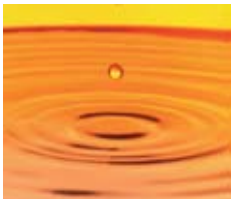
glenealy
Plantations (Malaya) Berhad
Company No. 3453-X
Incorporated in Malaysia



Extending **Horizons**
Maximising **Productivity**

ANNUAL REPORT 2011

Contents

52nd

ANNUAL GENERAL MEETING

Raya Room, Mezzanine Floor,
Hotel Equatorial,
Jalan Sultan Ismail,
50250 Kuala Lumpur
Wednesday, 2 November 2011
10.00 a.m.

For the financial year under review the Group recorded a

36%

increase in revenue to

RM258.7 million

compared to the preceding financial year, and a pre-tax profit of

RM118.9 million,

an increase of 133% compared to the preceding financial year.

About Us

glenealy
Plantations (Malaya) Berhad
Company No. 3453-X
Incorporated in Malaysia

Glenealy Plantations (Malaya) Berhad is principally involved in the operations of oil palm plantations in Sabah and Sarawak, Malaysia, and in Indonesia.

Glenealy has a proud history that stretches over 50 years. Incorporated in 1958, it has grown to be an efficient plantation company, listed on the Main Board of Bursa Malaysia since 1973.

In 1994, Glenealy became an associate company of Lingui Developments Berhad, an integrated forest resource and wood products company also listed on the Main Market of Bursa Malaysia Securities Berhad.

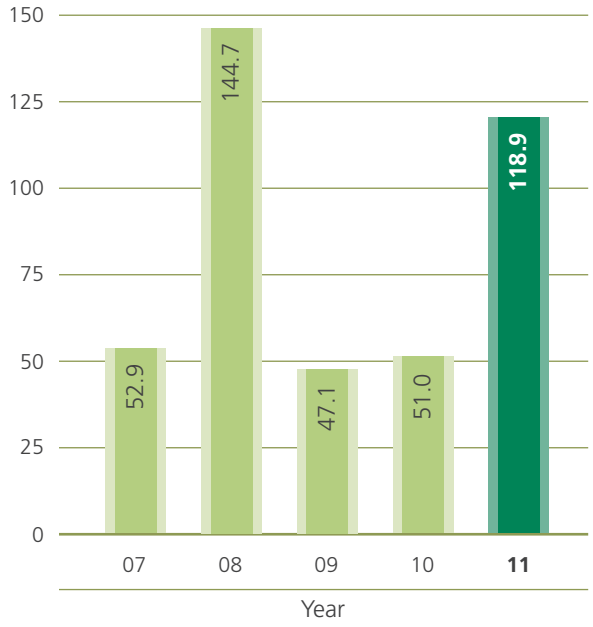
Financial Highlights

	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000
Performance					
Revenue	**258,662**	189,534	175,788	247,490	141,113
Profit before taxation	**118,911**	51,016	47,091	144,733	52,923
Earnings attributable to equity holders	**71,308**	29,759	33,187	94,967	31,346
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**155,353**	83,054	69,095	162,652	73,365
Funds Employed					
Shareholders' funds	**583,283**	519,597	497,774	482,756	404,562
Return on shareholders' funds (%)	**12.2**	5.7	6.7	19.7	7.7
Per Ordinary Share Unit of RM1.00 Each					
Net asset attributable to equity holders (sen)	**511.2**	455.4	436.3	423.1	354.6
Earnings (sen)	**62.5**	26.1	29.1	83.2	27.5
Gross dividend (sen)	**15.0**	10.0	10.0	30.0	10.0

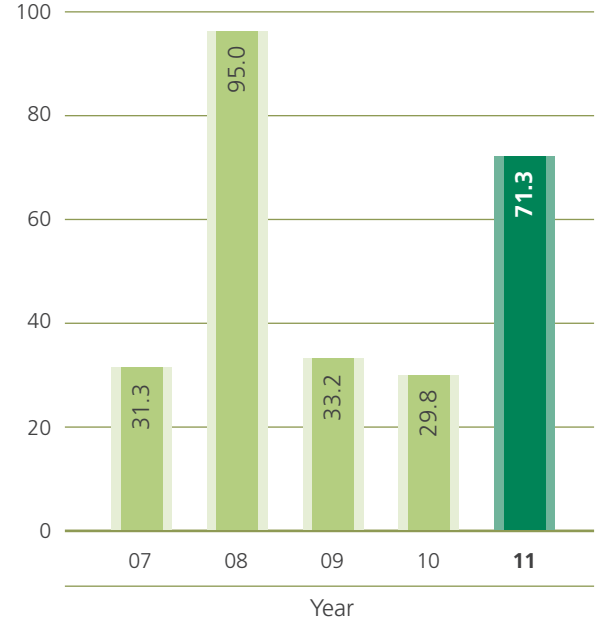
Financial Statistics

Revenue
(RM million)

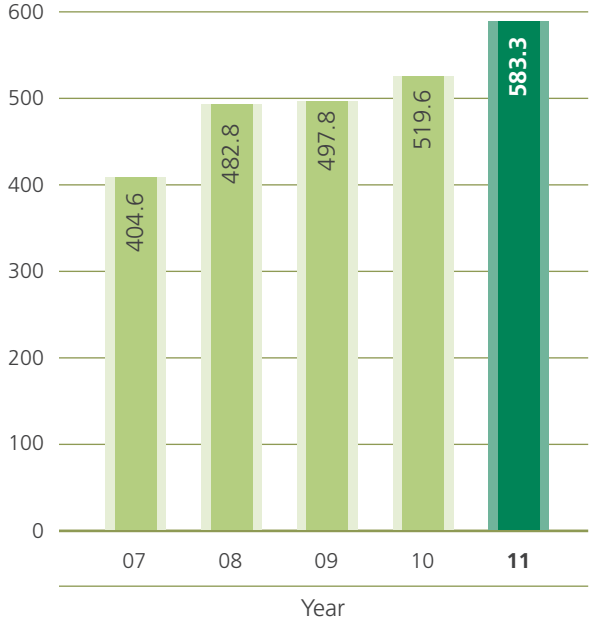
Profit Before Taxation
(RM million)



Earnings Attributable to Equity Holders
(RM million)



Shareholders' Funds
(RM million)



Corporate Information

BOARD OF DIRECTORS

Chan Hua Eng
Chairman

Yaw Chee Ming
Managing Director

Tan Sri Datuk Seri Utama Thong Yaw Hong
Director

Datuk Henry Chin Poy-Wu
Director

Md Yusof bin Hussin
Director

REGISTERED OFFICE

Level 42, Menara Maxis
Kuala Lumpur City Centre
50088 Kuala Lumpur
T +603 2382 3999
F +603 2162 9311

SECRETARIES

Chen Keow Ching
Phang Swee Chew

REGISTRAR

Lawco Corporate Services Sdn. Bhd.
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya, Selangor
T +603 7784 3922
F +603 7784 1988

SOLICITORS

Chooi & Company
Reddi & Co.

AUDIT COMMITTEE

Datuk Henry Chin Poy-Wu
Chan Hua Eng
Tan Sri Datuk Seri Utama Thong Yaw Hong
Md Yusof bin Hussin

AUDITORS

PricewaterhouseCoopers
Level 10, 1 Sentral
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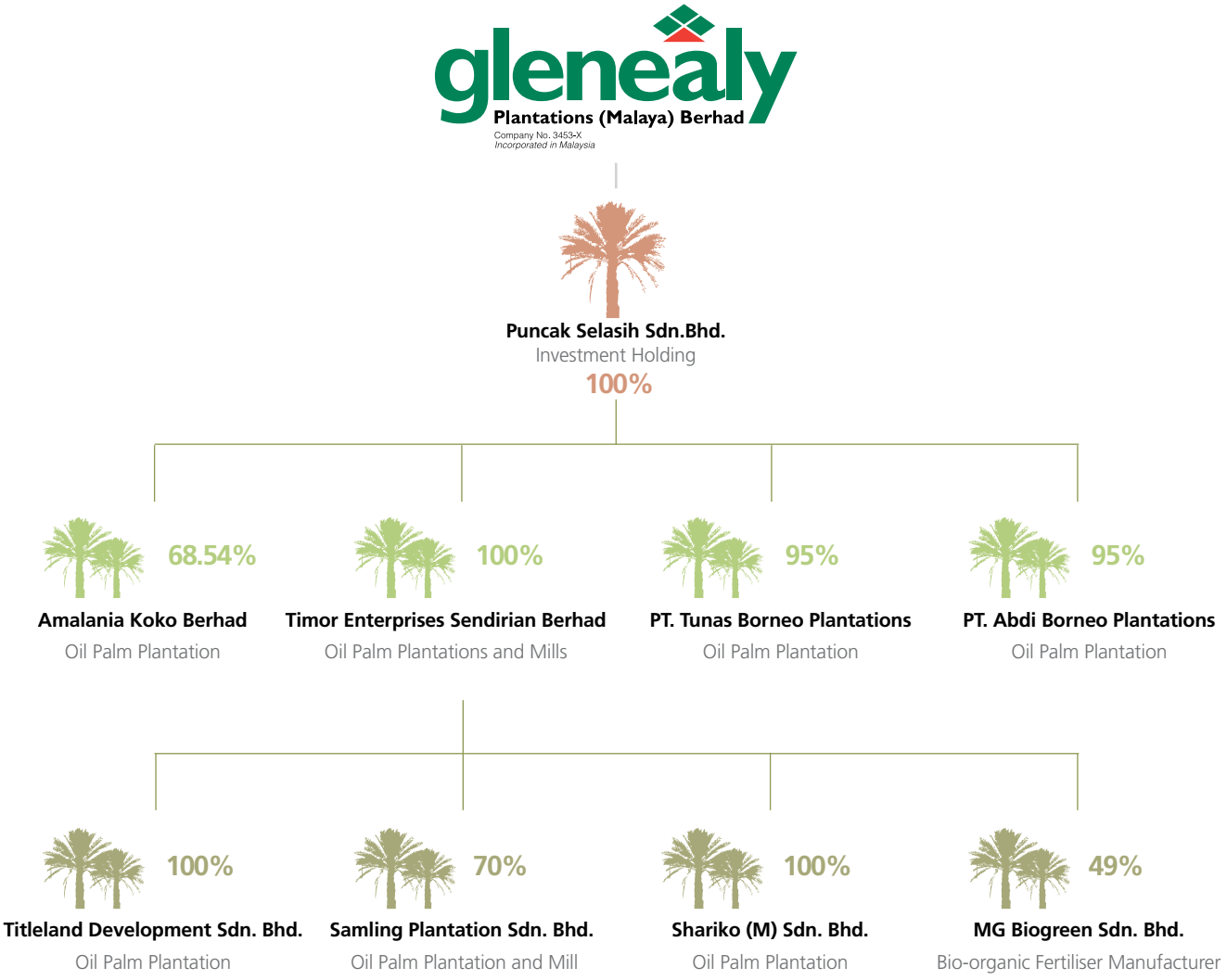
Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur
T +603 2173 1188
F +603 2173 1288

BANKERS

Malayan Banking Berhad
RHB Bank Berhad

Corporate Structure

as at 30 September 2011



Board of Directors' Profile

Chan Hua Eng
Chairman/Independent Non-Executive Director

Chan Hua Eng, a Malaysian citizen, aged 83, the Chairman of Glenealy Plantations (Malaya) Berhad ("Glenealy"), holds a Bachelor of Law (Honours) degree from the University of Bristol. He is a barrister of the Middle Temple and was called to the Bar in the United Kingdom ("UK"). He is an Associate Member of the Chartered Institute of Taxation in the UK. He is an advocate and solicitor of the High Court in Malaya and was a Partner of Shearn Delamore & Co., Advocates & Solicitors in Malaysia and retired as its Senior Partner in 1987. He was appointed to the Board of Glenealy as Director and Chairman on 28 September 1995. He is the Chairman of the Board of Samling Global Limited ("SGL") and a Non-Executive Director of SGL. He is also currently a Director of other public listed companies in Malaysia, namely, Pacific & Orient Berhad and Lingui Developments Berhad ("Lingui").

Yaw Chee Ming
Managing Director/Non-Independent Executive Director

Yaw Chee Ming, a Malaysian citizen, aged 52, the Managing Director of Glenealy, was appointed a Director on 22 June 1995. He is also the Managing Director of Lingui and the Chief Executive Officer and an Executive Director of SGL. Mr. Yaw is also the Chief Executive Officer of Samling Strategic Corporation Sdn. Bhd. ("SSC") and a Trustee of Yaw Teck Seng Foundation. He holds a Master of Business Administration degree from the University of Southern California in the United States of America.

Datuk Henry Chin Poy-Wu
Independent Non-Executive Director

Datuk Henry Chin Poy-Wu, a Malaysian citizen, aged 74, was appointed to the board of Glenealy on 23 January 1995 upon his retirement from the Royal Malaysian Police after 39 years of service. He has held various key posts during his service with the police force and his position prior to his retirement was Commissioner of Police in the Federal Territory of Kuala Lumpur. He is presently a Director of JT International Berhad, Eastern & Oriental Berhad and Hap Seng Consolidated Berhad. He is a board member of Universiti Malaysia Sabah and the Deputy Chairman of the Malaysia Crime Prevention Foundation.

Tan Sri Datuk Seri Utama Thong Yaw Hong

Independent Non-Executive Director

Tan Sri Datuk Seri Utama Thong Yaw Hong, a Malaysian citizen, aged 81, was appointed to the board of Glenealy on 27 February 1987. He was the Alternate Governor for Malaysia on the Board of Governors of the World Bank and Asian Development Bank. In his capacity as Director-General of the Economics Planning Unit in the Prime Minister's Department, he also served as the Secretary to the National Economic Council which was responsible for the formulation of the National Five-Year Development Plans. He was appointed Secretary-General of the Ministry of Finance, Malaysia in 1979. As Secretary-General of the Ministry of Finance, he was also a Director of the Board of Bank Negara Malaysia for the period from 1979 to 1986. Among his many other appointments, he had served as Chairman of the Employees Provident Fund and the Capital Issues Committee.

He was also a Member of the Foreign Investment Committee, National Development Planning Committee, Council on Invisible Trade, Armed Forces Council under the Chairmanship of the Prime Minister and Minister of Defence, and the Malaysia Industrial Development Finance Board. He is currently a trustee of the Institute Jantung Negara Foundation, Yayasan Wah Seong and NeuroScience Foundation of Malaysia, a member of National Economic Action Council working group and a senior member of the Private Sector Advisory Panel to the National Implementation Task Force ("NITF").

He is presently the Co-Chairman of Public Bank Berhad, Public Mutual Berhad, Lonpac Insurance Berhad and LPI Capital Berhad. He also holds directorships in several other public companies, namely, HHB Holdings Berhad, Public Islamic Bank Berhad, Batu Kawan Berhad, Kuala Lumpur Kepong Berhad, Berjaya Sports Toto Berhad, Public Investment Bank Berhad and Malaysian South-South Corporation Berhad.

Md Yusof bin Hussin

Independent Non-Executive Director

Md Yusof bin Hussin, a Malaysian citizen, aged 62, was appointed to the Board of Glenealy on 3 January 2001. He was the Managing Director of Island and Peninsular Berhad from 1993 to 1999. He is presently a Director of TH Plantations Berhad (a subsidiary company of Lembaga Tabung Haji), Credit Guarantee Corporation Malaysia Berhad (a subsidiary company of Bank Negara Malaysia), Iskandar Investment Berhad, Lafarge Malayan Cement Berhad and Permodalan Negeri Selangor Berhad. He has previously served on the board of Malayan Banking Berhad, Austral Enterprises Berhad, UMW Holdings Berhad and Tebrau Tegoh Berhad. He graduated with a Bachelor of Economics degree from the University of Tasmania, Australia. He is also a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors ("the Board"), I am pleased to present the Annual Report of the Group for the financial year ended 30 June 2011.

FINANCIAL PERFORMANCE

After the global financial crisis in 2009, market conditions improved in the following two financial years, boosted by fiscal stimulus packages and monetary easing measures put in place by governments worldwide to revive the fledging world economy. While Asian economies surged with the availability of easy money and increasing domestic consumption, many Western member countries of the Organisation for Economic Co-operation and Development (OECD) remained stuck in slow economic growth and stubborn unemployment situations. In response to this, governments of the latter continued with even greater levels of easy monetary policies, which drove commodity prices to their recent high levels resulting in worldwide food inflation. In tandem with this surge in commodity prices, global crude palm oil ("CPO") prices registered record prices in the third quarter of the financial year under review.

With more matured planted areas particularly in Sarawak moving into higher yielding profiles in the financial year under review, the Group's own fresh fruit bunches ("FFB") production of 336,579MT was 6% higher than that of the preceding financial year. As the Group also purchased less amount of FFB from external plantations in the financial year under review, CPO production was slightly lower at 77,310MT, a drop from 78,397MT in the preceding financial year. However, the impact from the drop in production was compensated by a much higher average CPO price which resulted in the Group's revenue increasing by 36% to RM258.7 million from the RM189.5 million achieved in the preceding financial year. Profit before tax was RM118.9 million, which was 133% higher than the RM51.0 million in the preceding financial year, while earnings before interest, tax, depreciation and amortisation was RM155.4 million in the financial year under review. After incurring capital expenditure of RM69.6 million principally for new planting in Sarawak, the Group's cash position at the end of the financial year under review stood at RM151.9 million.

OPERATIONS DURING THE YEAR

Planting Operations

The Group's newly matured oil palm plantations located in Lana, Sarawak contributed 44,454MT to FFB crop output, a significant increase of 33% from the preceding financial year. With the Group's other planted areas in Sabah and Sarawak also achieving higher yields from maturing areas, the Group achieved a total FFB output of 336,579MT, an improvement of 6% over the preceding financial year.

The Board of Directors **proposes a first and final dividend of 15 sen per share net of income tax amounting to RM12.8 million** for the year ended 30 June 2011.

Plantation Statistics

	2011	2010
Oil Extraction Rate ("OER") (%)	**21.93**	22.81
Kernel Extraction Rate ("KER") (%)	**4.54**	4.56
Crude Palm Oil ("CPO") Sales (MT)	**76,274**	78,641
Palm Kernel ("PK") Sales (MT)	**15,815**	15,677
Average price/MT (RM/MT)		
CPO	**3,173**	2,365
PK	**2,414**	1,271
Yield (MT/ha)		
Sabah	**22.35**	21.60
Belaga	**16.96**	16.74
Lana	**6.76**	5.63
Sarawak	**11.31**	10.87

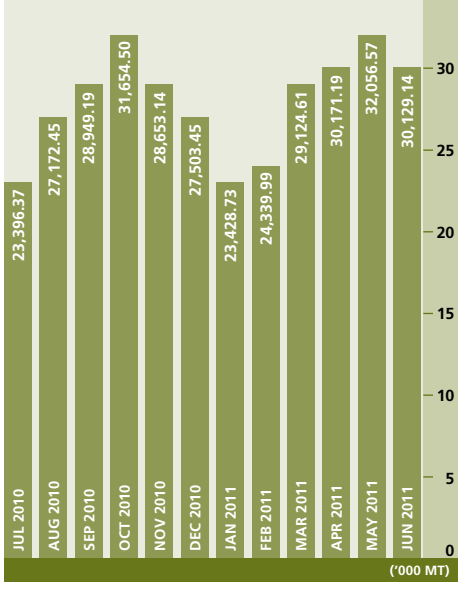
To maximise FFB yields, harvesting rounds were optimised and good discipline was practised in the collection of loose fruits. In view of the challenges in recruiting and retaining good workers, more attention was placed on improving workers' welfare and benefits. This included the enhancement of living conditions and other amenities provided not only for estate workers but also extended to their families as well. To remain competitive in terms of employee remuneration, wages were reviewed and incentive schemes that reward workers for increased productivity and better FFB quality were further refined.

The Group has also invested in mechanized FFB evacuation and in the continued maintenance of good roads and bridges to ensure that FFB are efficiently transported in the estate. In the area of field management, constant dialogues were held between plantation and mill management to ensure that only FFB of good quality in terms of ripeness and freshness were sent to mills for processing in order to maximise oil extraction.

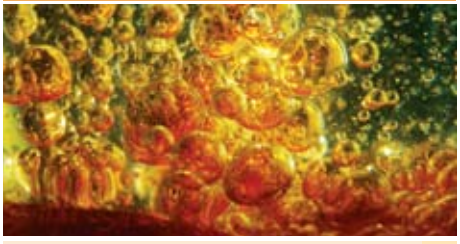
Fertiliser cost remained a major component of the plantation operations cost. Close monitoring were placed in this area, beginning from the tendering process all the way to actual application in the fields. To reduce usage of chemical pesticides, horticultural programmes were established to grow beneficial plants that provide a conducive breeding environment for predators of insect and pests.

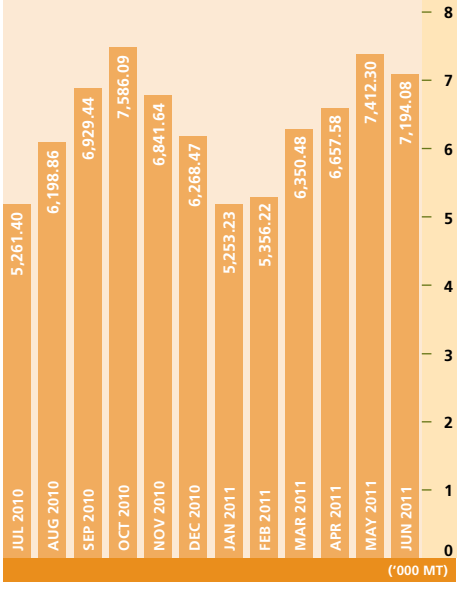
The Group places great emphasis on adopting the industry's best practices in the development of new areas, both for new planting and replanting programmes, as this determines the future potential of FFB yields from these areas. In line with the Group's ongoing replanting programme, another 303 hectares of our older areas in Sabah were replanted during the financial year under review. As for the Group's estates in Sarawak another 2,398 hectares were planted, bringing the total planted area in Sarawak to 19,433 hectares (as at 30 June 2011), of which 11,878 hectares have matured.

FRESH FRUIT BUNCHES PRODUCTION
(Total : 336,579.33 MT)

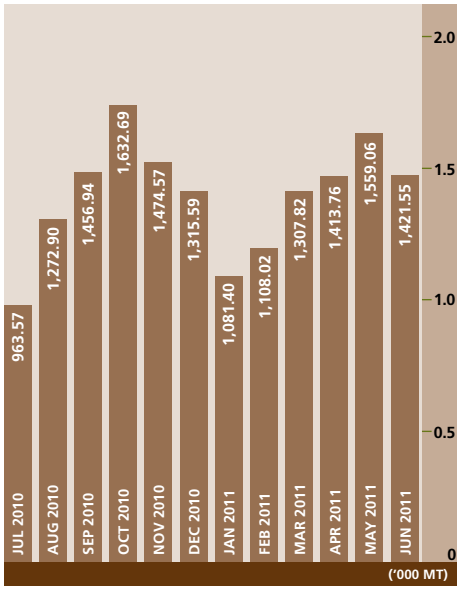


CRUDE PALM OIL PRODUCTION
(Total : 77,309.79 MT)





PALM KERNEL PRODUCTION
(Total : 16,007.87 MT)



PALM OIL MILL OPERATIONS

The Group's palm oil mill in Sabah produced 42,245MT of CPO while the mills in Belaga and Lana, Sarawak produced a combined total of 35,065MT of CPO during the financial year. The slight 1.4% reduction of total CPO production on the Group level was mainly due to the decrease in the volume of FFB purchased from external parties.

The oil extraction rate ("OER") achieved by the mills was approximately 21.9%. The management of the palm oil mills continued to focus on improving OER and kernel extraction rate ("KER") by working closely with the plantations to ensure the mills obtain quality FFB for processing. Operational processes are also continuously improved to achieve higher operational efficiencies.

INDONESIAN OPERATIONS

The Group's two subsidiaries in Kalimantan Timur, Indonesia have started land clearing and planting during the financial year under review. The Group is currently in discussions with local communities on participating in a Plasma Scheme, a government-initiated smallholder programme to jointly develop plantation areas.

MARKETING

In line with the lower CPO production, the Group recorded a 3% drop in sales of CPO to 76,274MT in the financial year under review. However, the Group sold 15,815MT of PK which was 1% higher than that achieved in the preceding financial year.

The prices of CPO increased during the financial year under review. The Group achieved an average CPO price of RM3,173/MT, and an average PK price of about RM2,414/MT. This was higher than the RM2,365/MT achieved for CPO and the RM1,271/MT achieved for PK in the preceding financial year.

Age Profile of Palm

2011 (Hectares)				
	Sabah	Sarawak	Indonesia	Total
Up to 3 years	864	7,555	616	**9,035**
3 to 5 years	916	5,149	-	**6,065**
5 to 10 years	815	2,436	-	**3,251**
10 to 15 years	1,405	4,293	-	**5,698**
Above 15 years	5,913	-	-	**5,913**

2010 (Hectares)				
	Sabah	Sarawak	Indonesia	Total
Up to 3 years	910	5,731	-	**6,641**
3 to 5 years	953	6,004	-	**6,957**
5 to 10 years	783	1,466	-	**2,249**
10 to 15 years	1,971	3,834	-	**5,805**
Above 15 years	5,296	-	-	**5,296**

Matured & Immature Areas

9,035 hectares
Immature Areas

20,927 hectares
Matured Areas

OUTLOOK

Palm oil price stayed resilient in the financial year under review due to lower supply of vegetable oils worldwide due to adverse weather conditions and robust demand. However, in the past few months, strong volatility was witnessed in global markets including the palm oil market as market confidence was rattled by the unfolding European and US debt crisis. Notwithstanding, the Malaysian Palm Oil Board had forecasted that Malaysian palm oil output would rise 7.6% to 18.3 million metric tonnes in 2011 after two consecutive years of decline as yields improve due to favorable weather conditions. The outlook for palm oil price is stable but would be under pressure due to prospects of higher palm oil production in Malaysia and Indonesia as well as other oilseeds, coupled with the uncertain world economic outlook.

For the financial year ending 30 June 2012 a total of 485 hectares of oil palm plantations will mature, increasing the Group's total mature hectarage in East Malaysia to 21,166 hectares. With the Group's mature areas moving to higher yielding profiles, the Group's production of CPO is also expected to increase.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility ("CSR") practices are consistently integrated into the Group's daily decision-making process tailored to bring value and blend harmoniously with the environment and communities in which the Group operates. The Group's commitment to CSR is not simply a response to increased attention in this area but rather as a sustainable approach to business that seeks benefits for all of our stakeholders, be they the customers, employees, communities, the environment or the Company and its shareholders.

The safety and health of our employees and workers are our main priority as programmes are put in place to support their welfare, well-being and community. The provision of conducive housing, recreational and medical facilities to our employees, workers and their families will ensure a motivated and productive human capital.

DIVIDENDS

The Board proposes a first and final dividend of 15.0 sen per share net of income tax amounting to RM12,835,214 (2010 : A final dividend of 10.0 sen per share less income tax amounting to RM8,556,809) for the financial year ended 30 June 2011 subject to the approval of shareholders at the forthcoming Annual General Meeting.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to take this opportunity to thank all the Directors, the management and employees for their unwavering commitment, dedication, loyalty and their most encouraging contribution towards the continued success of the Group. We also wish to thank our customers, business partners, bankers, the authorities and shareholders for their unreserved support for the Group and above all, the continued support of our shareholders.

CHAN HUA ENG
Chairman

"Keeping an eye on the bigger picture"

is how Glenealy Plantations (Malaya) Berhad ("Glenealy" or "the Group") sees its approach to corporate social responsibility ("CSR"). We understand that our business is not just about the bottomline; as a matter of fact, our success is very much an extension of the robust relationships we hold with our stakeholders. Therefore, we do all we can to sustain and maintain the balance of each connection.

This is reflected in our commitment to CSR which permeates throughout the Group and touches every facet of the operations, from our workers and the communities where they live and work to our customers and shareholders. We attempt to develop a thoughtful approach to CSR which we believe aligns with our values and would maximise the positive impact of every effort.

We strive to achieve this by taking an approach to CSR that is integrated into our business models by partnering our stakeholders through active partnership, mutual respect and long-term commitment. We recognise our responsibilities in fostering economic, social and environmental well-being in the areas of community involvement, workplace, environment and marketplace.

Workplace Development

Glenealy's Regional Controller (Sarawak), Mr Jimmy Teo, exchanging MoU with the Director General of the Manpower Department Encik Romli Hassan, in the presence of State Assistant Minister of Infrastructure Development and Communication YB Dr. Lee Kim Shin, who is also the Chairman of ILP Miri Advisory Panel.

The Tenth Malaysia Plan 2011-2015 focuses on skills development as one of the enablers of productivity and to facilitate the palm oil sector's move up the value chain. With the some view, Glenealy signed a Memorandum of Understanding with Institut Latihan Perindustrial Miri to collaborate on an industrial skill training programme to boost the technical skill levels of the Group's workforce.

The collaboration will allow trainees to undergo industrial and apprenticeship training in Glenealy's palm oil processing mills. Trainees are exposed to hands-on industrial technical skills, actual work processes and the latest technologies that are relevant to industry demands. This is also an opportunity for Glenealy to identify capable talents to join the company's workforce upon the completion of the training to meet the Group's need for skilled labour.

From a business perspective, achieving execellence is impossible without a trained and skilled workforce.

Employee Welfare

Glenealy regards our plantation workers as the most important asset of the Group's operations. We go beyond just providing them with a roof over their heads – we take interest in their personal well being and that of their families. As a responsible employer, Glenealy is concerned about the welfare of its workers and their families in the estates. Employees are residents in housing estates and we ensure that they receive constant supply of clean water and electricity. We also make available amenities such as recreational and sports facilities to promote camaraderie and physical health. These housing estates have developed into close-knit and vibrant communities where our plantation employees and their families thrive.

We want to inculcate a sense of belonging and the spirit of camaraderie among our employees by promoting healthy and vibrant communal living.

At the Timora Estate, employees put on their best and most colourful Hari Raya garments and came together to celebrate the festivities.

Estate workers participating in a friendly badminton competition in Lahad Datu.

Every estate worker in the Lahad Datu Complex received a live chicken each to cook their favorite chicken dish in conjunction with the Hari Raya celebration.

A plot of vegetable garden maintained by estate workers providing fresh greens for themselves and their family.

Education and Scholarship

Glenealy believes that education is the foundation upon which we build a better future and that it is one way to break away from the chains of poverty. Glenealy supports projects that provide learning opportunities to the younger generation. It is one of our key efforts in community empowerment.

The Group supports the Humana School which addresses the educational needs of children who are generally excluded from the mainstream education either due to poverty or legal status. Humana is an independent, non-profit organisation dedicated to providing primary education to children of immigrant workers. A Humana School funded by Glenealy was set up in 2010 at our Amalania Estate in Lahad Datu.

Glenealy believes that education is the foundation upon which we build a better future and that it is one way to break away from the chains of poverty.

Pupils entertaining guests with a traditional dance performance.

Pupils from the Humana School greeting their class teachers.

One of the main programmes under the Education pillar is Glenealy's scholarship programme. Glenealy grants annual scholarships to deserving students with outstanding academic credentials and leadership potential to advance their education in institutions of higher learning.

Since the inception of the scholarship programme in 2000, we have provided over RM1.17million to about 43 students pursuing degree courses at local universities. Many of these graduates have been absorbed into the Group's workforce in various capacities upon their graduation.

Scholarship holders sharing their academic and career experiences at a dialogue session.

Workplace Safety and Health Awareness

Employees' health and safety are among Glenealy's top priority and we pay special attention to the safety of our employees at the workplace. We conduct regular trainings and implement programmes to raise awareness of occupational health and safety risks. Additionally, we encourage rigorous health and safety practices among our staff across our operations.

Treating employees with dignity and respect and striving to create a safe and healthy workplace.

Community

We recognise our continued success depends on the growth and health of our communities. We are committed to engaging with and respecting the cultures of the communities where we live and work.

We aim to maintain effective, transparent and open communication and consultation with the communities and stakeholders associated with the Group's activities. During our consultation and dialogues with local communities, we would try our best to accede to the community's request for support that would help them lead more comfortable lives. The Group frequently donates building materials, diesel and site leveling services.

During the festive season, cash and food donations that are given in the spirit of goodwill provide an opportunity for Glenealy to celebrate the joy and cheer of the festivities together with villagers of the communities within our operations.

In Belaga, school-going children from Long Bala, Sungai Asap received new complete school uniforms last Christmas. We hope a small gesture like this will help boost the children's confidence and motivate them to go to school.

Travel for the rural communities who live near our Lana Estate is limited or avoided altogether given the long distance they have to travel to get from one point to another. With assistance from Glenealy, children are picked up from school and sent back to their homes on a weekly or monthly basis.

We also provide transportation assistance to communities who need medical attention or to buy and sell agricultural produce in the nearest village or town.

Charitable Donation

Glenealy contributed RM10,000 in cash to the Society for the Severely Mentally Handicapped (SSMH). SSMH is a voluntary welfare organisation which provides rehabilitation facilities to children and youth with severe mental and physical disabilities, which operates a day training centre in Petaling Jaya, Selangor.

The Statement on Corporate Governance by the Board of Directors has been set out in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The Board of Directors of Glenealy Plantations (Malaya) Berhad ("the Board") recognises the importance of, and is committed to achieving the highest standards of corporate governance in directing and controlling the business of the Group. It is accountable to the Company's shareholders for good governance.

The Board is pleased to report on the application of the principles of corporate governance contained in the Malaysian Code of Corporate Governance ("the Code") and the extent of compliance with the best practices of the Code as required under the Listing Requirements of BMSB by the Company. These principles and best practices have been applied by the Group throughout the financial year ended 30 June 2011.

A. DIRECTORS

The Board and its Responsibilities

The Group is headed by an effective Board which leads and controls the Group in the discharge of its stewardship responsibilities.

The Board is primarily responsible for the followings:

- Reviewing and adopting a strategic plan for the Group;
- Overseeing the conduct of the Group's business to ensure that it is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Appointing, training, fixing the compensation of, and where appropriate, replacing senior management;
- Developing and implementing an investor relations programme and shareholder communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Group's system of internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The authority for implementing the Board's policies is delegated to the Managing Director within the limits authorised by the Board. The Directors have, through various Board meetings, provided leadership and discussed various corporate affairs pertaining to the Group including its overall strategy and plans to enable the achievement of the Group's business objectives whilst fulfilling its obligations to shareholders and other stakeholders.

The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and divestment policy, approval of major capital expenditure projects and significant financial, operational and compliance matters. The schedule ensures that the Board has overall control of the Group's affair and governance.

Board Composition and Balance

The Board comprises one (1) Executive Director and four (4) Independent Non-Executive Directors. The composition of the Board remained the same during the year except for the demise of Mr. Cheam Dow Toon, the Finance Director and Executive Director on 19 September 2010. Save where a situation of conflict of interest arises when Executive Directors do not vote, the Independent Non-Executive Directors exercise their duties and functions in the manner expected of them as Independent Directors. A brief description of the background of each Director is presented on pages 6 to 7.

A. DIRECTORS (cont'd)

Board Composition and Balance (cont'd)

The Board fulfils the requirement to have at least one third of the Board comprising of Independent Non-Executive Directors. The Board is satisfied that the current composition of directors provides an appropriate balance and size to promote all shareholder interests and to govern the Group effectively. It also fairly represents the ownership structure of the Company with appropriate representations of minority interests through the Independent Directors. This balance ensures that all matters brought before the Board are fully and objectively discussed, taking into account the interest of shareholders as a whole, including in particular, those of minority shareholders.

The Board is led by Chan Hua Eng who is an Independent Non-Executive Chairman, and the executive management of the Group is led by Yaw Chee Ming as the Group Managing Director. The roles and responsibilities of the Chairman and the Managing Director are clearly defined and separated so as to ensure a balance of power and authority. The Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in the Board's decisions. The Directors are professionals in the field of finance, accounting, legal and civil administration. The Executive Directors, with their intimate knowledge of the business, take on the primary responsibility for leadership of the Group whilst the Non-Executive Directors bring in independent judgement and insights from a broader perspective to the Group's business in terms of strategy, business performance, resources and standards of conduct. Together, they provide the Group with a wealth of technical skills, experience and expertise to deal with the current and emerging business issues.

Being a Board with a relatively small number of Directors, it feels that it is not necessary to identify a Senior Independent Non-Executive Director of the Board in the Annual Report to whom concerns may be conveyed. Any concerns from the shareholders can be conveyed either to the Chairman or to any of the Non-Executive Directors.

All members of the Board comply with the limitation of directorship requirements under the Listing Requirements of BMSB.

Board Meetings and Supply of Information

The Board meetings are held at least quarterly, and more frequently as and when the business or operational needs arise. Board meetings are also held whenever necessary to discuss various corporate matters including corporate exercises, new major investments and significant changes in regulatory requirements that affect the Group. The quarterly Board meetings are held to discuss and review the quarterly results of the Group for announcement to BMSB, and annual meetings are held to discuss and approve the Group's annual budget and business plans.

There were five (5) Board meetings held during the financial year. The Board records its deliberations, in terms of issues discussed, and the conclusions in discharging its duties and responsibilities.

The number of meetings attended by each Director during the financial year was as follows:

Name of Directors	Number of Meetings Attended	Percentage of Attendance (%)
Chan Hua Eng	5/5	100%
Tan Sri Datuk Seri Utama Thong Yaw Hong	5/5	100%
Datuk Henry Chin Poy-Wu	5/5	100%
Md Yusof bin Hussin	5/5	100%
Yaw Chee Ming	5/5	100%
Cheam Dow Toon	1/2*	50%

** Director demised on 19 September 2010*

A. DIRECTORS (cont'd)

Board Meetings and Supply of Information (cont'd)

Directors are provided with the agenda and full set of board papers normally a week prior to the meeting of the Board to ensure that sufficient time is given to the Directors to review the matters to be discussed. This includes various reports and information that goes beyond assessing the quantitative performance of the enterprise but also other performance factors. The Chairman undertakes the primary responsibility for organising information necessary for the Board to deal with the agenda and for providing this information to the directors on a timely basis.

Board meetings are periodically held at locations within the Group's operating business to enable the Directors to obtain a better understanding and perspective of the Group's business. When a new Director joins the Group, an induction programme will be held for the Director and he will be introduced to the Group's business and operations.

All Directors have full and unrestricted access to information pertaining to the Group and access to and interaction with Senior Management. In furtherance of their duties, they have access to the services of the Company Secretary and may take independent professional advice at the Group's expense. The Group provides insurance cover and indemnities for its Director. The Board believes that the current Company Secretary is capable of carrying out the duties required to ensure the effective functioning of the Board and the removal of the Company Secretary is a matter for the Board as a whole.

Board Committees

The Board governs through a number of Board Committees, i.e., the Audit, Nomination and Remuneration Committees, to which certain duties and responsibilities are delegated. These Committees operate under clearly defined terms of reference and the outcome of the Committee meetings are reported to the Board. The effectiveness of the Audit, Nomination and Remuneration Committees is underpinned by their Independent Non-Executive Director membership, which provides independent insight on governance matters.

The Board has considered that it would not be appropriate for the Nomination Committee to assess the effectiveness of the other Board Committees, as members of the Nomination Committee might not be members of the other Committees. Instead, the Board has established a process for the Chairman of each Committee to annually conduct a review of the Committee's effectiveness.

A summary of the operations of these Committees is set out below.

1. Audit Committee

The Audit Committee consists of Datuk Henry Chin Poy-Wu (Chairman of the Committee), Chan Hua Eng, Tan Sri Datuk Seri Utama Thong Yaw Hong and Md Yusof bin Hussin. The membership of the Committee is composed entirely of Non-Executive Directors in line with the best practice of the Code.

The Committee reports to the Board on the effectiveness of the Group's Internal Control System. Each year, the Chairman of the Committee conducts a review of the Committee's effectiveness based on a process established by the Board. The summary of the activities and terms of reference of the Audit Committee are set out on pages 29 to 32.

2. Nomination Committee

The Nomination Committee consists exclusively of four (4) Independent Non-Executive Directors. It is chaired by Chan Hua Eng. Other members of the Nomination Committee are Tan Sri Datuk Seri Utama Thong Yaw Hong, Datuk Henry Chin Poy-Wu and Md Yusof bin Hussin.

Members of the Nomination Committee abstain from participating in matters concerning their own appointments. The Committee has available to it the services of external advisors, at the Group's expense, as and when it deems necessary.

A. DIRECTORS (cont'd)

Board Committees (cont'd)

2. Nomination Committee (cont'd)

The terms of reference of the Nomination Committee are:

- To annually review the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board for it to function efficiently and effectively.
- To carry out and document annually the process to assess the effectiveness of the Board as a whole and the contribution of each individual director.
- To recommend to the Board candidates for all directorships whilst considering the skills, knowledge, expertise, experience, professionalism and integrity of the candidates. For the consideration of position of Independent Non-Executive Directors, the Board also evaluates their ability to discharge responsibilities as expected from Independent Non-Executive Directors.
- To consider, in making its recommendations, candidates for directorships proposed by the Managing Director and within the boundaries of practicality, by any senior executive or any Director or shareholder.
- To recommend to the Board, Directors to sit on Board Committees.
- To provide an orientation and education programme for the new recruits to the Board.

3. Remuneration Committee

The Remuneration Committee consists exclusively of four (4) Independent Non-Executive Directors and is chaired by Chan Hua Eng. Other members of the Remuneration Committee are Tan Sri Datuk Seri Utama Thong Yaw Hong, Datuk Henry Chin Poy-Wu and Md Yusof bin Hussin. Members of the Board abstain from discussing their own remuneration. The Committee is authorised by the Board to appoint external advisors if it considers this beneficial.

The terms of reference of the Remuneration Committee are:

- To review and recommend to the Board the remuneration of each Executive Director in all its form so as to link rewards to corporate and individual performance.
- To review and approve yearly staff increments and bonuses proposed by management.

Each year, the Chairman of the Committee conducts a review of the Committee's effectiveness based on a process established by the Board.

Directors' Training

All Directors have completed the Mandatory Accreditation Programme ("MAP") as required under the BMSB listing requirements. The Directors are mindful that they should continue to update their skills and knowledge to maximise their effectiveness as Directors during their tenure.

During the financial year, the Company Secretary, external auditors and consultants engaged by the Company provided updates to the Board on relevant governance matters and on new legislations and regulations concerning the Group and the Directors' duties and obligations. The Audit Committee regularly considers new accounting developments through presentations from the management and the external auditors. Non-Executive Directors increase their understanding of the business and sector through regular presentations given by the management on issues, developments, innovations and competitive intelligence concerning the industry and the business.

A. DIRECTORS (cont'd)

Directors' Training (cont'd)

Respective directors have also participated in certain trainings and development programmes during the year to update their skills and knowledge and to keep abreast of the developments on a variety of areas relevant to the Group's business with emphasis on governance and accounting matters. Some of the conferences, seminars and training programmes attended by the Directors including members of the audit committee during the financial year include:

- FIDE Programme: Board IT Governance and Risk Management – Breaking the Technology Code
- Sustainability Programme for Corporate Malaysia – Plantation, Construction, Property and Hotel Industry Sector
- International Corporate Governance Network Mid-Year Conference 2011
- Launch of Corporate Integrity Pledge
- Launch of PIDM 2010 Annual Report and Annual Dialogue
- Nomination and Remuneration Committee Programme
- IFRS 9 and Financial instruments Updates
- Forum on FRS139 Financial Instruments: Recognition and Measurement
- Impact of the Proposed Goods and Services Tax ("GST")
- Assessing the Risk and Control Environment
- Corporate Integrity and Anti-Corruption Principles for Corporations in Malaysia

Appointments to the Board

The Nomination Committee, as part of its terms of reference, is responsible for making recommendations to the Board on the appointment of Directors. In making these recommendations, the Nomination Committee considers the composition of the Board and the required mix of skills and experience which the Nomination Committee feels is necessary for the effective management of the Group. The Company Secretary will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

Re-election

The Articles of Association of the Company requires all Directors, including the Managing Director, to retire from office and submit themselves for re-election at least once in every three years in compliance with the Listing Requirements of BMSB.

Pursuant to Section 129(6) of the Companies Act, 1965, any Director who is of or over the age of seventy (70) is required to retire annually upon the conclusion of the Annual General Meeting. A resolution for his re-appointment would be passed by a majority of not less than three quarters of the votes of such members of the Company who are present and voting.

B. DIRECTORS' REMUNERATION

The Level and Make Up of Remuneration and Procedures

The levels of remuneration for each of the Directors are designed to be adequately sufficient to attract and retain the Directors needed to manage the business of the Group. The level of remuneration reflects the level of responsibility and commitment that goes with Board membership.

The Remuneration Committee considers the remuneration of the Executive Directors to ensure that the remuneration has been structured to link rewards to the individual and Group performance and that it reflects the Director's level of responsibility, contribution and commitment made to the Group. Executive Directors do not participate in the decisions on their own remuneration. The recommendations of the Remuneration Committee are submitted to the Board for approval.

In the case of Non-Executive Directors, the Board as a whole determines their remuneration, and each individual Non-Executive Director abstains from the Board decision on his own remuneration. Other than the Chairman, the other Non-Executive Directors receives the same level of remuneration. The Board has considered that each of them brings to the Board his respective skills and is therefore considered to have contributed equally to the Board's deliberations and duties.

Details of Directors' Remuneration

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company during the financial year was as follows:

Category	Fees RM'000	Salaries and other emolument RM'000	Benefits-in-kind RM'000
Executive Directors	54	983	79
Non-Executive Directors	185	-	-

The number of Directors whose income from the Group falling within the following bands were:

Executive Directors	Number
RM400,001 to RM450,000	1
RM700,001 to RM750,000	1

Non-Executive Directors	
Less than or equal to RM50,000	4

The Board has considered the Code's Principle B III requiring the disclosure of details of the remuneration of each Director against the backdrop of compliance with a related disclosure required under the Listing Requirements of BMSB, that is, the disclosure of an analysis of Directors' Remuneration by applicable bands of RM50,000.

The Board is of the view that the transparency and accountability aspects of corporate governance as applicable for Directors' Remuneration are adequately served by the "band disclosures" made.

C. SHAREHOLDERS

Dialogue between the Company and Investors

The Board recognises the importance of transparent and effective communications with shareholders, stakeholders and the public, and reports on a timely basis on all material information relevant to the Group. The Group communicates with the shareholders, stakeholders and the general public through the annual reports, quarterly announcements and other corporate announcements to the BMSB.

Regular meetings are held with the institutional shareholders throughout the financial year to discuss the progress of the Group, future growth prospects and strategy. Meetings between members of the press and the Board are normally held after the Annual General Meeting and other General Meetings.

Annual General Meeting

The Annual General Meeting provides the Board with an important forum for communication with shareholders. During the meeting, shareholders are given the opportunity to enquire and comment on matters relating to the Group's business. The Board encourages active participation from the shareholders and all directors are available to provide their feedback. Detailed explanations of any special business during the meetings are included in the notice of meeting for the shareholders to fully understand the effects of the proposed resolutions.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and the quarterly announcements to shareholders, the Board has taken reasonable steps to ensure that the financial statements represent a true and fair reflection of the Group's position and prospects. This also applies to circulars to shareholders and other documents that are submitted to the authorities and regulators.

Internal Control

The Board acknowledges its responsibilities for the Group's system of internal control covering not only financial controls but also operational and compliance controls as well as risk management. The Group's Statement on Internal Control set out on pages 26 to 28 provides an overview on the state of internal controls within the Group.

Relationship with the Auditors

The Board and the Audit Committee have established transparent and appropriate relationships with the external auditors. Continuous communications are held with external auditors throughout the financial year and the external auditors participate in Audit Committee meetings at least twice a year.

The role of the Audit Committee with the external auditors is set out in the Audit Committee Report on pages 29 to 32.

E. COMPLIANCE WITH THE CODE

The Group has complied throughout the financial year with the principles and best practices of the Code except as disclosed below:

a) Best Practice AA VII in respect of the nomination of a Senior Independent Non-Executive Director,
b) Best practice AA X in respect of assessment of the effectiveness of the Board Committees by the Nomination Committee, and
c) Principle B III regarding details of remuneration of each director.

Deviations from the Code are respectively explained above under the Sections on the "Board Composition and Balance" on pages 17 to 18, "Board Committees" on pages 19 to 20, and the "Details of Directors' Remuneration" on page 22.

F. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required to give a responsibility statement in respect of the preparation of the audited financial statements under paragraph 15.26(a) of the Listing Requirements of BMSB.

In preparing the financial statements, the Directors are required to:

- Prepare the financial statements on a going concern basis;
- Comply with the applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965;
- Adopt and consistently apply appropriate accounting policies; and
- Make estimates and assumptions that are prudent and reasonable.

The Directors are responsible for ensuring that the Group and the Company maintain proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965.

The Directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution by the Board of Directors dated 26 August 2011.

G. ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with the Listing Requirements of BMSB:

1. Family Relationship

Except as disclosed in Note 27 (Related Parties) of the Financial Statements, none of the other Directors have any family relationship with any director and/or major shareholder of the Company and the Group.

2. Conflict of Interest

Except as disclosed in Note 27 (Related Parties) of the Financial Statements, none of the Directors have any related party transactions with the Company and the Group.

3. Convictions for Offences

None of the Company's Directors has ever had any convictions for offences.

4. Contracts Relating to Loans

There were no contracts relating to loans entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest.

5. Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

6. Non-Audit Fees

The amount of non-audit fees paid to an associate firm of the Group's external auditors for the financial year amounted to RM65,000 for corporate tax compliance and advisory services rendered.

7. Profit Estimate, Forecast or Projections

There was no variance between the results for the financial year and the unaudited results previously announced. The Company did not release any profit estimate, forecast or projections for the financial year.

8. Profit Guarantees

There were no profit guarantees given by the Company during the financial year.

9. Material Contracts

Material contracts entered into by the Company and its subsidiaries involving Directors' and/or major shareholders' interest are disclosed under "Other Information" on page 86 of this Annual Report.

10. Revaluation of Landed Properties

The Company does not have a policy of revaluing its landed properties.

11. Share Buybacks

There were no share buybacks by the Company during the financial year.

12. Options, Warrants or Convertible Securities

The Company has not issued any options, warrants or convertible securities in the financial year.

13. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

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

Statement on Internal Control

The Board presents the Group's Statement on Internal Control, made in compliance with Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB") and the Statement on Internal Control: Guidance for Directors of Public Listed Companies issued by the Task Force on Internal Control ("the Guidance").

BOARD RESPONSIBILITY

The Board recognises the importance of a sound system of internal control and risk management practices, and acknowledges its overall responsibility for maintaining and reviewing the adequacy and integrity of the Group's system of internal control. Procedures have been designed to safeguard shareholders' investment and assets against unauthorised use or disposition. In considering the system, the Board noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute assurance against material misstatement or loss. The Audit Committee has kept under review the effectiveness of the system of internal control and has reported regularly to the Board.

The key elements of the risk management and internal control processes, which were operational in the period under review, are discussed below:

A. Risk Management

The Board considers risk assessment and control to be fundamental to the Group in achieving its corporate objectives within an acceptable risk-reward profile. It has established an ongoing process to identify, evaluate and manage the significant risks faced by the Group and the effectiveness of the related controls. Elements of the risk, the related controls and the risk process are regularly discussed by the Board during their review meetings. This established process is consistent with the Guidance and the system has been in place during the year and up to the date of this report.

In ensuring consistency of practices and accountability for managing risks across the Group, the Board has approved a set of policies and frameworks detailed below:

i. Risk Management Policy

The Group's Risk Management Policy governs its approach to Risk Management and its underlying principles are applied and reflected in the day-to-day operations.

The risk management policy and guidelines are intended to provide an ongoing process for identifying, evaluating and managing significant risks that may impede the achievement of the Group's business objectives. The process includes assessment of the existing Risk Management Framework and monitoring the adequacy of the prevailing system of internal controls to manage the identified risks.

ii. Risk Management Framework

The Board acknowledges that considerable effort and continued commitment is required to implement all aspects of a Risk Management Framework effectively across the Group. In this context, management continues its responsibility to promote a risk awareness culture by instilling Risk Management knowledge at the operating unit level. They also have the responsibility for managing risks and implementing effective internal controls, whilst ensuring compliance with applicable laws and regulations.

BOARD RESPONSIBILITY (cont'd)

A. Risk Management (cont'd)

ii. Risk Management Framework (cont'd)

The Group has implemented a risk management programme which includes the process of risk assessment, evaluation of and managing critical risks affecting the Group's operating units in accordance with internationally recognised practices. Risk and responsibilities are established and controls which are required to be operated and monitored are assigned to each level of management. Management of respective operating units are required to acknowledge that they are responsible for managing the risks and related internal controls affecting their business objectives and to provide reasonable but not absolute assurance that the risks in their areas of responsibility are appropriately identified, evaluated and managed.

There is a continuous improvement on the risk management process, which includes:

- Refining the roles and responsibilities for risk management to improve the reporting structure;
- Conducting risk education sessions for the purpose of risk management knowledge sharing and training;
- Updating of the database of risks for certain operating units of the Group (key risks to each operating unit were identified, scored and categorised to highlight the source of risk, their financial impacts and the likelihood of occurrence); and
- Exposing the major operating units and its key personnel to good risk management practices.

The on-going enhancement process is essential and imperative to keep abreast with best practices in the industry and adapt to changes in the environment in which the Group is operating.

iii. Risk Reporting

The Group's Risk Management function coordinates the implementation of the Risk Management Policy and Framework, and provides an aggregated view of principal risks inherent in all operating companies under the Group. The key risks identified and the risk profiles of the Group's major operating units are being monitored by the senior management and reported to the Managing Director, Acting Finance Director, the Audit Committee and the Board.

B. Monitoring and Reviewing the System of Internal Control by Internal Audit and Risk Management

Internal Audit and Risk Management functions provided independent assurance to the Board on the effectiveness of the Group's system of internal control and risk management.

The processes adopted to monitor and review the effectiveness of the system of internal control were:

- Periodic reviews of the system of internal control by Internal Audit and the results of such reviews were reported regularly to the Audit Committee.
- Risk Management conducted periodic facilitation, monitoring and controlling activities to ensure that business risks were identified, managed and regularly reviewed at all levels of the Group and that Executive Management and the Board were apprised of the key risks.

BOARD RESPONSIBILITY (cont'd)

C. Other Key Elements of Internal Control

Other key elements of the internal control process that were in place in the period under review are summarised below:

- Established procedures for delegating authority, which ensures decisions that were significant, either because of the value or the impact on the other parts of the Group, were taken at appropriate levels.
- Board reviewed the operational and financial performance of the Group every quarter and management meetings were conducted at operating division level.
- Established comprehensive system of budgetary control, including monthly performance reviews. Executive management had also reviewed a range of financial and non-financial performance indicators.
- Divisional objectives were set by respective divisions. Their objectives were aligned to the Group's overall strategic goals. Individuals agreed on their personal objectives with their immediate superiors. These objectives were aligned to the divisional objectives. Work activities were supervised and Key Result Indicators were defined to facilitate the monitoring and evaluation of progress against goals.
- Defined policies and procedures governing appraisal and approval of capital expenditure and treasury operations were established. Other expenditures were approved according to formalised limits of authority.
- Remuneration Committee evaluated and reviewed the remuneration packages of the Executive Directors and senior management.
- Major contracts and legally enforceable agreements were vetted by the Group's Legal Department.
- Board representation was mandatory in companies in which material interest exists to facilitate the review of performance of the companies.
- Audit Committee held regular meetings to deliberate upon findings and recommendations for improvement by both the internal and external auditors on the internal control system and reported back to the Board.

CONCLUSION

The Board is of the opinion that the aforementioned monitoring, review and reporting arrangements give reasonable assurance that the system of internal control in place is effective to ensure that the level of risk to which the Group is exposed to has been managed appropriately. Nevertheless, such arrangements do not eliminate the possibility of human error or the deliberate circumvention of control procedures by employees or other parties, or the occurrence of unforeseen circumstances. Indeed, a number of such internal control weaknesses were identified during the year, all of which have been, or are currently being, addressed and none are of a magnitude that resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

Pursuant to paragraph 15.23 of the Listing Requirements of BMSB, the external auditor has reviewed this statement for inclusion in the Annual Report of the Group for the year ended 30 June 2011 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

This statement is made in accordance with a resolution of the Board of Directors dated 26 August 2011.

Audit Committee Report

The Audit Committee is accountable to the Board of Directors of Glenealy Plantations (Malaya) Berhad ("the Board") and assists the Board in meeting its responsibilities in ensuring an effective system of internal control and compliance and for meeting its external financial reporting obligations.

MEMBERS

The Board has established an Audit Committee comprising four (4) Independent Non-Executive Directors namely, Datuk Henry Chin Poy-Wu (Chairman of the Audit Committee), Chan Hua Eng, Tan Sri Datuk Seri Utama Thong Yaw Hong and Md Yusof bin Hussin. Md Yusof bin Hussin is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants and he is considered by the Board as having the relevant financial experience. All other members have many years of experience in the corporate world and they are regarded as financially literate.

The main roles and responsibilities of the Audit Committee are set out in written terms of reference shown on pages 31 to 32 in this Annual Report.

MEETINGS

During the financial year, the Audit Committee met on four (4) occasions where all members attended.

The agenda for each meeting is pre-planned to ensure that each aspect of the Audit Committee's responsibilities is discharged as part of an annual cycle. Also, the Audit Committee receives comprehensive reports from the management and the internal and external auditors for the meetings.

At the invitation of the Audit Committee, representatives of the external auditors, Messrs. PricewaterhouseCoopers ("PwC"), the Managing Director and Directors of the Company, the Acting Finance Director, the Head of Internal Audit and certain senior management of the Group also attended some of the meetings.

The Chairman of the Committee engages on a continuous basis with the senior management, Head of Internal Audit and the external auditors in order to be kept informed of matters affecting the Group so that relevant issues can be brought to the attention of the Audit Committee in a timely manner.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee's responsibilities were discharged in the following manner during and subsequent to the financial year:

- Reviewed the Group's quarterly announcement at each of its scheduled quarterly meeting and the Group's Annual Report and Financial Statements at a meeting held in August 2011. The Audit Committee was briefed on accounting and judgemental issues that required their attention by the Company's officers and PwC. As a matter of routine, the Audit Committee was presented with information on material litigation involving Group companies.

- In May 2011, the Audit Committee reviewed PwC's overall work plan, their remuneration and terms of engagement for the financial year ended 30 June 2011. The Committee also considered the report by PwC on regulatory and accounting developments and their impact on the Group.

  In August 2011, the Audit Committee considered in detail the results of the audit, PwC's performance and the independence and effectiveness of the overall audit process. The Audit Committee considered and recommended PwC's re-appointment as auditors of the Company and a resolution for their re-appointment will be submitted to the shareholders at the Company's Annual General Meeting.

  The Audit Committee met with PwC, without the presence of management, in May and August 2011 to facilitate discussion of matters relating to its remit, issues, major audit findings and the management responses arising from their audit.

- Reviewed the Audit Committee Report, disclosure statements on compliance with the Malaysian Code on Corporate Governance and the statement of internal controls as well as the Directors' Responsibility Statement on the annual audited financial statements for inclusion in the Company's 2011 Annual Report.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (cont'd)

- Reviewed regularly the Internal Audit Department's resources, budget, work programme, results and management's implementation of its recommendations. The Audit Committee was made informed on the movement of staffs in the Internal Audit Department.
- Reviewed the audit activities carried out by the Internal Audit Department and the audit reports to ensure corrective actions were taken in addressing the issues reported.
- Reviewed the related party transactions at each of its scheduled quarterly meetings.
- Discussed issues concerning risks and controls in the operations.
- Reported on its activities at each Board meeting.

INTERNAL AUDIT FUNCTION AND ACTIVITIES

Internal Audit Department is independent of business operations and has a Group-wide mandate set out in its Audit Charter.

The activities of the Internal Audit Department are summarised below:

- Prepared the annual audit plan and the audit process for approval by the Audit Committee.
- Attended Committee's meetings to table and discuss the audit reports and followed up on matters raised.
- Reported to the Committee on their reviews on the adequacy, appropriateness and compliance with the procedures established to monitor recurrent related party transactions.
- Regularly performed risk based audits on strategic business units of the Company and the Group, which covered reviews of the internal controls system, accounting and management information system and risk management.
- Assessed the effectiveness of key internal controls to mitigate the risks and exposures on the Group, focusing on the Group's significant business risks.
- Assessed the adequacy and efficiency of the Group's business processes.
- Issued audit reports to the Committee and management identifying weaknesses and issues as well as highlighting recommendations for improvements.
- Reviewed on the appropriateness of the disclosure statements in regard to compliance with the Malaysian Code on Corporate Governance and the statement on internal control as well as the Audit Committee Report.

The Head of Internal Audit reports directly to the Audit Committee and is responsible for the regular review and appraisal of effectiveness of the risk management, internal control, and governance processes within the Company.

In addition to the above responsibilities and activities carried out during the financial year, Internal Audit Department also carried out certain investigative assignments on behalf of management. Occasionally, it facilitated and assisted management with their system improvement, focusing primarily on the processes, risks and controls.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. MEMBERSHIP

The Audit Committee shall be appointed by the Board from amongst the Directors of the Company (except alternate directors) which fulfils the following requirements:

a. the audit committee must be composed of no fewer than three (3) members;
b. all the audit committee members must be non-executive directors, with a majority of them being independent directors; and
c. at least one (1) member of the audit committee;

   (i) must be a member of the Malaysian Institute of Accountants; or
   (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:
      a. he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
      b. he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
   (iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad's ("BMSB").

A member shall not have family relationship with any Executive Director of the Company or of any related companies or relationship which would interfere with independent judgement.

In order to form a quorum in respect of a meeting of an audit committee, there shall be three (3) members and the majority of members present must be independent directors.

The Chairman of the Audit Committee shall be elected by the members of the Audit Committee and shall be an Independent Non-Executive Director.

The Board shall, within three (3) months of a vacancy occurring in the Committee which results in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.

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

2. ATTENDANCE AT MEETINGS

The Heads of Finance and Internal Audit and a representative of the external auditors shall normally attend the meetings.

The Audit Committee may, as and when deemed necessary, invite other Board members and senior management to attend the meetings.

The Company Secretary shall be the secretary of the Audit Committee.

The secretary shall be responsible for keeping the minutes of the Audit Committee, and circulating them to the Audit Committee members.

3. FREQUENCY OF MEETINGS

The Audit Committee shall hold at least four (4) meetings during each financial year.

The Audit Committee shall meet at least twice during the financial year with the external auditors and internal auditors without the presence of the Executive Board members, other directors and employees of the Group.

4. PROCEEDINGS OF MEETINGS

In the absence of the Chairman, the Audit Committee shall appoint one of the Independent Non-Executive members present to chair that meeting.

Decisions on matters raised at any meetings shall be decided by a majority of votes of the members present.

5. AUTHORITY

The Audit Committee is authorised by the Board to investigate any activities within its terms of reference. It is authorised to seek any information it requires from any employees and all employees are directed to co-operate with any requests made by the Audit Committee.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (cont'd)

5. AUTHORITY (con'd)

The Audit Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Audit Committee shall have direct communication channels with the internal and external auditors, and they shall be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

6. DUTIES

The duties of the Audit Committee shall be:

- To consider the appointment of the external auditors, the audit fee, any other terms of engagement and any question of resignation or dismissal.
- To discuss with the external auditors on the audit plan, including the nature and scope of the audit before the commencement of the annual audit and ensure co-ordination where more than one audit firm is involved.
- To review the quarterly and annual financial statements before submission to the Board, focusing particularly on:
  - any changes in accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption;
  - significant and unusual events; and
  - compliance with applicable approved Financial Reporting Standards in Malaysia and other legal requirements.
- To discuss with the external auditors on any major audit findings and the management responses, and problems and reservations arising from the annual audits (in the absence of the management where necessary).
- To assess and monitor the qualification, expertise, resources, effectiveness, objectivity and independence of the external auditors.
- To review the adequacy of the scope, functions, competency, budget and resources of the internal audit function, and that it has the necessary authority to carry out its work.
- To review the internal audit programme, consider major findings of internal audit investigations and management responses and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function.
- To review any appraisal or assessment of the senior staff members of the Internal Audit Department, approve any appointment or termination of senior staff members of the department, and to inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning.
- To review the level of co-ordination between the internal and external auditors and the level of assistance given by other employees to the external auditors.
- To keep under review the effectiveness of the system of internal control, and in particular, review the external auditors' management letter, major findings of internal investigations and management responses.
- To direct and where appropriate, supervise any special projects or investigations considered necessary, and review investigation reports on any major defalcations, frauds and thefts.
- To consider any related party transactions that may arise within the Company or the Group.
- To consider other related matters, as defined by the Board.

7. REPORTING PROGRAMME

The Company Secretary shall circulate the Minutes of the Audit Committee meetings to all members of the Board. The Audit Committee will promptly report to BMSB any matters reported by it to the Board that has not been satisfactorily resolved resulting in a breach of BMSB's listing requirements.

Financial Statements

Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2011.

Principal Activities

The principal activities of the Company are investment holding and provision of management services to its subsidiaries.

The principal activities of the subsidiaries and an associate are set out in Notes 12 and 13 to the financial statements and include that of the operations of oil palm plantations, oil mills and quarries.

There have been no significant changes in the nature of the activities of the Group and Company during the financial year.

Financial Results

	Group RM'000	Company RM'000
Net profit for the financial year	86,688	2,725
Attributable to:		
Owners of the Parent	71,308	2,725
Non-controlling interests	15,380	0
	86,688	2,725

Dividends

Dividends paid or declared by the Company since 30 June 2010 are as follows:

	RM'000
In respect of the financial year ended 30 June 2010, as shown in the Directors report of that financial year a final dividend of 10 sen per share on 114,090,792 ordinary shares, less income tax of 25%, paid on 20 December 2010	8,557

The Directors propose a final dividend of 15 sen per share on 114,090,792 ordinary shares, less income tax of 25%, amounting to RM12,835,214 for the financial year ended 30 June 2011, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Reserves and Provisions

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

Directors

The Directors who have held office during the period since the date of the last report are:

Chan Hua Eng
Tan Sri Datuk Seri Utama Thong Yaw Hong
Datuk Henry Chin Poy-Wu
Yaw Chee Ming
Md Yusof bin Hussin
Cheam Dow Toon (Demised on 19 September 2010)

Directors (Cont'd)

In accordance with Article 89 of the Company's Articles of Association, Yaw Chee Ming retires at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

In accordance with Section 129 of the Companies Act 1965, Tan Sri Datuk Seri Utama Thong Yaw Hong, Chan Hua Eng and Datuk Henry Chin Poy-Wu, being over seventy years of age, retire at the forthcoming Annual General Meeting and offer themselves for re-election in accordance with Section 129(6) of the Companies Act 1965 to hold office until the conclusion of the next Annual General Meeting of the Company.

Directors' Benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements, with the object or objects 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.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration as disclosed in Note 5 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for any deemed benefits that may accrue to certain Directors by virtue of normal trading transactions by the Company and its subsidiaries with companies in which certain Directors have financial interests as indicated in Note 27 to the financial statements.

Directors' Interests in Shares

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the financial year in the shares in the Company and its related corporations are as follows:

	Number of ordinary shares of RM1 each in the Company				
	At 1.7.2010	Bought	Sold	At 30.6.2011	% of shareholdings
Shareholdings in the name of the Director:					
Indirect					
Chan Hua Eng	131,900	0	0	131,900	<1
Shareholdings in which the Director is deemed to have an interest:					
Yaw Chee Ming	59,068,522	2,180,000	0	61,248,522	53.68

None of the other Directors held any interest in shares in the Company and its related corporations during the financial year.

Statutory Information on the Financial Statements

Before the financial statements were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had 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:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

No contingent or other liability 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 affect the ability of the Group or the Company to meet their obligations when they fall due.

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

(a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors,

(a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution dated 26 August 2011.

CHAN HUA ENG
DIRECTOR

YAW CHEE MING
DIRECTOR

Statements of Comprehensive Income

for the financial year ended 30 June 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Revenue	3	258,662	189,534	5,141	5,969
Cost of sales		(122,672)	(123,378)	0	0
Gross profit		135,990	66,156	5,141	5,969
Other operating income		4,569	3,093	163	169
Selling and distribution costs		(4,763)	(4,938)	0	0
Administrative expenses		(11,701)	(10,773)	(2,557)	(2,405)
Other operating expenses		(5,161)	(1,769)	0	0
Share of results of an associate	13	(23)	(753)	0	0
Profit before tax	4	118,911	51,016	2,747	3,733
Tax expense	6	(32,223)	(13,670)	(22)	0
Net profit for the financial year		86,688	37,346	2,725	3,733
Other comprehensive income:					
Foreign currency translation differences of foreign subsidiaries		(699)	621	0	0
Fair value of available-for-sale financial assets		303	0	303	0
Other comprehensive (loss) / income for the financial year (net of tax)		(396)	621	303	0
Total comprehensive income for the financial year		86,292	37,967	3,028	3,733
Profit attributable to:					
Owners of the parent		71,308	29,759	2,725	3,733
Non-controlling interests		15,380	7,587	0	0
Net profit for the financial year		86,688	37,346	2,725	3,733
Total comprehensive income attributable to:					
Owners of the parent		70,912	30,380	3,028	3,733
Non-controlling interests		15,380	7,587	0	0
Total comprehensive income for the financial year		86,292	37,967	3,028	3,733
Earnings per ordinary share attributable to equity holders of the Company (sen)	7	62.50	26.08	0	0
Dividend per share in respect of the financial year (sen)	8	15.0	10.0	15.0	10.0

The accounting policies on pages 44 to 55 and the notes on pages 56 to 77 form an integral part of these financial statements.

Statements of Financial Position

as at 30 June 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Non-Current Assets					
Property, plant and equipment	9	231,312	225,726	94	368
Prepaid lease payments	10	49,609	48,780	0	0
Biological assets	11	283,508	260,098	0	0
Investments in subsidiaries	12	0	0	319,594	319,594
Investment in an associate	13	0	23	0	0
Long term investments	14	0	957	0	957
Available-for-sale financial assets	15	2,591	0	2,591	0
		567,020	535,584	322,279	320,919
Current Assets					
Inventories	16	17,209	9,863	0	0
Receivables	17	36,949	21,620	5,008	5,010
Amount due from an associate	18	811	3,341	0	0
Tax recoverable		4,260	7,508	712	1,545
Deposits, cash and bank balances	19	151,930	119,657	664	5,413
		211,159	161,989	6,384	11,968
Total Assets		778,179	697,573	328,663	332,887
Capital and Reserves					
Equity Attributable to Owners of the Parent					
Share capital	20	115,362	115,362	115,362	115,362
Reserves		467,921	404,235	197,230	201,428
		583,283	519,597	312,592	316,790
Non-Controlling Interests		60,574	58,894	0	0
Total Equity		643,857	578,491	312,592	316,790
Current Liabilities					
Advances from a subsidiary	21	0	0	15,531	0
Payables	22	32,709	33,718	540	503
Tax liabilities		7,050	1,033	0	0
		39,759	34,751	16,071	503
Non-Current Liabilities					
Advances from a subsidiary	21	0	0	0	15,594
Deferred tax liabilities	23	94,563	84,331	0	0
		94,563	84,331	0	15,594
Total Liabilities		134,322	119,082	16,071	16,097
Total Equity and Liabilities		778,179	697,573	328,663	332,887

The accounting policies on pages 44 to 55 and the notes on pages 56 to 77 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2011

Group	Note	Issued and fully paid ordinary shares of RM1 each		Attributable to owners of the parent								
		Number of shares '000	Nominal value RM'000	Share premium RM'000	Treasury shares RM'000	Foreign exchange reserves RM'000	Other reserves (Note 24) RM'000	Fair value reserves RM'000	Retained earnings (Note 25) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2010		115,362	115,362	2,818	(2,423)	(232)	163,840	0	240,232	519,597	58,894	578,491
Effect of adopting FRS 139		0	0	0	0	0	0	1,331	0	1,331	0	1,331
As at 1 July 2010 (restated)		115,362	115,362	2,818	(2,423)	(232)	163,840	1,331	240,232	520,928	58,894	579,822
Net profit for the financial year		0	0	0	0	0	0	0	71,308	71,308	15,380	86,688
Other comprehensive income:												
- Currency translation differences		0	0	0	0	(699)	0	0	0	(699)	0	(699)
- Available-for-sale financial assets		0	0	0	0	0	0	303	0	303	0	303
Total comprehensive income for the financial year		0	0	0	0	(699)	0	303	71,308	70,912	15,380	86,292
Transactions with owners:												
Dividends paid in respect of financial year ended 30 June 2010:												
- final dividend	8	0	0	0	0	0	0	0	(8,557)	(8,557)	(1,062)	(9,619)
Dividend paid by a subsidiary company for financial year ended 30 June 2011:												
- interim dividend		0	0	0	0	0	0	0	0	0	(12,638)	(12,638)
At 30 June 2011		115,362	115,362	2,818	(2,423)	(931)	163,840	1,634	302,983	583,283	60,574	643,857

The accounting policies on pages 44 to 55 and the notes on pages 56 to 77 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2011

Group	Note	Issued and fully paid ordinary shares of RM1 each		Attributable to owners of the parent							
		Number of shares '000	Nominal value RM'000	Share premium RM'000	Treasury shares RM'000	Foreign exchange reserves RM'000	Other reserves (Note 24) RM'000	Retained earnings (Note 25) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2009		115,362	115,362	2,818	(2,423)	(853)	163,840	219,030	497,774	52,973	550,747
Net profit for the financial year		0	0	0	0	0	0	29,759	29,759	7,587	37,346
Other comprehensive income:											
- Currency translation differences		0	0	0	0	621	0	0	621	0	621
Total comprehensive income for the financial year		0	0	0	0	621	0	29,759	30,380	7,587	37,967
Transactions with owners:											
Dividend paid in respect of financial year ended 30 June 2009:											
- final dividend	8	0	0	0	0	0	0	(8,557)	(8,557)	(1,639)	(10,196)
Further acquisition in a local subsidiary company	12	0	0	0	0	0	0	0	0	(27)	(27)
At 30 June 2010		115,362	115,362	2,818	(2,423)	(232)	163,840	240,232	519,597	58,894	578,491

The accounting policies on pages 44 to 55 and the notes on pages 56 to 77 form an integral part of these financial statements.

Company Statement of Changes in Equity

for the financial year ended 30 June 2011

Company	Note	Issued and fully paid ordinary shares of RM1 each		Non-distributable			Distributable		Total
		Number of shares '000	Nominal value RM'000	Share premium RM'000	Treasury shares RM'000	Fair value reserves RM'000	Other reserves (Note 24) RM'000	Retained earnings (Note 25) RM'000	RM'000
At 1 July 2010		115,362	115,362	2,818	(2,423)	0	163,840	37,193	316,790
Effect of adopting FRS 139		0	0	0	0	1,331	0	0	1,331
At 1 July 2010 (restated)		115,362	115,362	2,818	(2,423)	1,331	163,840	37,193	318,121
Net profit for the financial year		0	0	0	0	0	0	2,725	2,725
Other comprehensive income:									
- Available-for-sale financial assets		0	0	0	0	303	0	0	303
Total comprehensive income		0	0	0	0	303	0	2,725	3,028
Transaction with owners:									
Dividend paid in respect of financial year ended 30 June 2010:									
- final dividend	8	0	0	0	0	0	0	(8,557)	(8,557)
At 30 June 2011		115,362	115,362	2,818	(2,423)	1,634	163,840	31,361	312,592

Company	Note	Issued and fully paid ordinary shares of RM1 each		Non-distributable		Distributable		Total
		Number of shares '000	Nominal value RM'000	Share premium RM'000	Treasury shares RM'000	Other reserves (Note 24) RM'000	Retained earnings (Note 25) RM'000	RM'000
At 1 July 2009		115,362	115,362	2,818	(2,423)	163,840	42,017	321,614
Total comprehensive income for the financial year		0	0	0	0	0	3,733	3,733
Transaction with owners:								
Dividend paid in respect of financial year ended 30 June 2009:								
- final dividend	8	0	0	0	0	0	(8,557)	(8,557)
At 30 June 2010		115,362	115,362	2,818	(2,423)	163,840	37,193	316,790

The accounting policies on pages 44 to 55 and the notes on pages 56 to 77 form an integral part of these financial statements.

Statements of Cash Flows

for the financial year ended 30 June 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Operating Activities					
Net profit for the financial year		86,688	37,346	2,725	3,733
Adjustments for non cash items:					
Amortisation					
- biological assets		12,595	12,320	0	0
- prepaid lease payments		907	907	0	0
Depreciation of property, plant and equipment		25,861	21,715	274	300
Gain on disposal of property, plant and equipment		(351)	0	0	0
Write off					
- biological assets		579	188	0	0
- property, plant and equipment		673	37	0	0
Reversal of provision for impairment of receivables		0	(669)	0	0
Reversal of provision for cultivation		(3,000)	0	0	0
Share of associate's loss		23	753	0	0
Dividend income		(71)	(48)	(5,071)	(5,898)
Interest income		(3,427)	(2,857)	(64)	(70)
Tax expenses		32,223	13,670	22	0
		152,700	83,362	(2,114)	(1,935)
Changes in working capital:					
Inventories		(7,346)	494	0	0
Receivables		(12,565)	(7,055)	2	(2,210)
Payables		837	(6,979)	37	(9)
Net cash generated from/(used in) operations		133,626	69,822	(2,075)	(4,154)
Tax paid		(13,537)	(11,633)	0	0
Tax refunded		811	0	811	0
Net cash flow generated from/(used in) operating activities		120,900	58,189	(1,264)	(4,154)

The accounting policies on pages 44 to 55 and the notes on pages 56 to 77 form an integral part of these financial statements.

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Investing Activities					
Additions of property, plant and equipment		(33,303)	(45,708)	0	0
Additions of prepaid lease payments		(1,783)	(1,449)	0	0
Additions of biological assets		(34,521)	(34,034)	0	0
Interest received		3,193	2,857	64	70
Dividends received		71	48	5,071	5,898
Acquisition of shares from non-controlling interest		0	(27)	0	0
Proceeds from disposal of property, plant, and equipment		469	0	0	0
Restricted fixed deposits		(2,241)	(10)	0	0
Net cash (used in)/generated from investing activities		(68,115)	(78,323)	5,135	5,968
Financing Activities					
Dividends paid:					
- shareholders		(8,557)	(8,557)	(8,557)	(8,557)
- non-controlling interests of a subsidiary		(13,700)	(11,086)	0	0
Advances (repaid)/received from a subsidiary		0	0	(63)	9,613
Net cash (used in)/generated from financing activities		(22,257)	(19,643)	(8,620)	1,056
Net Change in Cash and Cash Equivalents		30,528	(39,777)	(4,749)	2,870
Cash and Cash Equivalents at the Beginning of the Financial Year		118,061	157,217	5,413	2,543
Foreign Exchange Differences		(496)	621	0	0
Cash and Cash Equivalents at the End of the Financial Year	19	148,093	118,061	664	5,413

The accounting policies on pages 44 to 55 and the notes on pages 56 to 77 form an integral part of these financial statements.

Summary of Significant Accounting Policies

Unless otherwise stated, the following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

A Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act 1965 and Financial Reporting Standards in Malaysia.

The preparation of financial statements in conformity with Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

(a) Standards, amendments to published standards and interpretations that are applicable to the Group and are effective

The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group and the Company's financial year beginning on or after 1 July 2010 are as follows:

- FRS 3 (revised) "Business Combinations"
- FRS 7 "Financial Instruments: Disclosures" and the related Amendments
- FRS 101 (revised) "Presentation of Financial Statements"
- FRS 127 (revised) "Consolidated and Separate Financial Statements"
- FRS 139 "Financial Instruments: Recognition and Measurement" and the related Amendments
- Amendment to FRS 1 "First-time Adoption of Financial Reporting Standards" and FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate"
- Amendments to FRS 132 "Financial Instruments: Presentation" and FRS 101 (revised) "Presentation of Financial Statements" - Puttable financial instruments and obligations arising on liquidation
- Amendments to FRS 132 "Financial Instruments: Presentation" on classification of rights issues
- IC Interpretation 9 "Reassessment of Embedded Derivatives" and the related Amendments
- IC Interpretation 17 "Distributions of Non-cash Assets to Owners"
- Improvements to FRSs (2009 & 2010)

The adoption of the above standards, amendments to published standards and interpretations to existing standards do not have a significant impact to the Group's and the Company's result for the financial year ended 30 June 2011.

The impact of changes in accounting policies upon adoption of FRS 139 is disclosed in Note 29.

(b) Standards, amendments to published standards and interpretations that are not yet effective but have been early adopted

There were no standards early adopted by the Group and the Company.

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective

The Group and the Company will apply the following new standards, amendments to standards and interpretations in the financial year ending 30 June 2012:

- Amendments to FRS 7 "Improving Disclosures about Financial Instruments" requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

A Basis of Preparation (cont'd)

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective (cont'd)

- Improvements to FRSs:

  - FRS 3 Clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by FRS.

  - Clarifies that the amendments to FRS 7, FRS 132 and FRS 139 that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of FRS 3_{2010}. Those contingent consideration arrangements are to be accounted for in accordance with the guidance in FRS 3_{2005}.

  - FRS 101 "Presentation of financial statements" removes the requirement for each item of other comprehensive income to be presented separately in the statement of changes in equity.

The adoption of the above standards, IC Interpretations and improvements to existing standards when they become effective are not expected to have a material impact to the Group's and the Company's financial statements.

B Group Accounting

(i) Subsidiaries

Subsidiaries are those entities (including special purpose entities) in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Investments in subsidiary companies are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The accounting policy on impairment of non-financial assets is set out in Note E.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The cost of an acquisition is the amount of cash paid and the fair value at the date of acquisition of other purchase consideration given by the acquirer, together with directly attributable expenses of the acquisition. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiary acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

Non-controlling interests represent that portion of the profit or loss and net assets of subsidiaries attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the non-controlling's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the non-controlling's share of changes in the subsidiaries' equity since that date.

B Group Accounting (cont'd)

(i) Subsidiaries (cont'd)

Where more than one exchange transaction is involved, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary is recognised in the consolidated profit or loss.

(ii) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies. Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting.

Investments in associate companies are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The accounting policy on impairment of non financial assets is set out in Note E.

Equity accounting involves recognising the Group's share of the post acquisition results of associates in the profit or loss for the period and its share of post acquisition movements in reserves. The cumulative post acquisition movements are adjusted against the cost of the investment. Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

C Property, Plant and Equipment

(i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of these items.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of the reporting period.

At the end of reporting period, the Group assesses whether there is any indication of impairment, if such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note E on impairment of non-financial assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

C Property, Plant and Equipment (cont'd)

(ii) Depreciation

Depreciation on assets under construction commences when the assets are ready for their intended use. All other property, plant and equipment are depreciated on the straight line basis to write off the costs of the assets over their estimated useful lives at the following annual rates of depreciation:

Buildings	5% - 10%
Roads and bridges	4% - 10%
Machinery, furniture and equipment	10% - 20%
Motor vehicles	20% - 25%

Assets under construction are not depreciated. Upon completion, the related costs will be transferred to the respective categories of assets. Depreciation on assets under construction commences when the assets are ready for their intended use.

D Biological Assets

(i) Oil palm plantations

Biological assets in respect of oil palm plantations comprise new planting (incurred from land clearing to the point of harvesting) and replanting expenditure (incurred in replanting old planted areas), represents pre-cropping costs incurred on land preparation, fertilisation, plant and planting, labour and any general overheads directly attributed to the development of the root stock. Such expenditure are capitalised and amortised on the straight line basis over the estimated useful life of root stocks (25 years), or over the period of the lease, whichever is shorter.

(ii) Forest plantations

Forest plantations represent pre-cropping costs incurred on land preparation, fertilisation, plant and planting, labour and any general overheads directly attributable to the development of the root stock.

Forest plantation is stated at cost. All costs are capitalised for each area of growing timber until the first substantial harvest of that area. Cost capitalisation commences or recommences when preparation for forestry activity is initiated. Once the fair value of forest plantations become reliably measurable, upon the trees reaching maturity, the forest plantation is stated at lower of cost or fair value.

E Impairment of Non-Financial Assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value- in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

F Investments

Investments in subsidiaries and associates are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. See accounting policy Note E on impairment of non-financial assets.

Investments in other non-current investments are shown at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the profit or loss.

Upon adoption of FRS 139, investments in quoted equity securities have been reclassified to available-for-sale assets with effect from 1 July 2010 (notes 14 & 15).

G Inventories

Inventories consist of crude palm oil, palm kernel, consumable store items and spare parts. Inventories are stated at the lower of cost and net realisable value. Cost for crude palm oil and palm kernel comprises materials, labour and manufacturing overheads using the first-in, first-out method. Cost for consumable store items and spare parts are determined on the weighted average method.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs to completion and selling expenses.

H Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

I Financial Instruments

(a) Financial assets

(i) Classification

The Group has changed its accounting policy for recognition and measurement of financial assets upon adoption of FRS 139 Financial Instruments: Recognition and Measurement on 1 July 2010.

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and held-to-maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

(a) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

I Financial Instruments (cont'd)

(a) Financial assets (cont'd)

(i) Classification (cont'd)

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and bank balances' in the statement of financial position.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

(iii) Subsequent measurement – gains and losses

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment losses (see accounting policy Note I (a)(iv)) and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in the profit or loss, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

Interest and dividend income on available-for-sale financial assets are recognised separately in the profit or loss. Interest on available-for-sale debt securities calculated using the effective interest method is recognised in the profit or loss. Dividend income on available-for-sale equity instruments are recognised in the profit or loss when the Group's right to receive payments is established.

(iv) Subsequent measurement – Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

(a) Significant financial difficulty of the issuer or obligor;
(b) A breach of contract, such as a default or delinquency in interest or principal payments;
(c) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
(d) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
(e) Disappearance of an active market for that financial asset because of financial difficulties; or

I Financial Instruments (cont'd)

(a) Financial assets (cont'd)

(iv) Subsequent measurement – Impairment of financial assets (cont'd)

(f) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including adverse changes in the payment status of borrowers in the portfolio; and national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If loans and receivables or a held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

Assets classified as available-for-sale

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, the Group uses criteria and measurement of impairment loss applicable for 'assets carried at amortised cost' above. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through profit or loss.

In the case of equity securities classified as available-for-sale, in addition to the criteria for 'assets carried at amortised cost' above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in the profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

(v) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Group are not de-recognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

I Financial Instruments (cont'd)

(a) Financial assets (cont'd)

(vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(b) Financial liabilities

Financial liabilities within the scope of FRS 139 are recognised on the statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method except for derivatives which are measured at fair value if any.

For financial liabilities other than derivatives, gains and losses are recognised in the profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the profit or loss. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially difference terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

J Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

K Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Collections are expected within seven days and hence they are classified as current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

L Share Capital

(i) Classification

Ordinary shares are classified as equity.

(ii) Dividends to shareholders of the Company

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the end of the reporting period. A dividend proposed or declared after the end of reporting period, but before the financial statements are authorised for issue, is not recognised as liability at the reporting date. Upon the dividend becoming payable, it will be accounted for as liability.

(iii) Purchase of own shares

Where the Company or its subsidiaries purchase the Company's equity share capital, the consideration paid, including any attributable incremental external costs, net of tax, is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

M Income Taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Tax rates enacted or substantively enacted by the end of the reporting period are used to determine deferred tax.

N Employee Benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

The Group's contributions to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

O Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

P Revenue Recognition

Sales are recognised upon delivery of products or performance of services, net of sales taxes and discounts, and after eliminating sales within the Group.

Interest and rental income are recognised on an accrual basis. Dividend income is recognised when the shareholder's right to receive payment is established.

Q Foreign Currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(c) Group companies

The results and financial position of all the group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the end of the reporting period.;
- income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on disposal.

R BORROWINGS

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. Subsequently, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings.

Borrowing costs are charged to the profit or loss as an expense in the period in which they have accrued.

Borrowings are classified as current liabilities unless the Group has the unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

S PREPAID LEASE PAYMENTS

Payments made under operating leases are recognised in the profit or loss on the straight-line basis over the term of the lease. Lease incentives received are recognised in the profit or loss as an integral part of the total lease payments made.

In the case of lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interest in the land element and buildings element of the lease at the inception of the lease. The up-front payments represent prepaid lease payments and are amortised on the straight-line basis over the lease term of 60 to 99 years.

T CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses their existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118 Revenue.

U SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who is the Managing Director ("MD"). MD is responsible for strategic decision, allocating resources and assessing performance of the operating segments.

MD considers the business from a geographic perspective. Each geographical location comprises oil palm plantations and palm oil mills. The plantations and mills in each operating segment are considered as a single integrated business unit with its own business unit managers. The reportable segments are Sabah and Sarawak.

The MD assesses the performance of the operating segments based on profit from these operations. This measure excludes expenses that are managed on a central basis and the Group's share of results in associates. The segment assets comprise of operating assets related to the plantation operations, principally property, plant and equipment, prepaid lease payments, biological assets and inventories. The other assets in the statement of financial position managed on a central basis are corporate property, plant and equipment, receivables, deposits and prepayments, tax recoverable, deferred tax and cash and cash equivalents. These other assets form part of the reconciliation to the total assets in the statement of financial position.

V CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia requires the use of certain critical accounting estimates and assumptions that effect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of the revenue and expenses during the reported period. It also requires the Directors to exercise their judgement in the process of applying the Company and its associate's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and action, actual results may differ from these estimates.

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

The Group reviews the carrying amounts of the biological assets as at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. The Group has obtained a valuation on the biological assets from an external valuer to determine if the biological assets are impaired. While the Group believes that the assumptions are appropriate and reasonable, significant changes in the assumption may materially affect the assessment of recoverable amounts and may lead to future impairment charges.

Other than the above, the Directors do not anticipate that any estimates and assumptions will have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1 Financial Risk Management Objectives and Policies

The Group's overall financial risk management objective is to optimise the value creation for its shareholders. In addition, the Group seeks to ensure that adequate financial resources are available for the development of the Group's businesses while managing its risks.

Financial risk management is carried out through risk reviews conducted at all significant operational units. This process is further enhanced by effective internal controls and adherence to the Group's financial risk management policies. The Board of Directors regularly reviews and approves actions taken by management in order to address financial risks.

(a) 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 sales on deferred credit terms.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Management has taken reasonable steps to ensure debts that are past due but not impaired are stated at their realisable values. The Group uses ageing analysis to monitor the credit quality of the receivables. There are no impairment losses of trade receivables during the financial year as there were no debts overdue by more than 30 days.

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.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due. The Group's exposure to liquidity risks arises principally from its various payables. The Group maintains a level of cash and cash equivalents by the management to ensure it will have sufficient liquidity to meet its liabilities when they fall due.

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:

	Less than 3 months RM'000
Trade payables	23,122
Other payables	9,587
	32,709

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange risk, interest rates, and other prices will affect the Group's financial positions or cash flows.

1 Financial Risk Management Objectives and Policies (cont'd)

(c) Market risk (cont'd)

(i) Foreign exchange risk

The Group is exposed to foreign currency exchange risk on receivables and payables that are denominated in a currency other than the respective functional currencies of the Group. The currency giving rise to this risk is primarily Indonesia Rupiah (IDR).

The Group's exposure to foreign currency exchange risk as at the end of the reporting period is disclosed in the individual note to the financial statements.

The currency risk sensitivity analysis is not presented as the exposure is considered not material.

(ii) Interest rate risk

The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no undue exposures to significant interest rate movements and rates are appropriately fixed when necessary. The Group's short term deposits are placed at fixed rate investments which management endeavours to obtain the best rate available in the market.

The interest rate risk sensitivity analysis is not presented as the exposure is considered not material.

(iii) Price risk

Revenue of the Group is exposed to volatility in the market prices of palm products, which is subject to fluctuations of unpredictable factors such as weather, change of global demand, global production and prices. The Group manages its risk through its established guidelines and policies.

(d) Fair value of financial instruments

The carrying amount of cash and cash equivalents, short term receivables and payables approximate fair value due to the short term nature and are not subject to significant risk of changes on value.

The fair values of its other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Group and Company 2011	
	Carrying amount RM'000	Fair value RM'000
Quoted shares	957	2,591

Fair value of quoted shares is derived from prices (unadjusted) quoted in active markets.

There are no transfers between instruments during the financial year.

1 Financial Risk Management Objectives and Policies (cont'd)

(e) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to provide returns for shareholders and benefits for other stakeholders.

In order to optimise the capital structure, or the capital allocation amongst the Group's various businesses, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, take on new debts or sell assets to reduce debt.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

2 General Information

The principal activities of the Company are investment holding and provision of management services to its subsidiaries.

The principal activities of the subsidiaries and an associate are set out in Notes 12 and 13 to the financial statements respectively. There have been no significant changes in activities of the Group and Company during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of the Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is Level 42, Menara Maxis, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia.

3 Revenue

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sale of goods	258,591	189,486	0	0
Management services rendered to subsidiaries	0	0	70	71
Dividends – unquoted investments in subsidiaries (gross)	0	0	5,000	5,850
Dividends – quoted foreign investments	71	48	71	48
	258,662	189,534	5,141	5,969

4 Profit Before Tax

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
The following items have been charged/(credited) in arriving at profit before tax:				
Auditors' remuneration	127	100	41	28
Repair and maintenance:				
- Road and Bridges	4,678	5,113	0	0
Raw Materials and consumables	18,600	27,535	0	0
Fresh fruit bunches external purchase	10,902	12,419	0	0
Amortisation				
- biological assets	12,595	12,320	0	0
- prepaid lease payments	907	907	0	0
Depreciation of property, plant and equipment	25,861	21,715	274	300
Write-off				
- biological assets	579	188	0	0
- property, plant and equipment	673	37	0	0
Provision for impairment of amount due from an associate	3,098	0	0	0
Rental of premises	727	609	36	33
Unrealised loss on foreign exchange	372	1,338	0	0
Staff costs (includes Executive Directors' remuneration stated in Note 5)				
- wages, salaries and bonuses	49,751	37,225	1,128	968
- capitalised in biological assets	(7,640)	(4,402)	0	0
- defined contribution plan	1,576	1,559	90	126
- other staff costs	333	360	203	102
	44,020	34,742	1,421	1,196
Rental income	0	0	(100)	(100)
Scrap income	(224)	(236)	0	0
Interest income	(3,427)	(2,857)	(64)	(70)
Management fee	0	0	(70)	(71)
Gain on disposal of property, plant and equipment	(351)	0	0	0
Reversal of provision for impairment of receivables	0	(669)	0	0
Reversal of provision for cultivation	(3,000)	0	0	0

Costs of sales recognised as an expense is in respect of plantation and mill operations amounting approximately to RM122,672,000 (2010 : RM123,378,000).

5 Directors' Remuneration

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-Executive Directors – fees	205	185	185	185
Executive Directors				
- fees	54	90	54	90
- salaries and bonuses	974	1,122	841	1,122
- defined contribution plan	142	199	142	199
	1,170	1,411	1,037	1,411

The estimated monetary value of benefits-in-kind received by the Directors of the Group amounted to RM107,513 (2010 : RM101,000) and of the Company amounted to RM79,513 (2010 : RM72,000).

6 Tax Expense

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysia income tax:				
Current financial year	20,644	10,368	0	0
Under provision in respect of prior financial years	1,347	232	22	0
	21,991	10,600	22	0
Deferred taxation (Note 23):	10,232	3,070	0	0
	32,223	13,670	22	0

The explanation of the relationship between tax expense and profit before tax is as follows:

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Numerical reconciliation between the average effective tax rate and the Malaysian statutory tax rate				
Malaysian statutory tax rate	25	25	25	25
Tax effects of:				
- expenses not deductible for tax purposes	1	1	3	2
- under/(over) accrual of taxation in prior financial years	1	0	1	0
- unrecognised deferred tax assets	0	1	18	7
- income not subject to tax	0	0	(46)	(34)
Average effective tax rate	27	27	1	0

7 Earnings Per Share

Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding ordinary shares purchased by the Company and held as treasury shares.

	2011	2010
Profit attributable to ordinary equity holders of the Company (RM'000)	71,308	29,759
Weighted average number of ordinary shares in issue ('000)	114,091	114,091
Basic earnings per share (sen)	62.50	26.08

No diluted earnings per share is computed for the Group as there are no dilutive potential ordinary shares in issue.

8 Dividends

	Group and Company			
	2011		2010	
	Gross dividend per share Sen	Amount of dividends, net of tax RM'000	Gross dividend per share Sen	Amount of dividends, net of tax RM'000
Paid:				
- final dividend in respect of year ended 30 June	10	8,557	10	8,557
	10	8,557	10	8,557
Proposed:				
- final dividend	15	12,836	10	8,557
	15	12,836	10	8,557

At the forthcoming Annual General Meeting, a final dividend of 15 sen per share less income tax of 25% (excluding treasury shares) amounting to RM12,835,214 (2010 : final dividend of 10 sen per share less income tax of 25% (excluding treasury shares) amounting to RM8,556,809) in respect of the financial year ended 30 June 2011 will be proposed for shareholders' approval.

9 Property, Plant and Equipment

Group	Buildings RM'000	Roads and bridges RM'000	Machinery, furniture and equipment RM'000	Motor vehicles RM'000	Assets under construction RM'000	Total RM'000
Net book value at 1 July 2010	72,151	87,722	39,681	16,753	9,419	225,726
Additions	1,457	18,944	2,399	5,831	5,826	34,457
Written-off	0	(129)	(544)	0	0	(673)
Disposals	(78)	0	(3)	(37)	0	(118)
Depreciation charge	(4,545)	(10,194)	(7,087)	(6,193)	0	(28,019)
Reclassification	3,641	323	977	721	(5,662)	0
Exchange differences	(11)	(2)	(18)	(29)	(1)	(61)
Net book value at 30 June 2011	72,615	96,664	35,405	17,046	9,582	231,312
At 30 June 2011						
Costs	105,521	141,417	84,005	48,101	9,582	388,626
Accumulated depreciation	(32,906)	(44,753)	(48,600)	(31,055)	0	(157,314)
Net book value	72,615	96,664	35,405	17,046	9,582	231,312

Included in additions of RM34,456,936 (2010 : RM46,024,235) is an amount of RM1,153,950 (2010 : RM343,000) which remained outstanding as at financial year end (Note 22).

Depreciation charge for the year is allocated as follows:

	2011 RM'000	2010 RM'000
Profit or loss	25,861	21,715
Biological assets in respect of immature phases (Note 11)	2,158	1,257
	28,019	22,972

9 Property, Plant and Equipment (cont'd)

Group	Buildings RM'000	Roads and bridges RM'000	Machinery, furniture and equipment RM'000	Motor vehicles RM'000	Assets under construction RM'000	Total RM'000
Net book value at 1 July 2009	77,170	73,337	32,450	14,472	9,072	206,501
Additions	3,556	17,202	11,827	8,806	4,633	46,024
Written-off	0	(37)	0	0	0	(37)
Disposals	(2,770)	0	0	(1,047)	0	(3,817)
Depreciation charge	(5,878)	(4,906)	(6,595)	(5,593)	0	(22,972)
Reclassification	73	2,126	1,996	91	(4,286)	0
Exchange differences	0	0	3	24	0	27
Net book value at 30 June 2010	72,151	87,722	39,681	16,753	9,419	225,726
At 30 June 2010						
Costs	101,565	122,787	81,640	42,448	9,419	357,859
Accumulated depreciation	(29,414)	(35,065)	(41,959)	(25,695)	0	(132,133)
Net book value	72,151	87,722	39,681	16,753	9,419	225,726

Company	Furniture and equipment RM'000	Motor vehicles RM'000	Total RM'000
Net book value as at 1 July 2010	368	0	368
Depreciation charge	(274)	0	(274)
Net book value as at 30 June 2011	94	0	94
At 30 June 2011			
Cost	2,776	644	3,420
Accumulated depreciation	(2,682)	(644)	(3,326)
Net book value	94	0	94
Net book value as at 1 July 2009	643	25	668
Depreciation charge	(275)	(25)	(300)
Net book value as at 30 June 2010	368	0	368
At 30 June 2010			
Cost	2,776	644	3,420
Accumulated depreciation	(2,408)	(644)	(3,052)
Net book value	368	0	368

10 Prepaid Lease Payments

	Group	
	2011 RM'000	**2010 RM'000**
Net book value as at 1 July	48,780	48,238
Additions	1,783	1,428
Amortisation	(907)	(907)
Exchange differences	(47)	21
Net book value as at 30 June	49,609	48,780
At 30 June		
Cost	56,718	54,982
Accumulated amortisation	(7,109)	(6,202)
	49,609	48,780
Amortisation for the financial year is allocated as follows:		
Profit or loss	907	907

11 Biological Assets

Group	**Oil palm plantations RM'000**	**Forest plantations RM'000**	**Total RM'000**
Net book value			
At 1 July 2010	255,947	4,151	260,098
Additions	36,347	332	36,679
Written-off	(579)	0	(579)
Amortisation	(12,595)	0	(12,595)
Exchange differences	(95)	0	(95)
At 30 June 2011	279,025	4,483	283,508
At 30 June 2011			
Cost	393,628	4,483	398,111
Accumulated amortisation	(114,603)	0	(114,603)
Net book value	279,025	4,483	283,508

11 Biological Assets (cont'd)

Group	Oil palm plantations RM'000	Forest plantations RM'000	Total RM'000
Net book value			
At 1 July 2009	233,387	3,927	237,314
Additions	35,068	224	35,292
Written-off	(188)	0	(188)
Amortisation	(12,320)	0	(12,320)
At 30 June 2010	255,947	4,151	260,098
At 30 June 2010			
Cost	359,182	4,151	363,333
Accumulated amortisation	(103,235)	0	(103,235)
Net book value	255,947	4,151	260,098

Included in additions of the Group's biological assets are estate expenses such as depreciation expenses amounting to RM2,158,000 (2010 : RM1,257,000) which are directly attributed to the development of the root stock.

Also included in additions to the Group's biological assets are staff costs directly attributed to oil palm plantations of RM7,639,921 (2010 : RM4,402,000).

12 Investments in Subsidiaries

	Company	
	2011 RM'000	2010 RM'000
Unquoted investments	319,594	319,594

12 Investments in Subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name	Country of incorporation	Group's effective interest 2011 %	2010 %	Principal activities
Puncak Selasih Sdn. Bhd.	Malaysia	100.00	100.00	Investment holding and road construction.
Held by Puncak Selasih Sdn. Bhd.:				
Amalania Koko Berhad	Malaysia	68.54	68.54*	Operation of oil palm plantation.
Timor Enterprises Sendirian Berhad	Malaysia	100.00	100.00	Investment holding, operation of oil palm plantations and oil mills and quarry operations.
PT. Tunas Borneo Plantations ^	Indonesia	95.00	95.00	Operation of oil palm plantation.
PT. Abdi Borneo Plantations ^	Indonesia	95.00	95.00	Operation of oil palm plantation.
Held by Timor Enterprises Sendirian Berhad:				
Titleland Development Sdn. Bhd.	Malaysia	100.00	100.00	Operation of oil palm plantation.
Shariko (M) Sdn. Bhd.	Malaysia	100.00	100.00	Operation of oil palm plantation.
Samling Plantation Sdn. Bhd.	Malaysia	70.00	70.00	Operation of oil palm plantation and oil mill, forest plantation, and quarry licensee.

* Acquisition of additional shares in Amalania Koko Berhad did not result in any material financial impact.
^ Not audited by PricewaterhouseCoopers.

13 Investment in an Associate

Group	2011 RM'000	2010 RM'000
Unquoted shares, at cost	980	980
Share of post-acquisition reserves	(4,041)	(4,018)
	(3,061)	(3,038)
Redeemable preference shares	3,061	3,061
	0	23
Represented by:		
Group's share of net assets	0	23
Share of capital commitment for the purchase of property, plant and equipment	0	0

13 Investment in an Associate (cont'd)

Summarised financial information in respect of the Group's effective interest of 49% in associate are as follows:

	2011 RM'000	2010 RM'000
Revenue	119	417
Cost of sales	(41)	(131)
Gross profit	78	286
Administrative expenses	(793)	(803)
Other operating income	15	0
Finance cost	(273)	(236)
Loss before tax	(973)	(753)
Tax	0	0
Net loss after tax	(973)	(753)
Loss not recognised	950	0
Share of loss	(23)	(753)
Non-current assets	3,557	4,168
Current assets	238	363
Current liabilities	(1,740)	(2,612)
Non-current liabilities	(3,005)	(1,896)
Loss not recognised	950	0
	0	23

Name	Country of incorporation	Group's effective interest 2011 %	Group's effective interest 2010 %	Principal activities
MG BioGreen Sdn. Bhd. (held by Timor Enterprises Sendirian Berhad, a wholly-owned subsidiary)	Malaysia	49.00	49.00	Organic waste management, manufacturing and marketing of bio-green fertilisers and sub-licensing of bio-green fertilisers intellectual property rights to third parties.

14 Long Term Investments

	Group and Company 2011 RM'000	Group and Company 2010 RM'000
At beginning of reporting period	957	957
Reclassification to available-for-sale financial assets (Note 15)	(957)	0
At end of reporting period	0	957

15 Available-For-Sale Financial Assets

	Group and Company	
	2011 RM'000	2010 RM'000
At beginning of reporting period:		
Reclassification from long term investments (Note 14)	957	0
Effect of adopting FRS 139	1,331	0
At beginning of reporting period, as restated	2,288	0
Fair value gain – recognised in other comprehensive income	303	0
At end of reporting period	2,591	0
Available-for-sale financial assets comprise the following:		
Quoted equity securities on Singapore	2,591	0

Available-for-sale financial assets are denominated in Singapore Dollar.

16 Inventories

	Group	
	2011 RM'000	2010 RM'000
Crude palm oil	3,034	1,502
Palm kernel	621	306
Stores and consumables	13,554	8,055
	17,209	9,863

17 Receivables

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables	17,704	8,723	0	0
Other receivables	5,888	5,372	0	2
Deposits	5,911	6,424	8	8
Prepayments	653	1,101	0	0
Dividend receivable	0	0	5,000	5,000
Advance	6,793*	0	0	0
	36,949	21,620	5,008	5,010

* On 21 June 2011, Puncak Selasih Sdn Bhd ("PS"), a wholly-owned subsidiary of the Company, gave an advance of RM6,792,500 to PT Jaya Prima Abadi ("JPA") for the acquisition of shares in PT Mega Musi Lestari ("MML"). PS received an option to purchase all the shares in MML from JPA. MML owns 12,370 hectares of Izin Lokasi at Kabupaten Musi Banyuasin, South Sumatera, Indonesia for oil palm plantation. JPA has pledged the shares in MML and assigned its rights to receive dividends to PS.

17 Receivables (cont'd)

Trade and other receivables are denominated in Ringgit Malaysia.

Credit terms of trade receivables granted to customers is 7 days (2010 : 7 days).

Concentration of credit risk in respect of trade receivables exist due to the Group's limited number of customers. Based on the Group's historical collection of trade receivables, management believes that the trade receivables are fully recoverable.

Past due but not impaired

As at 30 June 2011, approximately RM5,786,800 of trade receivables were past due but not impaired. This relate to a number of external parties where there is no expectation of default. The ageing analysis of trade receivables as follows:

	Group 2011 RM'000
Trade receivables	
Current	11,917
Less than 7 days past due	5,569
Between 7 and 14 days past due	218
	17,704

Impaired and provided for

As at 30 June 2011, no receivables (2010 : Nil) were impaired and provided for.

18 Amount Due from an Associate

	Group	
	2011 RM'000	2010 RM'000
At beginning of reporting period	3,341	2,106
Advances given to associate	568	1,235
Less: Provision for impairment	(3,098)	0
At end of reporting period	811	3,341

The amount due from an associate is denominated in Ringgit Malaysia, unsecured, interest free and is repayable on demand.

18 Amount Due from an Associate (cont'd)

Impaired and provided for

As at 30 June 2011, the amount due from an associate of approximately RM3,098,000 (2010 : Nil) for Group is impaired and provided for.

Movement in provision for impairment during the financial year:

	Group	
	2011 RM'000	2010 RM'000
At beginning of the reporting period	0	0
Provision for impairment during the financial year	3,098	0
At end of the reporting period	3,098	0

19 Cash and Cash Equivalents

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits with:				
Licensed banks	142,886	112,438	500	5,202
Cash and bank balances	9,044	7,219	164	211
Deposits, cash and bank balances	151,930	119,657	664	5,413
Less: Restricted deposits	(3,837)	(1,596)	0	0
Cash and cash equivalents	148,093	118,061	664	5,413

Restricted deposits amounting to RM3,836,718 (2010 : RM1,595,750) represent deposits pledged as security for bank guarantee facilities of the subsidiaries.

The currency exposure profile of deposits, cash and bank balances are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	148,102	113,155	664	5,413
US Dollar	983	3,611	0	0
Indonesia Rupiah	2,845	2,891	0	0
	151,930	119,657	664	5,413

19 Cash and Cash Equivalents (cont'd)

The weighted average interest rates per annum of deposits that were effective as at end of reporting period are as follows:

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Deposits with licensed banks	3.14	3.21	3.00	2.40

Deposits of the Group and of the Company have an average maturity period of 8 to 365 days (2010 : 2 to 365 days) and 14 days (2010 : 14 days) respectively. Bank balances are deposits held at call with banks and earn no interest.

20 Share Capital

	Group and Company	
	2011 RM'000	2010 RM'000
Authorised ordinary shares of RM1 each:		
At the start and end of the financial year	1,000,000	1,000,000
Issued and paid up share capital of RM1 each:		
At the start and end of the financial year	115,362	115,362

At the end of the reporting period, the number of outstanding shares in issue after setting treasury shares off against equity is 114,090,792 (2010 : 114,090,792).

21 Advances from a Subsidiary

Advances received from a subsidiary are denominated in Ringgit Malaysia, unsecured, interest free and is repayable on demand.

22 Payables

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	23,122	22,213	0	0
Other payables and accruals	9,587	11,505	540	503
	32,709	33,718	540	503

Included in trade payables is an amount of RM1,153,950 (2010 : RM343,000) in respect of the purchase of property, plant and equipment.

Trade and other payables are denominated in Ringgit Malaysia.

Credit terms of trade payables for the Group ranged from 60 to 90 days (2010 : 60 to 90 days).

22 Payables (cont'd)

The currency exposure profile of payables is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	32,231	33,357	540	503
Indonesia Rupiah	478	361	0	0
	32,709	33,718	540	503

23 Deferred Taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group	
	2011 RM'000	2010 RM'000
Deferred tax liabilities	94,563	84,331

The movement during the financial year relating to deferred tax are as follows:

	Group RM'000
As at 1 July 2009	81,261
Charged to profit or loss (Note 6)	3,070
As at 30 June 2010	84,331
Charged to profit or loss (Note 6)	10,232
As at 30 June 2011	94,563

Deferred tax assets and liabilities are attributable to the following:

	Fair value gains RM'000	Group Property, plant and equipment RM'000	Total RM'000
Deferred tax liabilities (prior to offsetting)			
At 1 July 2009	34,756	51,252	86,008
(Charged)/credited to profit or loss	(5,665)	12,922	7,257
At 30 June 2010	29,091	64,174	93,265
(Charged)/credited to profit or loss	(1,942)	10,101	8,159
At 30 June 2011	27,149	74,275	101,424
Offsetting			(6,861)
Deferred tax liabilities (after offsetting)			94,563

23 Deferred Taxation (cont'd)

	Provisions RM'000	Group Property, plant and equipment RM'000	Total RM'000
Deferred tax assets (prior to offsetting)			
At 1 July 2009	(541)	(4,206)	(4,747)
Credited to profit or loss	(339)	(3,848)	(4,187)
At 30 June 2010	(880)	(8,054)	(8,934)
(Charged)/credited to profit or loss	(475)	2,548	2,073
At 30 June 2011	(1,355)	(5,506)	(6,861)
Offsetting			6,861
Deferred tax assets (after offsetting)			0

The amount of unabsorbed deductible temporary differences and untilised tax losses (of which has no expiry date) for which no deferred tax asset is recognised in the statement of financial position are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deductible temporary differences	4,113	3,545	2,386	1,346
Tax losses	3,650	1,873	3,544	1,768

The Group will only recognise the above deferred tax assets when there are sufficient future taxable profits.

24 Other Reserves

The other reserves represent distributable reserves arising from the gain on disposal of former subsidiaries in prior years.

25 Retained Earnings

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

Companies with Section 108 tax credits may continue to pay franked dividends until the Section 108 tax credits are exhausted or 31 December 2013 whichever is earlier unless they opt to disregard the Section 108 tax credits to pay single-tier dividends under the special transitional provisions of the Finance Act 2007.

Subject to agreement by the Inland Revenue Board, the Company has tax credits under Section 108(6) of the Income Tax Act 1967 to frank net dividends of approximately RM17,293,000 (2010 : RM25,849,000) out of its retained earnings as at 30 June 2011. The extent of the retained earnings not covered at the date by Section 108 credit or tax exempt income amounted to approximately RM10,945,000 (2010 : RM8,268,000).

The Company also has tax exempt income under Section 12 of the Income Tax (Amendment) Act 1999 amounting to approximately RM3,123,000 (2010 : RM3,075,000) available for distribution as tax exempt dividends.

26 Capital Commitments

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
For the purchase of property, plant and equipment:				
Authorised, contracted but not provided for	2,237	920	0	0
Authorised but not contracted	112,895	115,891	215	655
	115,132	116,811	215	655

27 Significant Related Party Disclosures

Related party transactions have been entered into by the Group and its related parties in the normal course of business and have been transacted based on terms and conditions agreed on a willing buyer willing seller basis.

In accordance with Section 4.1.5 of Practice Note No. 12/2001 Listing Requirements of the Bursa Malaysia Securities Berhad, the details of recurrent related party transactions conducted during the financial year ended 30 June 2011 are disclosed hereunder:

(a) Yaw Holding Sdn. Bhd. ('Yaw Holding') and its subsidiaries ('Yaw Holding Group')

Yaw Chee Ming, the Managing Director of Glenealy Plantations (Malaya) Berhad, ('Glenealy'), is also a Director in Yaw Holding, Samling Strategic Corporation Sdn. Bhd. ('Samling Strategic Corporation') and Samling Global Limited.

Tan Sri Datuk Yaw Teck Seng is the father of Yaw Chee Ming and Yaw Chee Chik, a Director of Samling Strategic Corporation. Hence, Tan Sri Datuk Yaw Teck Seng, Yaw Chee Ming and Yaw Chee Chik are persons connected to each other.

Tan Sri Datuk Yaw Teck Seng and Yaw Chee Ming are both deemed major shareholders of Glenealy by virtue of their substantial shareholdings through Yaw Holding in Samling Strategic Corporation and Alpenview Sdn. Bhd. ('Alpenview'). Alpenview is a wholly-owned subsidiary of Lingui Developments Berhad ('Lingui'). Yaw Holding, Samling Strategic Corporation and Alpenview are major shareholders of Glenealy.

(b) Lingui Developments Berhad ('Lingui') and its subsidiaries ('Lingui Group')

Yaw Chee Ming is the Managing Director of Lingui. Tan Sri Datuk Yaw Teck Seng and Yaw Chee Ming are both deemed major shareholders of Lingui by virtue of their substantial shareholdings through Yaw Holding and Samling Strategic Corporation in Samling Global Limited and through Plieran Sdn. Bhd.

Hiew Chung Chin, a Director of Miri Parts Trading Sdn. Bhd., a subsidiary of Lingui, is the brother of Tan Sri Datuk Yaw Teck Seng. Hence, Hiew Chung Chin and Tan Sri Datuk Yaw Teck Seng are deemed persons connected to each other. He owns 100,000 ordinary shares of RM1.00 each in Glenealy and 270,000 ordinary shares of RM0.50 each in Lingui.

Tuan Haji Wan Morshidi bin Tuanku Abdul Rahman and Datuk Abdul Hamed bin Sepawi are both deemed major shareholders of Glenealy by virtue of their substantial shareholdings in Perkapalan Damai Timur Sdn. Bhd.

Chan Hua Eng, is the common Chairman of Glenealy and Lingui. By virtue of his common directorship and his direct and indirect equity interests in Lingui of 58,333 and 4,236,290 ordinary shares of RM0.50 each respectively, he is deemed interested in the recurrent transactions between the Glenealy Group and the Lingui Group. He also owns indirect equity interest of 131,900 ordinary shares in Glenealy.

27 Significant Related Party Disclosures (cont'd)

(c) Arif Hemat Sdn. Bhd. ('Arif Hemat')

Tuan Haji Wan Morshidi bin Tuanku Abdul Rahman is deemed a major shareholder of Samling Plantation Sdn. Bhd. ('Samling Plantation'), a subsidiary company of the Company, by virtue of his substantial shareholding in Arif Hemat. Arif Hemat is a major shareholder of Samling Plantation.

Arif Hemat is deemed a major shareholder of Insan Sejati Sdn. Bhd. and Kemena Resort Sdn. Bhd. by virtue of its substantial shareholding in Sarawak Land (Miri City) Sdn. Bhd.

The significant related party transactions between the Group and the Company and these related parties are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Premises rental charged by:				
- Yaw Holding Group	58	58	0	0
Hotel accommodation charged by:				
- Insan Sejati Sdn. Bhd. and Kemena Resort Sdn. Bhd.	38	16	0	0
Purchase of air tickets from:				
- Yaw Holding Group	88	106	0	0
Transportation service charged by:				
- Yaw Holding Group	567	420	0	0
Dividend income from:				
- Puncak Selasih Sdn. Bhd.	0	0	5,000	5,000
Rental income of furniture and fittings from:				
- Timor Enterprises Sendirian Berhad	0	0	70	70
- Amalania Koko Bhd.	0	0	30	30
Management fee from:				
- Timor Enterprises Sendirian Berhad	0	0	40	40
- Samling Plantation Sdn. Bhd.	0	0	30	30
Premises rental paid on behalf:				
- Timor Enterprises Sendirian Berhad	0	0	388	343
- Amalania Koko Bhd.	0	0	126	112

28 Segmental Reporting

Primary reporting format - The Group's operating segments are analysed based on the following geographical locations:

(a) Sabah palm oil cultivation
(b) Sarawak palm oil cultivation

	Sabah		Sarawak		Group	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total revenue from external customers	139,931	100,382	118,660	89,104	258,591	189,486
Profit from operations	84,973	46,225	43,756	12,679	128,729	58,904
Total assets	175,027	178,215	389,357	354,070	564,384	532,285

A reconciliation of revenue from external customers to total consolidated revenue is provided as follows:

	Group	
	2011 RM'000	2010 RM'000
External revenue for reportable segments	258,591	189,486
Dividend income	71	48
Consolidated revenue	258,662	189,534

A reconciliation of total profit from operations to total consolidated profit before taxation is provided as follows:

	Group	
	2011 RM'000	2010 RM'000
Profit from operations for reportable segments	128,729	58,904
Other non-reportable segments	(807)	(635)
Expenses managed on central basis	(8,988)	(6,500)
Consolidated profit from operations	118,934	51,769
Share of results of an associate	(23)	(753)
Consolidated profit before taxation	118,911	51,016
Taxation	(32,223)	(13,670)
Consolidated profit for the financial year	86,688	37,346

28 Segmental Reporting (cont'd)

Reportable segments' assets are reconciled to consolidated total assets as follows:

	Group	
	2011 RM'000	**2010 RM'000**
Total segment assets	564,384	532,285
Other non-reportable segments	23,567	9,915
Assets managed on a central basis	190,228	155,373
Consolidated total assets	778,179	697,573

29 Changes in Accounting Policies

The list of new accounting standards, amendments to published standards and interpretations to existing standards effective for the Group's financial year ended 30 June 2011 and applicable to the Group is set out in Note A of Summary of Significant Accounting Policies.

The effects of adoption of FRS 139 on the opening reserves of the Group and other items of the consolidated statement of financial position as at 1 July 2010 are as follows :-

Group	**30.06.2010 As previously stated RM'000**	**Effect of FRS 139 RM'000**	**01.07.2010 As restated RM'000**
Fair value reserve	0	1,331	1,331
Long-term investments	957	(957)	0
Available-for-sale financial assets	957	1,331	2,288

30 Significant Event During the Financial Year

The proposed acquisition of PT Burau Karetindo Lestari and PT Natura Pasific Nusantara by Puncak Selasih Sdn Bhd, a wholly owned subsidiary of the Company was terminated on 24 May 2011 due to the non-fulfilment of the condition precedent as set in the conditional sale and purchase agreement by the seller.

As at 4 July 2011, the deposits paid of RM3,020,500 has been refunded to Puncak Selasih Sdn Bhd, a wholly owned subsidiary of the Company.

31 Approval Of Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 August 2011.

32 Supplementary Information on the Disclosure of Realised and Unrealised Profits or Losses

Bursa Malaysia Securities Berhad ("Bursa Malaysia") has on 25 March 2010 and 20 December 2010 issued directives requiring all listed corporations to disclose the breakdown of retained earnings into realised and unrealised on Group and Company basis, effective for the financial year ending 31 December 2010.

The retained earnings as at reporting date are analysed as follows:

	2011	
	Group RM'000	**Company RM'000**
Total retained earnings of the Company and its subsidiaries:		
- realised	401,959	31,361
- unrealised	(94,935)	0
	307,024	31,361
Total share of accumulated losses from an associate:		
- realised	(4,041)	0
- unrealised	0	0
	302,983	31,361
Less: Consolidation adjustments	0	0
	302,983	31,361

Comparative figures are not required in the first financial year of complying with the realised and unrealised profit or losses disclosure by Bursa Malaysia Securities Berhad.

Statement by Directors

pursuant to Section 169(15) of the Companies Act 1965

We, Chan Hua Eng and Yaw Chee Ming, two of the Directors of Glenealy Plantations (Malaya) Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 37 to 77 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2011 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act 1965 and Financial Reporting Standards in Malaysia.

The information set out in Note 32 on page 78 to the financial statements have been prepared in accordance with the Guidance on Special matter No.1, Determination of Realised and Unrealised Profits or Losses on the context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with a resolution dated 26 August 2011.

Chan Hua Eng
Director

Yaw Chee Ming
Director

Statutory Declaration

pursuant to Section 169(16) of the Companies Act 1965

I, Goh York Pooi, the Officer primarily responsible for the financial management of Glenealy Plantations (Malaya) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 37 to 78 are, in my opinion, 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.

Goh York Pooi

Subscribed and solemnly declared by the abovenamed Goh York Pooi at Kuala Lumpur in Malaysia on 26 August 2011, before me.

COMMISSIONER FOR OATHS

Independent Auditors' Report

to the members of Glenealy Plantations (Malaya) Berhad (Incorporated in Malaysia) (Company No: 3453-X)

Report on the Financial Statements

We have audited the financial statements of Glenealy Plantations (Malaya) Berhad on pages 37 to 77 which comprise the statements of financial position as at 30 June 2011 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 31.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 have been properly drawn up in accordance with the provisions of the Companies Act 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2011 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 12 to the financial statements.

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

(d) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 32 on page 78 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on 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, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Pricewaterhousecoopers
(No. AF: 1146)
Chartered Accountants

Mohammad Faiz Bin Mohammad Azmi
(No. 2025/03/12 (J))
Chartered Accountant

Kuala Lumpur
26 August 2011

Analysis of Shareholdings

as at 9 September 2011

Authorised share capital	:	RM1,000,000,000
Issued and fully paid-up capital	:	RM115,361,892
Class of shares	:	Ordinary shares of RM1.00 per share
Voting Rights of Shareholders	:	Every member of the Company present or by proxy shall have one vote on a show of hand and in the case of poll shall have one vote for every share unit of which he is the holder.

ANALYSIS OF SHAREHOLDINGS (MALAYSIA & FOREIGN - COMBINED)

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	112	6.42	2,937	0.00
100 - 1000	596	34.17	486,923	0.43
1001 - 10000	784	44.95	3,077,889	2.70
10001 - 100000	209	11.99	6,297,598	5.52
100001 - 5704539 (*)	39	2.24	30,011,912	26.30
5704540 and above (**)	4	0.23	74,213,533	65.05
Total	1,744	100.00	114,090,792	100.00

* *Less than 5% of issued shares*

** *5% and above of issued shares*

SUBSTANTIAL SHAREHOLDERS

	Direct		Indirect	
	No. of ordinary shares of RM1.00 each	% of issued capital	No. of ordinary shares of RM1.00 each	% of issued capital
1. Lingui Developments Berhad	2,180,000	1.91	41,548,522 (1)	36.42
2. Alpenview Sdn. Bhd.	41,548,522	36.42	-	-
3. Samling Strategic Corporation Sdn. Bhd.	17,520,000	15.36	43,728,522 (2)	38.33
4. Perkapalan Damai Timur Sdn. Bhd.	5,990,738	5.25	7,000,000 (3)	6.14
5. Tan Sri Datuk Yaw Teck Seng	-	-	61,248,522 (4)	53.68
6. Yaw Holding Sdn. Bhd.	-	-	61,248,522 (5)	53.68
7. Yaw Chee Ming	-	-	61,248,522 (4)	53.68
8. Datuk Abdul Hamed bin Sepawi	-	-	12,990,738 (6)	11.39
9. Tuan Haji Wan Morshidi bin Tuanku Abdul Rahman	-	-	12,990,738 (7)	11.39

Notes

(1) Deemed interest by virtue of its substantial shareholding in Alpenview Sdn. Bhd.

(2) Deemed interest by virtue of its indirect substantial shareholding in Lingui Developments Berhad.

(3) Held through Mayban Nominees (Tempatan) Sdn. Bhd.

(4) Deemed interest by virtue of his substantial shareholding in Yaw Holding Sdn. Bhd.

(5) Deemed interest by virtue of its substantial shareholding in Samling Strategic Corporation Sdn. Bhd.

(6) Deemed interest by virtue of his substantial shareholding in Perkapalan Damai Timur Sdn. Bhd.

(7) Deemed interest by virtue of his substantial shareholding in Perkapalan Damai Timur Sdn. Bhd.

Directors' Shareholdings

	Direct		Indirect	
	No. of Ordinary Shares of RM1.00 each	%	No. of Ordinary Shares of RM1.00 each	%
Yaw Chee Ming	-	-	61,248,522[1]	53.68
Chan Hua Eng	-	-	131,900[2]	0.12

(1) Yaw Chee Ming was deemed interested in 17,520,000 shares by virtue of his indirect substantial shareholdings in Samling Strategic Corporation Sdn Bhd and 43,728,522 shares by virtue of his indirect substantial shareholdings in Lingui Developments Berhad.

(2) Chan Hua Eng was deemed interested in 32,000 shares by virtue of his substantial shareholdings in Tysim Holdings Sdn Bhd and 99,900 shares by virtue of his substantial shareholdings in Chan Kok Tien Realty Sdn Bhd.

List of Top 30 Shareholders

No.	Name & Address	Shareholdings	%
1	LINGUI DEVELOPMENTS BERHAD	43,702,795	38.31
2	SAMLING STRATEGIC CORPORATION SDN BHD	17,520,000	15.36
3	MAYBAN NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR PERKAPALAN DAMAI TIMUR SDN BHD (411010826627)*	7,000,000	6.14
4	PERKAPALAN DAMAI TIMUR SDN BHD	5,990,738	5.25
5	UOBM NOMINEES (ASING) SDN BHD *UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR SINDIX CORPORATION*	4,000,000	3.51
6	UOBM NOMINEES (ASING) SDN BHD *UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR SMART WILL INTERNATIONAL LIMITED*	4,000,000	3.51
7	HLB NOMINEES (ASING) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAIKICHI ITO (SIN 9556-6)*	3,650,000	3.20
8	UOBM NOMINEES (ASING) SDN BHD *UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR CAIRNEY INTERNATIONAL LTD*	3,099,477	2.72
9	AFFIN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR LEI SHING HONG SECURITIES LIMITED (CLIENTS A/C)*	1,498,700	1.31
10	HSBC NOMINEES (ASING) SDN BHD *HSBC TRUSTEE SG LTD FOR MILLIONASIA PROPERTIES LIMITED*	1,025,900	0.90
11	MENG HIN HOLDINGS SDN BHD	973,024	0.85
12	LINDA WANG SIOK KIM	962,700	0.84
13	HSBC NOMINEES (ASING) SDN BHD *HSBC SG FOR ISLAND INVESTMENT COMPANY (PRIVATE) LIMITED*	868,800	0.76

Analysis of Shareholdings

as at 9 September 2011

No.	Name & Address	Shareholdings	%
14	YEOH CHIN HIN INVESTMENTS SDN BERHAD	758,934	0.67
15	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD *PLEDGED SECURITIES ACCOUNT FOR KAH HIN LOONG SDN BHD (21-00069-000)*	740,000	0.65
16	HSBC NOMINEES (ASING) SDN BHD *HSBC SG FOR LEE LATEX (PTE) LIMITED*	733,334	0.64
17	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR MERRILL LYNCH PIERCE FENNER & SMITH INCORPORATED (FOREIGN)*	722,738	0.63
18	MAYBAN NOMINEES (TEMPATAN) SDN BHD *LAW KIU KIONG*	628,100	0.55
19	WAN CHONG HOLDINGS SDN. BHD.	562,234	0.49
20	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)*	550,445	0.48
21	YEOH CHIN HIN	458,245	0.40
22	LEE CHAN INVESTMENTS SDN. BERHAD	456,113	0.40
23	HLG NOMINEE (TEMPATAN) SDN BHD *HONG LEONG BANK BHD FOR CHUAN HONG HANG SDN BERHAD*	435,000	0.38
24	WAN POH MINING COMPANY SDN BHD	386,700	0.34
25	NEOH CHOO EE & COMPANY, SDN. BERHAD	385,000	0.34
26	WONG YU @ WONG WING YU	358,700	0.31
27	PO KONG YEE	298,000	0.26
28	FOONG HON CHEONG	246,302	0.22
29	HLG NOMINEE (TEMPATAN) SDN BHD *HONG LEONG BANK BHD FOR CHUAN HONG HANG PROPERTIES SDN BHD*	230,000	0.20
30	CARTABAN NOMINEES (TEMPATAN) SDN BHD *AXA AFFIN GENERAL INSURANCE BERHAD*	217,000	0.19
		102,458,979	89.80

List of Properties

as at 30 June 2011

Location	Tenure	Area	Indicative plantable area	Approximate age of building	Description and current use	Net book value as at 30 June 2011 RM'000	Effective year of purchase
SABAH							
Pertasa/Timora Estate District of Kinabatangan Bahagian Sandakan Sabah	99 years lease expiring on 31.12.2077	4,857 hectares	4,726 hectares	1-18 years	Oil palm estate with building and mill	22,226	2000
Shariko Estate District of Kinabatangan Bahagian Sandakan Sabah	99 years lease expiring on 31.12.2078	605 hectares	579 hectares	-	Oil palm estate	674	2000
Titleland Estate District of Kinabatangan Bahagian Sandakan Sabah	99 years lease expiring on 31.12.2089	648 hectares	648 hectares	-	Oil palm estate	775	2000
Amalania Estate District of Kinabatangan Bahagian Sandakan Sabah	99 years lease expiring on 31.12.2078	4,036 hectares	3,960 hectares	1 - 16 years	Oil palm estate with building	5,528	2000
SARAWAK							
Belaga Estate Lot 2 Punan Land District Bakun Resettlement Area Batang Belaga Belaga Sarawak	60 years lease expiring on 6.7.2057	9,612 hectares	7,075 hectares	1 - 15 years	Agriculture land and oil palm estate with building	28,324	2000
Lana Estate Belaga District Kapit Division Sarawak	60 years lease expiring on 7.12.2058	9,336 hectares	8,160 hectares	1 - 7 years	Oil palm estate with building and mill	39,062	2000
Jelalong Estate Tuban District Bintulu Division Sarawak	51 years lease expiring on 6.12.2058	21,123 hectares	12,575 hectares	1 - 2 years	Oil palm estate with building	20,973	2007
INDONESIA							
PT Tunas Borneo Plantations Kabupaten Bulungan Kalimantan Timur Indonesia	Izin Lokasi	13,667 hectares	6,739 hectares	1 - 2 years	Oil palm estate with building	2,467	2009
PT Abdi Borneo Plantations Kabupaten Bulungan Kalimantan Timur Indonesia	Izin Lokasi	14,600 hectares	5,172 hectares	1 - 2 years	Oil palm estate with building	2,195	2009

Other Information

Material Contracts

Neither the Company nor its subsidiary companies have entered into any contracts (not being contracts entered into in the ordinary course of business) which are material within the two (2) years preceding the date of this Annual Report.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifty-Second Annual General Meeting of Glenealy Plantations (Malaya) Berhad will be held at Raya Room, Mezzanine Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 2 November 2011 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS:

To consider and if thought fit, to pass the following ordinary resolutions:

1. To receive and consider the Audited Financial Statements for the year ended 30 June 2011 together with the Reports of the Directors and Auditors thereon. **Resolution 1**

2. To declare a first and final dividend of 15 sen per share less income tax for the year ended 30 June 2011. **Resolution 2**

3. To consider and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: **Resolution 3**

   "THAT Mr Chan Hua Eng, who is over the age of seventy years and retiring in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

4. To consider and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: **Resolution 4**

   "THAT Y Bhg Tan Sri Datuk Seri Utama Thong Yaw Hong, who is over the age of seventy years and retiring in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

5. To consider and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: **Resolution 5**

   "THAT Y Bhg Datuk Henry Chin Poy-Wu, who is over the age of seventy years and retiring in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

6. To re-elect Mr Yaw Chee Ming who retires as a Director of the Company pursuant to Article 89 of the Company's Articles of Association. **Resolution 6**

7. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors. **Resolution 7**

SPECIAL BUSINESS:

To consider and if thought fit, to pass the following ordinary resolutions:

8. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH YAW HOLDING SDN. BHD., ITS SUBSIDIARIES AND ASSOCIATED COMPANIES; SAMLING GLOBAL LIMITED, ITS SUBSIDIARIES AND ASSOCIATED COMPANIES AND LINGUI DEVELOPMENTS BERHAD, ITS SUBSIDIARIES AND ASSOCIATED COMPANIES **Resolution 8**

"THAT subject always to the Companies Act, 1965, the Memorandum and Articles of Association of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter and give effect to the recurrent related party transactions of a revenue or trading nature which are necessary for the day to day operations [hereinafter referred to as "Recurrent Transactions"] of the Company and/or its subsidiary companies, the particulars of which are set out in Section 2 of the Circular to the Shareholders dated 11 October 2011, with the following Related Parties:

(a) Yaw Holding Sdn. Bhd., its subsidiaries and associated companies;
(b) Samling Global Limited, its subsidiaries and associated companies; and
(c) Lingui Developments Berhad, its subsidiaries and associated companies.

subject further to the following:

(i) the Recurrent Transactions contemplated are in the ordinary course of business and on terms which are not more favourable to related parties than those generally available to the public, and are not to the detriment of the minority shareholders;

(ii) disclosure of the breakdown of the aggregate value of the recurrent related party transactions conducted during the financial year will be made in the Annual Report based on the following information:

(a) the type of Recurrent Transactions made; and

(b) the names of the related parties involved in each type of the Recurrent Transactions made and their relationship with the Company; and

(iii) the approval is subject to annual renewal and shall only continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company at which the Proposed Shareholders' Mandate will be tabled;

(b) the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

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

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all acts and things to give full effect to the Recurrent Transactions contemplated and/or authorised by this resolution."

9. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY **Resolution 9**

"THAT subject always to the Companies Act, 1965 ("the Act"), the Company's Articles of Association, Listing Requirements of Bursa Malaysia Securities Berhad ["Bursa Securities"], and the approvals of all relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM1.00 each in the Company's issued and paid-up ordinary share capital through Bursa Securities, provided that:-

(a) the aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed five per centum (5%) of the issued and paid-up ordinary share capital of the Company;

(b) the funds allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained profits available for dividend and share premium account of the Company; and

(c) the authority conferred by this resolution shall continue to be in force until:-

(1) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed;

(2) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

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

whichever is earlier,

AND THAT the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

(i) cancel all the shares so purchased; and/or
(ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
(iii) retain part thereof as treasury shares and cancel the remainder.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary and/or enter into any and all agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modification, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares."

10. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **Resolution 10**

"THAT subject always to the approvals of the relevant authorities, the Directors of the Company be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors of the Company may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company as at the date of this Annual General Meeting and that the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

ANY OTHER BUSINESS:

11. To transact any other business for which due notice shall have been given.

By Order of the Board

Chen Keow Ching (MAICSA 7001905)
Phang Swee Chew (MAICSA 7020805)
Company Secretaries

Kuala Lumpur
11 October 2011

NOTES

1. *A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote in his stead. A proxy does not need to be a member and if not a member, need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. Provided that, having appointed a proxy or an attorney to attend in his stead, if such member personally attends the meeting, his proxy or attorney shall be precluded from attending such meeting.*

   Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint only one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

2. *If the appointor is a corporation, the form of proxy should be executed under its common seal, if any, and if none, then under the hand of some officer or attorney duly authorised in that behalf.*

3. *The instrument appointing a proxy must reach the Registered Office of the Company not less than 48 hours before the time set for this Annual General Meeting or any adjournment thereof.*

4. ***Explanatory note for ordinary resolution no. 8***
   Proposed Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature

   Please refer to circular to shareholders dated 11 October 2011 which is circulated together with this Annual Report.

5. ***Explanatory note for ordinary resolution no. 9***
   Share Buy-Back

   Please refer to circular to shareholders dated 11 October 2011 which is circulated together with this Annual Report.

NOTES (cont'd)

6. ***Explanatory note for ordinary resolution no. 10***
   Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

   There were no issuance of new ordinary shares by the Company since the mandate from the previous Annual General Meeting which will lapse at the conclusion of the 52nd Annual General Meeting to be held on 2 November 2011 and the Directors of the Company do not intend to raise funds from the general mandate sought last year. A renewal of this authority is being sought at this Annual General Meeting under proposed resolution no.10.

   The proposed Ordinary Resolution No. 10, if passed, will give the Directors of the Company, from the date of this Annual General Meeting, authority to issue and allot ordinary shares from the unissued share capital of the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors of the Company may consider to be in the interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the next Annual General Meeting of the Company.

   The General mandate will provide flexibility to the Company for any possible fund raising activities, for the purposes of funding future investment project(s), working capital, acquisitions or such other applications as the Directors deem fit.

7. *Shareholders are reminded that pursuant to the Securities Industry (Central Depositories) (Amendment) (No. 2) Act, 1998 which came into force on 1 November 1998, all shares not deposited with the Bursa Malaysia Depository Sdn. Bhd. by 12.30 pm on 1 December 1998 and not exempted from mandatory deposit, have been transferred to the Ministry of Finance ("MOF"). Accordingly, the eligibility to attend this Annual General Meeting for such shares will be the MOF.*

NOTICE OF DIVIDEND ENTITLEMENT

Notice is hereby given that the first and final dividend of 15 sen per share less income tax, in respect of the financial year ended 30 June 2011, if so approved by the shareholders at the Fifty-Second Annual General Meeting, will be paid on 16 December 2011 to shareholders appearing in the Register of Members or Record of Depositors as at the close of business on 8 December 2011.

Further notice is given that a Depositor shall qualify for entitlement only in respect of:

1. Shares deposited into the depositor's securities account before 12.30 pm on 6 December 2011 (in respect of shares which are exempted from mandatory deposit);

2. Shares transferred into the depositor's securities account before 4.00 pm on 8 December 2011 in respect of ordinary transfers; and

3. Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

Statement Accompanying Notice of Annual General Meeting

pursuant to paragraph 8.27(2) of the listing requirements of the Bursa Malaysia Securities Berhad

Further details of Directors standing for re-election as Directors are set out in their respective profiles which appear in the Directors' Profile pages 6 and 7 of this Annual Report and details of their interest in the securities of the Company are disclosed on page 25 of this Annual Report.

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Form of Proxy

glenealy
Plantations (Malaya) Berhad
Company No. 3453-X
Incorporated in Malaysia

I/We _____

of _____

being a member of **GLENEALY PLANTATIONS (MALAYA) BERHAD**, hereby appoint _____

_____

of _____

to be my/our proxy/proxies to attend and on a poll to vote for me/us on my/our behalf at the Fifty-Second Annual General Meeting of the Company to be held at Raya Room, Mezzanine Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 2 November 2011 at 10.00 a.m. or at any adjournment thereof.

My/Our proxy/proxies is/are to vote as indicated below:

Resolution	For	Against
1. To receive and consider the Audited Financial Statements for the year ended 30 June 2011 together with the Reports of the Directors and Auditors thereon.		
2. To declare a first and final dividend of 15.0 sen per share less income tax for the year ended 30 June 2011.		
3. To consider and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: "THAT Mr Chan Hua Eng, who is over the age of seventy years and retiring in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."		
4. To consider and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: "THAT Y Bhg Tan Sri Datuk Seri Utama Thong Yaw Hong, who is over the age of seventy years and retiring in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."		
5. To consider and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: "THAT Y Bhg Datuk Henry Chin Poy-Wu, who is over the age of seventy years and retiring in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."		
6. To re-elect Mr. Yaw Chee Ming who retires as a Director of the Company pursuant to Article 89 of the Company's Articles of Association.		
7. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors.		
8. To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Yaw Holding Sdn Bhd, its subsidiaries and associated companies; Samling Global Limited, its subsidiaries and associated companies and Lingui Developments Berhad, its subsidiaries and associated Companies.		
9. To approve the renewal of the share buy-back authority		
10. To authorise the Directors to issue shares not exceeding 10% of the issued share capital.		

(Please indicate with an "x" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting at his/their discretion).

	No of Share Units held
	CDS Account No.

Dated this _____ day of _____ 2011

_____
Signature/Common Seal

NOTES

1. *A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote in his stead. A proxy does not need to be a member and if not a member, need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. Provided that, having appointed a proxy or an attorney to attend in his stead, if such member shall personally attends the meeting, his proxy or attorney shall be precluded from attending such meeting.*

   Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint only one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

2. *If the appointor is a corporation, the form of proxy should be executed under its common seal, if any, and if none, then under the hand of some officer or attorney duly authorised in that behalf.*

3. *The instrument appointing a proxy must reach the Registered Office of the Company not less than 48 hours before the time set for this Annual General Meeting or any adjournment thereof.*

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Stamp

Company Secretary

Glenealy Plantations (Malaya) Berhad

(3453-X)

Level 42, Menara Maxis

Kuala Lumpur City Centre

50088 Kuala Lumpur

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Plantations (Malaya) Berhad
Company No. 3453-X
Incorporated in Malaysia

www.glenealy.com.my

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