No. Q-01-137-03/2012)

TR. Nyutan Ak Jami, Gangak Anak Guma, Langa Anak Kama vs. Lembaga Pembangunan Dan Lindungan Tanah, Nirwana Muhibbah Sdn. Bhd. & State Government of Sarawak.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

31. Material litigations (continued)

On 27 September 2013, the Court of Appeal of Sarawak had judged these cases in favour of the plaintiffs.

On 23 October 2013, TH PELITA Sadong Sdn. Bhd. and TH PELITA Gedong Sdn. Bhd. had filed an application for leave to appeal to the Federal Court of Malaysia against the decision of the Court of Appeal of Sarawak.

Based on legal advices for all cases stated, the Directors of the Company are confident on the favourable outcome from the appeal and do not expect the future outcome to have a material effect on the Group's financial position. In the Directors opinion, disclosure of any further information about the above matter would be prejudicial to the interest of the Group.

32. Subsequent events

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 which has been issued "izin lokasi" for approximately 11,400 hectares, 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 2012 of Rp2,747:1.00. The transaction was completed on 10 January 2014.

33. 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		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total retained earnings of the Company and its subsidiaries:				
- realised	580,452	482,400	249,072	183,916
- unrealised	7,957	28,230	(1,616)	3,664
Less: Consolidation adjustments	(177,235)	(161,688)	-	-
Total retained earnings	411,174	348,942	247,456	187,580

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 121 to 216 are drawn up in accordance with Financial Reporting Standards and the requirements of 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 2013 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 33 on page 217 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:



.....
Datuk Azizan bin Abd Rahman



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

Kuala Lumpur,

Date: 25 February 2014

STATUTORY DECLARATION

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 121 to 217 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 25 February 2014.



.....
Mohamed Azman Shah bin Ishak

Before me:



Wisma LMS No 6, Unit 2A, Tingkat 2,
Jalan Abdul Rahman Idris, Off Jalan
Raja Muda Aziz, 50300 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 2013 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 121 to 216.

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 2013 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 33 on page 217 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TH PLANTATIONS BERHAD
(CONTINUED)

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: 25 February 2014

ANALYSIS OF SHAREHOLDINGS

AS AT 15 APRIL 2014

SHAREHOLDING STRUCTURE

Authorised Share Capital	:	RM2,000,000,000.00 (comprising 4,000,000,000 ordinary shares of RM0.50 each)
Issued and Paid-Up Share Capital	:	RM441,456,435.00 (comprising 882,912,870 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 Holders	%	No. of Shares	%
Less than 100	142	1.50	2,559	#
100 to 1,000	643	6.81	315,250	0.04
1,001 to 10,000	7,108	75.30	28,136,618	3.19
10,001 to 100,000	1,375	14.57	34,838,527	3.95
100,001 to less than 5% of issued shares	170	1.80	133,424,045	15.10
5% and above of issued shares	2	0.02	686,195,871	77.72
Total	9,440	100.00	882,912,870	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Ordinary Shares Held			
		Direct	%	Indirect	%
1.	Tan Sri Ab. Aziz bin Kasim	Nil	Nil	Nil	Nil
2.	Dato' Zainal Azwar bin Zainal Aminuddin	4,800	#	Nil	Nil
3.	Tan Sri Dr. Abdul Samad bin Haji Alias	331,000	0.04	Nil	Nil
4.	Datuk Seri Nurmala binti Abd Rahim	Nil	Nil	Nil	Nil
5.	Dato' Paduka Ismee bin Haji Ismail	Nil	Nil	Nil	Nil
6.	Datuk Azizan bin Abd Rahman	Nil	Nil	Nil	Nil
7.	Dato' Haji Wan Zakaria bin Abd Rahman	4,800	#	Nil	Nil
8.	Dato' Noordin bin Md Noor	Nil	Nil	Nil	Nil
9.	Dato' Amran bin Mat Nor	Nil	Nil	Nil	Nil
10.	Mahbob bin Abdullah	Nil	Nil	Nil	Nil

Note:

Negligible

ANALYSIS OF SHAREHOLDINGS

AS AT 15 APRIL 2014

SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Ordinary Shares Held			
		Direct	%	Indirect	%
1.	Lembaga Tabung Haji	628,808,331	71.22	Nil	Nil
2.	Employees Provident Fund Board	60,630,620	6.87	Nil	Nil

TOP THIRTY SHAREHOLDERS

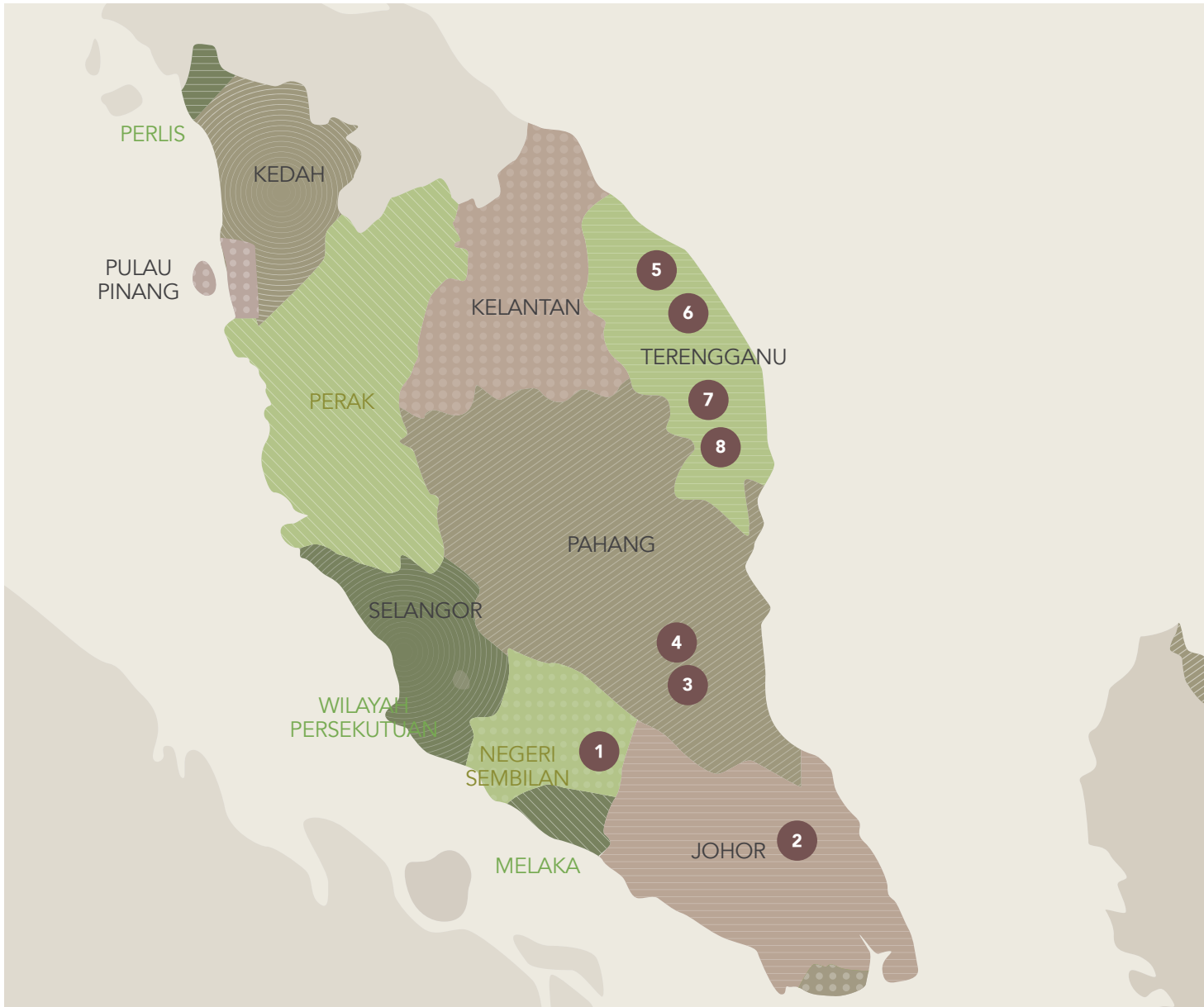
No.	Name of Shareholders	No. of Shares Held	% of Issued Share Capital
1.	Lembaga Tabung Haji	628,808,331	71.22
2.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	57,387,540	6.50
3.	Kumpulan Wang Persaraan (Diperbadankan)	24,776,880	2.81
4.	AIBB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yayasan Pok Dan Kassim	12,491,760	1.41
5.	Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	11,067,120	1.25
6.	Amanahraya Trustees Berhad Public Islamic Opportunities Fund	6,238,680	0.71
7.	Pertubuhan Peladang Negeri Terengganu	5,870,294	0.66
8.	Lembaga Tabung Angkatan Tentera	4,238,000	0.48
9.	Affin Nominees (Tempatan) Sdn. Bhd. Affin Fund Management Sdn. Bhd. for Majlis Ugama Islam Dan Adat Resam Melayu Pahang	3,862,560	0.44
10.	Amsec Nominees (Tempatan) Sdn. Bhd. Assar Asset Management Sdn. Bhd. for Tabung Baitulmal Sarawak (Majlis Islam Sarawak) (FM-ASSAR-TBS)	2,700,000	0.31
11.	Mayban Nominees (Tempatan) Sdn. Bhd. Amanahraya Investment Management Sdn. Bhd. for Majlis Agama Islam Negeri Sembilan (C417-260272)	2,415,840	0.27
12.	Amin Baitulmal Johor	2,400,000	0.27
13.	Majlis Agama Islam Dan Adat Melayu Perak Darul Ridzuan	2,400,000	0.27
14.	Majlis Agama Islam Wilayah Persekutuan	2,400,000	0.27
15.	PM Nominees (Tempatan) Sdn. Bhd. for Bank Kerjasama Rakyat Malaysia Berhad	2,233,200	0.25
16.	Amanahraya Trustees Berhad Public Islamic Sector Select Fund	2,009,200	0.23
17.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (PHEIM)	1,993,080	0.23
18.	Citigroup Nominees (Tempatan) Sdn. Bhd. CBNY for DFA Emerging Markets Small Cap Series	1,639,960	0.19
19.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Koon Yew Yin	1,595,600	0.18

TOP THIRTY SHAREHOLDERS (CONTINUED)

No.	Name of Shareholders	No. of Shares Held	% of Issued Share Capital
20.	Hong Leong Assurance Berhad As Beneficial Owner (Unitlinked GF)	1,538,400	0.17
21.	Neoh Choo Ee & Company Sdn. Berhad	1,458,800	0.17
22.	CIMB Commerce Trustee Berhad Public Focus Select Fund	1,334,000	0.15
23.	Employees Provident Fund Board	1,200,000	0.14
24.	Majlis Agama Islam Melaka	1,200,000	0.14
25.	Maybank Nominees (Tempatan) Sdn. Bhd. Etiqa Insurance Berhad (Balance Fund)	1,200,000	0.14
26.	Citigroup Nominees (Tempatan) Sdn. Bhd. CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc.	1,175,640	0.13
27.	Koperasi Permodalan Felda Malaysia Berhad	1,121,600	0.13
28.	Maybank Nominees (Tempatan) Sdn. Bhd. Etiqa Insurance Berhad (Sharehldr's FD)	1,000,000	0.11
29.	Citigroup Nominees (Asing) Sdn. Bhd. CIPLC for PHEIM SIVAC-SIF	900,000	0.10
30.	Amanahraya Trustees Berhad Amanah Saham Bank Simpanan Nasional	873,400	0.10
	TOTAL	789,539,885	89.42

PROPERTIES OWNED BY THP GROUP

AS AT 31 DECEMBER 2013



NEGERI SEMBILAN

1. **LADANG LONDAH**
Gemas, Negeri Sembilan
- LADANG PASIR BESAR**
Gemas, Negeri Sembilan
- LADANG BUKIT ROKAN**
Gemas, Negeri Sembilan
- KILANG SAWIT LADANG PASIR BESAR**
Gemas, Negeri Sembilan

JOHOR

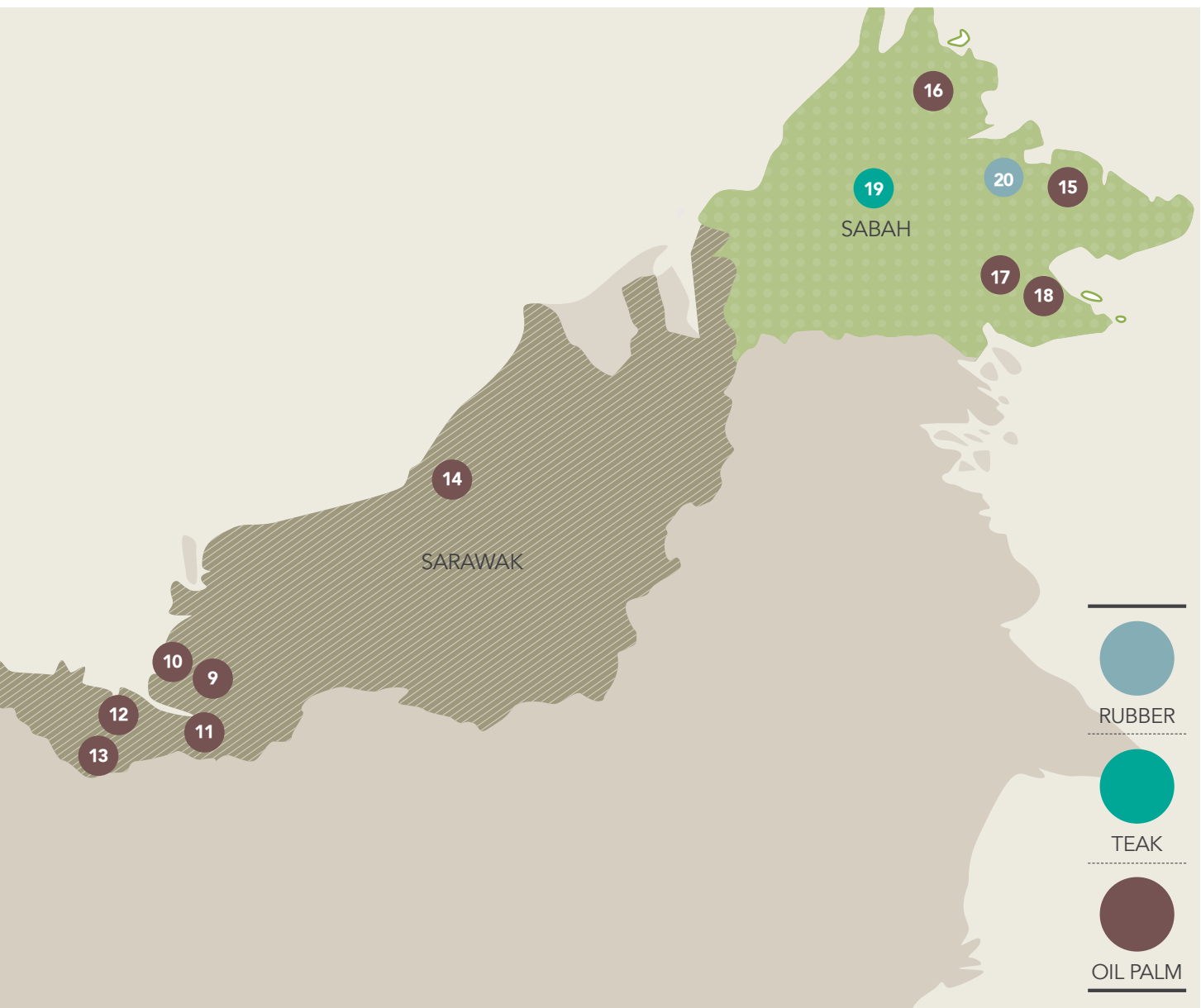
2. **LADANG BUKIT LAWIANG**
Kluang, Johor
- LADANG GUNUNG SUMALAYANG**
Kluang, Johor
- KILANG SAWIT BUKIT LAWIANG**
Kluang, Johor

PAHANG

3. **LADANG KOTA BAHAGIA**
Keratong, Pahang
- LADANG SUNGAI MENGAH**
Keratong, Pahang
- LADANG SUNGAI BUAN**
Keratong, Pahang
- KILANG SAWIT KOTA BAHAGIA**
Keratong, Pahang
4. **LADANG SUNGAI MERCHONG**
Muadzam Shah, Pahang

TERENGGANU

5. **LADANG BUKIT BIDONG**
Setiu, Terengganu
6. **LADANG TH BAKTI**
Dungun, Terengganu
7. **LADANG SUNGAI IBOK**
Kemaman, Terengganu
8. **LADANG ULU CHUKAI**
Kemaman, Terengganu



SARAWAK

- 9. **LADANG KENYALANG**
Pusa, Sarawak
LADANG RAJA UDANG
Pusa, Sarawak
LADANG ENGGANG
Pusa, Sarawak
LADANG MERBOK
Pusa, Sarawak
KILANG SAWIT LADANG RAJA UDANG
Pusa, Sarawak
- 10. **LADANG TANJUNG LILIN**
Meludam, Sarawak
LADANG SEMARANG
Meludam, Sarawak
LADANG NCR
Beladin, Sarawak

- 11. **LADANG KEPAYANG**
Samarahan, Sarawak
LADANG SEMALATONG
Samarahan, Sarawak
- 12. **LADANG SUNGAI KERIAN**
Samarahan, Sarawak
LADANG SUNGAI RASAU
Samarahan, Sarawak
- 13. **LADANG GEDONG**
Serian, Sarawak
LADANG SEMATAN
Serian, Sarawak
LADANG SADONG
Serian, Sarawak
LADANG LUPAR
Serian, Sarawak
KILANG SAWIT GEDONG
Serian, Sarawak

- 14. **LADANG SUNGAI ARIP**
Bintulu, Sarawak
LADANG SUNGAI KARANGAN
Bintulu, Sarawak

SABAH

- 15. **LADANG BUKIT BELIAN**
Sandakan, Sabah
- 16. **LADANG MAMAHAT**
Kota Marudu, Sabah
LADANG TERUSAN
Kota Marudu, Sabah
KILANG SAWIT LADANG MAMAHAT
Kota Marudu, Sabah
- 17. **LADANG SUNGAI TENEGANG**
Lahad Datu, Sabah
LADANG SUNGAI KOYAH
Lahad Datu, Sabah
KILANG SAWIT SUNGAI TENEGANG
Lahad Datu, Sabah
- 18. **LADANG BUKIT GOLD**
Lahad Datu, Sabah
- 19. **LADANG JATI KENINGAU**
Keningau, Sabah
- 20. **LADANG KLAGAN 2**
Sandakan, Sabah
LADANG KLAGAN 4
Sandakan, Sabah
LADANG JATIMAS
Sandakan, Sabah

PROPERTIES OWNED BY THP GROUP

AS AT 31 DECEMBER 2013

PLANTATION

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 Keratong, Pahang	-	Leasehold	2071 and 2073	1,858	Oil Palm Estate	10,536
Kilang Sawit Kota Bahagia Keratong, Pahang	37	Leasehold	2071	9.804 [^]	Palm Oil Mill	9,919
Ladang Sungai Mengah Keratong, Pahang	-	Leasehold	2073, 2090, 2093 and 2107	2,196	Oil Palm Estate	14,679
Ladang Sungai Buan Keratong, Pahang	-	Leasehold	2093 and 2108	1,796	Oil Palm Estate	4,292
Ladang Sungai Merchong Muadzam Shah, Pahang	-	Leasehold	2085	1,720	Oil Palm Estate	1,530
TH Plantations Berhad						
Ladang Ulu Chukai Kemaman, Terengganu	-	Leasehold	2051	894	Oil Palm Estate	1,286
Ladang Bukit Lawiang Ladang Gunung Sumalayang Kluang, Johor	-	Leasehold	2091	4,058	Oil Palm Estate	6,619
Kilang Sawit Bukit Lawiang Kluang, Johor	23	Leasehold	2091	10 [^]	Palm Oil Mill	3,488
THP Gemas Sdn. Bhd.						
Ladang Pasir Besar Ladang Londah Gemas, Negeri Sembilan	-	Leasehold	2088, 2090, 2091 and 2093	1,781	Oil Palm Estate	20,618
Kilang Sawit Ladang Pasir Besar Gemas, Negeri Sembilan	7	Leasehold	2091	5 [^]	Palm Oil Mill	6,879
Ladang Bukit Rokan Gemas, Negeri Sembilan	-	Leasehold	2090 and 2092	973	Oil Palm Estate	9,616
THP Ibok Sdn. Bhd.²						
Ladang Sungai Ibok Kemaman, Terengganu	-	Leasehold	2042 and 2052	924	Oil Palm Estate	10,456
THP-YT Plantation Sdn. Bhd.						
Ladang Bukit Bidong Setiu, Terengganu	-	Leasehold	2064	2,594	Oil Palm Estate	16,633
TH Bakti Sdn. Bhd.						
Ladang TH Bakti Dungun, Terengganu	-	Leasehold	2060	1,205	Oil Palm Estate	34,905

PLANTATION

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	101,743
Kilang Sawit Sungai Tenegang Lahad Datu, Sabah	21	Leasehold	2083	50 [^]	Palm Oil Mill	14,258
Ladang Bukit Gold Lahad Datu, Sabah	-	Leasehold	2076	2,020	Oil Palm Estate	88,393
Ladang Mamahat Kota Marudu, Sabah	-	Leasehold	2096 and 2099	2,125	Oil Palm Estate	93,476
Kilang Sawit Ladang Mamahat Kota Marudu, Sabah	5	Leasehold	2096	25 [^]	Palm Oil Mill	17,272
Ladang Terusan Kota Marudu, Sabah	-	Leasehold	2098	811	Oil Palm Estate	35,482
THP Bukit Belian Sdn. Bhd.						
Ladang Bukit Belian Sandakan, Sabah	-	Leasehold	2887	1,088	Oil Palm Estate	44,628
TH-Bonggaya Sdn. Bhd.						
Ladang Klagan Sandakan, Sabah	-	Licensed for 100 years	2098	10,117	Rubber & Teak Estate	147,604
TH-USIA Jatimas Sdn. Bhd.						
Ladang Jatimas Sandakan, Sabah	-	Licensed for 100 years	2098	4,047	Rubber & Teak Estate	58,303
Ladang Jati Keningau Sdn. Bhd.						
Ladang Jati Keningau Keningau, Sabah	-	Leasehold	2078	1,550	Teak Estate	32,083

PROPERTIES
OWNED BY THP GROUP
AS AT 31 DECEMBER 2013

PLANTATION

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	10,390	Oil Palm Estate	211,549
Kilang Sawit Ladang Raja Udang Pusa, Sarawak	-	Leasehold	2060	9 [^]	Palm Oil Mill	76,169
Hydroflow Sdn. Bhd.						
Ladang Sungai Kerian Ladang Sungai Rasau Samarahan, Sarawak	-	Leasehold	2064 and 2067	5,602	Oil Palm Estate	99,904
TH PELITA Gedong Sdn. Bhd.						
Ladang Gedong Ladang Sematan Serian, Sarawak	-	Leasehold	2058	7,250	Oil Palm Estate	204,294
Kilang Sawit Gedong Serian, Sarawak	9	N/A*	N/A	220*	Palm Oil Mill	37,381
TH PELITA Sadong Sdn. Bhd.						
Ladang Sadong Ladang Lupar Serian, Sarawak	-	Leasehold	2060	4,555	Oil Palm Estate	196,906
TH PELITA Simunjan Sdn. Bhd.						
Ladang Kepyang 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 2014 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	-	9,629 ⁴	Oil Palm Estate	22,086

PLANTATION

Location	Approximate Age of Building	Tenure	Year of Expiry	Titled Area Hectares	Description	Net Book Value RM'000
SARAWAK						
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 2014 The land shall be alienated to TH PELITA Beladin for a period of sixty (60) years pursuant to the Beladin Joint Venture Agreement	-	1,577 ⁵	Oil Palm Estate	11,008
TH PELITA Meludam Sdn. Bhd.						
Ladang Tanjung Lilin Ladang Semarang Meludam, Sarawak	-	Leasehold	2066	6,021	Oil Palm Estate	54,093
Bumi Suria Ventures Sdn. Bhd.						
Ladang Sungai Arip Bintulu, Sarawak Ladang Sungai Karangan Bintulu, Sarawak	-	Leasehold	2065 and 2066	6,514	Oil Palm Estate	279,210

Notes:

- Registered under the ownership of Lembaga Tabung Haji.
 - Registered under the ownership of Syarikat Peladang LUTH Sdn. Bhd. (now known as THP Ibok Sdn. Bhd.)
 - Registered under the ownership of Kenyalang Resources Sdn. Bhd. (now known as THP Saribas Sdn. Bhd.)
 - Gross area as stated in the Simunjan Joint Venture Agreement.
 - 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.
- ^ 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), Ladang Mamahat (Kilang Sawit Ladang Mamahat) and Ladang Raja Udang (Kilang Sawit Raja Udang).
- 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	25	-	1,222	1 Unit 3-Room Apartment	14
Awana Kijal Resort, Kijal, Terengganu	12	-	816	1 Unit 3-Room Apartment	94

DIRECTORY OF ESTATES AND MILLS

THP KOTA BAHAGIA SDN. BHD.

Ladang Kota Bahagia

Peti Surat 19
26700 Muadzam Shah
Pahang Darul Makmur
Tel : 09-4524826
Fax : 09-4524821
Tuan Rahimi b Tuan Man
(Senior Manager)

Ladang Sungai Mengah

Peti Surat 21
26700 Muadzam Shah
Pahang Darul Makmur
Tel : 09-4524979
Fax : 09-4524979
Yazit b Ab Jalil
(Senior Manager)

Ladang Sungai Buan

Peti Surat 18
26700 Muadzam Shah
Pahang Darul Makmur
Tel : 09-4524996
Fax : 09-4524995
Yazit b Ab Jalil
(Senior Manager)

Ladang Sungai Merchong

Peti Surat 4
26700 Muadzam Shah
Pahang Darul Makmur
Tel : 09-4530807
Fax : 09-4530804
Ahmad Mazwan b Jamaludin
(Manager)

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)

Ladang Gunung Sumalayang

Karung Berkunci 535
86009 Kluang, Johor
Tel : 07-7863444
Fax : 07-7864606
Md. Hanif b Md Nor
(Senior Manager)

Ladang Ulu Chukai

Peti Surat 2
24107 Kijal
Kemaman, Terengganu
Tel : 09-8676336
Fax : 09-8676336
Juna b Palatuwi
(Manager)

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
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
(Manager)

THP GEMAS SDN. BHD.

Ladang Londah/Pasir Besar

Peti Surat 28
73400 Gemas
Negeri Sembilan
Tel : 07-9484700
Fax : 07-9484701
Mat Faisal Bin Ismail
(Acting Manager)

Ladang Bukit Rokan

Peti Surat 28
73400 Gemas
Negeri Sembilan
Tel : 019-2397479
Fax : 019-2647610
Abdullah Asya'ari b. Junoh
(Acting Manager)

Kilang Sawit Ladang Pasir Besar

Peti Surat 30
73400 Gemas
Negeri Sembilan
Tel : 019-2677479
Fax : 019-2647479
Mohd Noorkhairi Mahmud
(Acting Manager)

THP SABACO SDN. BHD.

Ladang Sungai Tenegang

Karung Berkunci 12
91109 Lahad Datu, Sabah
Tel : 089-843124
Fax : 089-843127
Abdul Wahab b Abdul Rashed
(Senior Manager)

Ladang Sungai Koyah

Karung Berkunci No. 6
91109 Lahad Datu, Sabah
Tel : 089-843814
Fax : 089-843817
Faizal b Zulkifli
(Manager)

Ladang Bukit Gold

Peti Surat 60389
91113 Lahad Datu, Sabah
Tel : 089-843820
Fax : 089-843821
Mohd Sofi b Harun
(Manager)

Ladang Mamahat

Karung Berkunci 1
89109 Kota Marudu, Sabah
Tel : 089-278013
Fax : 089-278011
Abdul Kahar b Sariman
(Manager)

Ladang Terusan

Karung Berkunci 1
89109 Kota Marudu, Sabah
Tel : 089-278016
Fax : 089-278018
Abdul Kahar b Sariman
(Manager)

Kilang Sawit Sungai Tenegang

Peti Surat 60626
91115 Lahad Datu, Sabah
Tel : 089-845499
Fax : 089-565029
Mohamad Zairudi b Muhamad
(Manager)

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 : 089-278030
Fax : 089-278033
Usran b Mohd Zin
(Manager)

**LADANG JATI KENINGAU
SDN. BHD.**

Ladang Jati Keningau

Peti Surat 3480
90739 Sandakan, Sabah
Tel : 089-514721
Fax : 089-514721

TH-USIA JATIMAS SDN. BHD.

Ladang Jatimas

Peti Surat 3480
90739 Sandakan, Sabah
Tel : 089-278036
Fax : 089-278037

TH-BONGGAYA SDN. BHD.

Ladang Klagan 2

Peti Surat 3480
90739 Sandakan, Sabah
Tel : 089-514721
Fax : 089-514851

Ladang Klagan 4

Peti Surat 3480
90739 Sandakan, Sabah
Tel : 089-514721
Fax : 089-514851
Ramlee b Mohamad
(Acting Manager)

THP SARIBAS SDN. BHD.

Ladang Kenyalang

KM20, Jalan Pusa-Sessang
94950 Pusa, Sarawak
Tel : 082-804916
Fax : 082-804919
Mukhtar b Yusof
(Senior Manager)

Ladang Raja Udang

KM11, Jalan Pusa-Sessang
Lot 1, Blok 3,
Sablor Land District,
94950 Pusa, Sarawak
Tel : 082-804920
Fax : 082-804923
Rozali b Mohd Desa
(Senior Manager)

Ladang Enggang

KM6, Jalan Pusa-Sessang
94950 Pusa, Sarawak
Tel : 082-804910
Fax : 082-804911
Mahya b Masrom
(Manager)

Ladang Merbok

Lot 410, Blok 9
Awik Krian, LD Saratok Area
94950 Pusa, Sarawak
Tel : 082-804902
Fax : 082-804903
Alinan b Kadar
(Manager)

Kilang Sawit Ladang Raja Udang

Blok 3, Lot 1
Sablor Land District
94950 Pusa, Sarawak
Tel : 082-804928
Fax : 082-804929
Asri b Tatoh
(Manager)

**TH PELITA MELUDAM
SDN. BHD.**

Ladang Tanjung Lilin

No 1, Jln Feeder Pusa
Ground Floor, New Shophouse
Pusa Bazaar
94950 Pusa, Sarawak
Tel : 082-804914
Fax : 082-804915
Nor Ali Akmar b Mahadi
(Manager)

Ladang Semarang

KM 18, Jalan Pusa-Meludam
94950 Pusa, Sarawak
Muhammad 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 : 082-804914
Fax : 082-804915
Nor Ali Akmar b Mahadi
(Manager)

**TH PELITA SIMUNJAN
SDN. BHD.**

Ladang Kepyang

KM 25, Jalan Simunjan
Kg Semalatong-Kepayang
98400 Simunjan, Sarawak
Tel : 083-412100
Fax : 083-412101
Mohd Johari b Md Daud
(Manager)

Ladang Semalatong

KM 25, Jalan Simunjan
Kg Semalatong-Kepayang
98400 Simunjan, Sarawak
Tel : 082-804905
Fax : 082-804907
Tuah b Nawari
(Manager)

TH PELITA GEDONG SDN. BHD.

Ladang Gedong

P.O. Box 32, KM 8, Jalan Gedong
94700 Serian, Sarawak
Tel : 082-882902
Fax : 082-882903
Mohamad Sakri b Idris
(Senior Manager)

Ladang Sematan

P.O. Box 32, KM 8, Jalan Gedong
94700 Serian, Sarawak
Tel : 082-882912
Fax : 082-882915
Girman @ Perman b Sirah
(Manager)

Kilang Sawit Gedong

P.O. Box 32, KM 8, Jalan Gedong
94700 Serian, Sarawak
Tel : 082-882909
Fax : 082-882908
Adnan b Arifin
(Asistant General Manager)

TH PELITA SADONG SDN. BHD.

Ladang Sadong

P.O. Box 32, KM 8, Jalan Gedong
94700 Serian, Sarawak
Tel : 082-882918
Fax : 082-882919
Martin @ Zaini Soili
(Manager)

Ladang Lupar

P.O. Box 32, KM 8, Jalan Gedong
94700 Serian, Sarawak
Tel : 082-882906
Fax : 082-882907
Abang Ahmad Saifulhadi b Abg
Iskandar
(Acting Manager)

HYDROFLOW SDN. BHD.

Ladang Sungai Kerian

Lot 1227, Jalan Kg Ulu Gedong
94700 Gedong, Sarawak
Tel : 013-8385848
Alias b Bakir
(Manager)

Ladang Sungai Rasau

Lot 1227, Jalan Kg Ulu Gedong
94700 Gedong, Sarawak
Tel : 013-8385848
Alias b Bakir
(Manager)

**BUMI SURIA VENTURES
SDN. BHD.**

Ladang Sungai Karangan

KM 91, Jalan Bintulu-Sibu
P.O Box 3325
97000 Bintulu, Sarawak
Tel : 086-981881
Fax : 086-981828
Mohd Jafri Bin Arshad
(Senior Manager)

Ladang Sungai Arip

KM 91, Jalan Bintulu-Sibu
P.O Box 3325
97000 Bintulu, Sarawak
Tel : 086-981881
Fax : 086-981828
Singgat Anak Birai
(Manager)



I/We, _____ (FULL NAME IN BLOCK LETTERS)

NRIC No./Passport No./Company No. _____ of _____ (ADDRESS)

being 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 Fortieth Annual General Meeting ("AGM") of the Company to be held at the Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Tuesday, 27 May 2014 at 2.30 p.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below. (Please indicate with an "X" how you wish your vote to be casted. If no specific direction as to the voting is given, the proxy will vote or abstain at his/her own discretion).

RESOLUTION NO.	ORDINARY BUSINESSES	FOR	AGAINST
Ordinary Resolution 1	To receive the Audited Financial Statements for the year ended 31 December 2013 and the Reports of the Directors and the Auditors thereon.		
Ordinary Resolution 2	To approve the declaration of a First and Final Single Tier Dividend of 3.62 sen per ordinary share for the year ended 31 December 2013.		
Ordinary Resolution 3	To approve the Directors' Fees of RM588,000.00 for the year ended 31 December 2013.		
Ordinary Resolution 4	To re-elect Datuk Azizan bin Abd Rahman as Director.		
Ordinary Resolution 5	To re-elect Dato' Noordin bin Md Noor as Director.		
Ordinary Resolution 6	To re-elect Dato' Amran bin Mat Nor as Director.		
Ordinary Resolution 7	To re-elect Tan Sri Ab. Aziz bin Kasim as Director.		
Ordinary Resolution 8	To re-elect Datuk Seri Nurmala binti Abd Rahim as Director.		
Ordinary Resolution 9	To re-appoint Messrs KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Board of Directors to determine their remuneration.		
RESOLUTION NO.	SPECIAL BUSINESSES	FOR	AGAINST
Ordinary Resolution 10	To retain Dato' Haji Wan Zakaria bin Abd Rahman as an Independent Non-Executive Director.		
Ordinary Resolution 11	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature.		

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 May 2014.

Signature/Common Seal of Shareholder

NOTES:

1. A member entitled to attend and vote at the Fortieth 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 and there shall be no restriction as to the qualification of the proxy.
2. Only a Depositor whose name appears on the Record of Depositors as at 21 May 2014 shall be regarded as a member and entitled to attend the Fortieth 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 Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
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 Fortieth AGM or at any adjournment thereof.

Affix Stamp

The Company Secretary
TH PLANTATIONS BERHAD
Tingkat 23, Bangunan TH Selborn
153, Jalan Tun Razak
50400 Kuala Lumpur
Malaysia



TH PLANTATIONS BERHAD (12696-M)

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

www.thplantations.my