Company No.: 59340 - P

2. Property, plant and equipment (continued)

Long term leasehold estate consists of cost of long term leasehold land, roads and plantation development expenditure.

As at year end, long term leasehold land with a cost of RM223,432 (2005: RM223,432) are in the process of being transferred to the name of the Company.

Amortisation/depreciation charged for the year is allocated as follows:

	2006 RM'000	**2005** RM'000
Income Statement	5,518	6,908
Plantation Development Expenditure	7	6
	5,525	6,914

Revaluation

The long term leasehold estate is stated at Directors' valuation based on professional valuations on the open market basis conducted in 1995.

Had the long term leasehold estate been carried at historical cost less accumulated depreciation, the carrying amount of the revalued assets that would have been included in the financial statements at the end of the year is RM146,920,000 (2005: RM147,025,000).

3. Inventories

	2006 RM'000	**2005** RM'000
At cost		
Produce stocks	993	2,025
Consumable stores	8,020	7,699
Planting materials	503	387
	9,516	10,111

4. Trade and other receivables

	2006 RM'000	2005 RM'000
Trade receivables	4,307	7,780
Other receivables, deposits and prepayments	413	141
	4,720	7,921

5. Related companies' balances

	2006 RM'000	2005 RM'000
Amount due from/(to):		
Immediate holding company		
- trade	(180)	(197)
- non-trade	228,628	205,689
Related companies – non-trade	3,080	2,926
	231,528	208,418
Amount due to:		
Related companies		
- trade	956	1,935

As at 31 January 2006, the immediate holding company is Hap Seng Consolidated Berhad. The intermediate holding company is Malaysian Mosaics Berhad and the ultimate holding company is Gek Poh (Holdings) Sdn Bhd. All these companies are incorporated in Malaysia.

All trade balances due to immediate holding and related companies are interest free and payable in accordance with normal trade terms.

The non-trade balance due from the immediate holding company bears an interest rate of 2.75% (2005: 2.75%) per annum. Except for this amount, the amounts due from/(to) the related companies are unsecured, interest free and have no fixed terms of repayment.

Company No.: 59340 - P

6. Trade and other payables

	2006 RM'000	2005 RM'000
Trade payables	2,193	5,077
Other payables and accruals	4,070	4,228
	6,263	9,305

7. Share capital

	2006 RM'000	2005 RM'000
Ordinary Shares of RM1 each		
Authorised	150,000	150,000
Issued and fully paid	121,432	121,432

8. Reserves

	2006 RM'000	2005 RM'000
Distributable		
Retained profits	299,100	270,429
Capital reserve	6,127	6,127
	305,227	276,556
Non-distributable		
Revaluation reserve	14,081	14,081
Share premium	1,194	1,194
	15,275	15,275
	320,502	291,831

Movements in reserves are shown in the Statement of Changes In Equity.

Company No.: 59340 - P

9. Deferred taxation

The recognised deferred tax liability is as follows:

	2006 RM'000	**2005** RM'000
Property, plant and equipment		
- capital and agricultural allowance	13,267	13,457
- revaluation	20,302	20,447
- plantation development expenditure	40,819	40,827
	74,388	74,731

Movement in deferred tax liability during the year is as follows:

	At 1.2.2005 RM'000	**Charged to Income Statement** RM'000	**At 31.1.2006** RM'000
Property, plant and equipment			
- capital allowance	13,457	(190)	13,267
- revaluation	20,447	(145)	20,302
- plantation development expenditure	40,827	(8)	40,819
	74,731	(343)	74,388

10. Revenue

Revenue represents sales of crude palm oil and palm kernel.

11. Operating profit

	2006 RM'000	2005 RM'000
Operating profit is arrived at after crediting:		
Gain on disposal of property, plant and equipment	263	142
Rental income	36	96
And after charging:		
Amortisation/depreciation	5,518	6,908
Auditors' remuneration	35	33
Directors' fees	96	96
Property, plant and equipment written off	88	178
Inventories written off	721	--

12. Employee information

	2006 RM'000	2005 RM'000
Employee Provident Fund	505	560
Other staff costs	13,512	13,182
	14,017	13,742

The number of employees of the Company (excluding Directors) at the end of the year was 1,845 (2005: 1,794).

13. Interest income

	2006 RM'000	2005 RM'000
Interest received and receivable from:		
Immediate holding company	5,825	4,975

Company No.: 59340 - P

14. Tax expense

	2006 RM'000	2005 RM'000
Current tax expense		
- current year's provision	14,819	18,942
Deferred tax expense		
- origination of temporary differences	353	465
	15,172	19,407
Overprovision of deferred tax expense in previous year	(696)	--
	14,476	19,407

Reconciliation of tax expense

	2006 RM'000	2005 RM'000
Profit before tax	54,513	69,224
Income tax using Malaysian tax rate	15,264	19,383
Non-deductible expenses	5	4
Other items	(97)	20
	15,172	19,407
Overprovision of deferred tax expense in previous year	(696)	--
Tax expense	14,476	19,407

15. Dividends

i) ***Paid and proposed dividend for the financial year ended 31 January 2006***

Gross dividends per ordinary share as disclosed in the Income Statement is computed as follows:

	2006	2005
Interim dividend paid during the year		
4% per share, less tax (2005: 4% per share, less tax)	4.00 sen	4.00 sen
Special interim dividend paid during the year		
3% per share, less tax (2005: 3% per share, less tax)	3.00 sen	3.00 sen
Final proposed		
4% per share, less tax (2005: 4% per share, less tax)	4.00 sen	4.00 sen
Special final proposed		
2% per share, less tax (2005: 2% per share, less tax)	2.00 sen	2.00 sen
	13.00 sen	13.00 sen

15. Dividends (continued)

The final proposed dividend of 4% less tax totalling RM3,497,235 and special final proposed dividend of 2% less tax totalling RM1,748,617 have not been accounted for in the financial statements of the Company as at 31 January 2006.

ii) Dividends accounted for in the financial statements

	2006 RM'000	2005 RM'000
Final dividend proposed for the previous year and paid during the year:		
4% per share, less tax (2005: 4% per share, less tax)	3,497	3,497
Special final dividend proposed for the previous year and paid during the year:		
2% per share, less tax (2005: 2% per share, less tax)	1,749	1,749
	5,246	5,246
Interim dividend paid during the year: 4% per share, less tax (2005: 4% per share, less tax)	3,497	3,497
Special interim dividend paid during the year: 3% per share, less tax (2005: 3% per share, less tax)	2,623	2,623
	6,120	6,120
	11,366	11,366

16. Tax exempt account and section 108 tax credit

16.1 Tax Exempt Account

At 31 January 2006, subject to agreement with the Inland Revenue Board, the available tax exempt account from which dividends can be distributed without incurring any tax liability approximate RM1,816,000 (2005: RM1,816,000).

16.2 Section 108 Tax Credit

At 31 January 2006, subject to the agreement with the Inland Revenue Board, the Company has sufficient Section 108 tax credit to frank approximately RM151,083,000 (2005: RM110,452,000) of its distributable reserves before the proposed final dividends, without incurring additional tax liability.

17. Related parties

Controlling related party relationships are as follows:

i) The holding companies as disclosed in Note 5 to the financial statements.
ii) The related companies

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	2006 RM'000	2005 RM'000
Transactions with immediate holding company, Hap Seng Consolidated Berhad		
Dividends paid (gross)	10,429	10,429
Sales commission paid	1,329	1,465
Interest income	(5,825)	(4,975)
Transactions with subsidiaries of Hap Seng Consolidated Berhad		
The River Estates Sdn Berhad		
Plantation management fees, agro advisory fees and fresh fruit bunches processing fees paid	4,165	3,710
Hap Seng (Oil & Transport) Sdn Bhd		
Purchase of diesel, petrol and lubricant	5,701	2,807
Sasco Sdn Bhd		
Purchase of fertilisers, chemicals and other supplies	12,883	5,902
Si Khiong Industries Sdn Bhd		
Purchase of plant and equipment	509	295
Purchase of spare parts and other supplies	--	37
Transactions with Gek Poh (Holdings) Sdn Bhd		
Hap Seng Insurance Services		
Insurance expenses	533	563

The above transactions have been entered into in the normal course of business and have been established under negotiated terms.

18. Financial instruments

Financial risk management objectives and policies

Exposure to credit, liquidity and interest rate risks arise in the normal course of the Company's business. The Board of Directors reviews and agrees policies for managing credit risks.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on potential customers before entering into any contracts.

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

Liquidity risk

The Company maintains adequate funds to meet its obligations as and when they fall due.

Interest rate risk

Interest rate risk is minimal as the Company's only interest earning financial assets is from non-trade balance due from immediate holding company.

Effective interest rate and repricing analysis

The effective interest rate in respect of interest-earning financial assets at the balance sheet date and the periods in which it reprice or mature, which is earlier, is as follows:

	2006		2005	
	Effective interest rate %	Total/ Within 1 year RM	Effective interest rate %	Total/ Within 1 year RM
Financial assets				
Non trade balance due from immediate holding company	2.75	228,628	2.75	205,689

Fair value

Recognised financial instruments

In respect of trade and other receivables, trade and other payables and related companies' balances, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.

19. Capital commitments

	2006 RM'000	2005 RM'000
Capital commitments approved and not contracted for are in respect of the following:		
Estate and mill buildings and infrastructure	23,764	20,494
Machineries, vehicles and tugboats	3,326	2,194
Furniture, fittings and equipment	38	83
	27,128	22,771
Additional land premium on conversion of agricultural land (oil mill) to industrial land	1,725	1,725
Less: Payment made	(863)	(863)
	862	862
	27,990	23,633

Unaudited financial statements of Jeroco for the six (6)-month period ended 31 July 2006

KPMG (Firm No. AF 0758)
Chartered Accountants
Wisma KPMG
Jalan Dungun, Damansara Heights
50490 Kuala Lumpur, Malaysia

Telephone +60 (3) 2095 3388
Fax +60 (3) 2095 0971
Internet www.kpmg.com.my

Review report to the Board of Directors of
Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

We have reviewed the accompanying financial statements of the Company for the six months period ended 31 July 2006 as set out on pages 4 to 33.

It is our responsibility to form an independent conclusion, based on our review, on the financial statements and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report. These financial statements are the responsibility of the Company's Directors.

We conducted our review in accordance with Malaysian Approved Standards on Auditing AI 2400, *Engagements to Review Financial Statements ("AI 2400")*. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view in accordance to applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board.

KPMG

KPMG
Firm Number: AF 0758
Chartered Accountants

Kuala Lumpur

15 September 2007

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

Balance sheet at 31 July 2006

	Note	* Unaudited 31.7.2006 RM'000	Restated audited 31.1.2006 RM'000
Assets			
Property, plant and equipment	3	82,229	78,420
Biological assets	4	160,017	160,013
Prepaid lease payments	5	38,497	38,761
Total non-current assets		280,743	277,194
Receivables, deposits and prepayments	6	241,073	236,428
Inventories	7	7,709	9,516
Current tax assets		3,058	404
Cash and cash equivalents	8	192	179
Total current assets		252,032	246,527
Total assets		532,775	523,721
Equity			
Share capital	9	121,432	121,432
Reserves	9	328,786	320,502
Total equity		450,218	441,934
Liabilities			
Deferred tax liabilities	10	74,730	74,388
Total non-current liabilities		74,730	74,388
Payables and accruals	11	7,827	7,399
Total current liabilities		7,827	7,399
Total liabilities		82,557	81,787
Total equity and liabilities		532,775	523,721

* Reviewed in accordance with AI 2400.

The notes on pages 9 to 33 are an integral part of these financial statements.

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

Income statement for the period ended 31 July 2006

	Note	* Unaudited six months period ended 31.7.2006 RM'000	Audited year ended 31.1.2006 RM'000
Revenue	12	44,878	106,303
Cost of sales		(25,252)	(48,718)
Gross profit		19,626	57,585
Distribution costs		(3,402)	(8,265)
Administrative expenses		(259)	(283)
Other operating expenses		(382)	(840)
Other operating income		197	491
Operating profit		15,780	48,688
Interest income		3,024	5,825
Profit before tax	13	18,804	54,513
Tax expense	15	(5,274)	(14,476)
Profit for the period/year		13,530	40,037
Dividends per ordinary share – gross (sen)	16	--	13.0

* Reviewed in accordance with AI 2400.

The notes on pages 9 to 33 are an integral part of these financial statements.

Jeroco Plantations Sdn Bhd

(Company No.: 59340 - P)
(Incorporated in Malaysia)

Statement of changes in equity for the period ended 31 July 2006

	Note	Share capital RM'000	*Non-distributable* Share premium RM'000	*Non-distributable* Revaluation reserve RM'000	*Distributable* Capital reserve RM'000	*Distributable* Retained profits RM'000	Total equity RM'000
At 1 February 2005		121,432	1,194	14,081	6,127	270,429	413,263
Profit for the year		--	--	--	--	40,037	40,037
Dividend – 31.1.2005 final	16	--	--	--	--	(5,246)	(5,246)
Dividend – 31.1.2006 interim	16	--	--	--	--	(6,120)	(6,120)
At 31 January 2006 (audited)		121,432	1,194	14,081	6,127	299,100	441,934
Profit for the period		--	--	--	--	13,530	13,530
Dividend – 31.1.2006 final	16	--	--	--	--	(5,246)	(5,246)
At 31 July 2006 (Unaudited) *		121,432	1,194	14,081	6,127	307,384	450,218

* Reviewed in accordance with AI 2400.

The notes on pages 9 to 33 are an integral part of these financial statements.

Jeroco Plantations Sdn Bhd

(Company No.: 59340 - P)
(Incorporated in Malaysia)

Cash flow statement for the period ended 31 July 2006

	Note	* Unaudited six months period ended 31.7.2006 RM'000	Restated audited year ended 31.1.2006 RM'000
Cash flows from operating activities			
Profit before tax		18,804	54,513
Adjustments for:			
Amortisation of prepaid lease payments	5	264	528
Depreciation of property, plant and equipment	3	2,708	4,990
Interest income		(3,024)	(5,825)
Gain on disposal of property, plant and equipment		--	(263)
Property, plant and equipment written off		6	88
Operating profit before changes in working capital		18,758	54,031
Inventories		1,807	595
Payables and accruals		428	(3,042)
Receivables, deposits and prepayments		648	3,201
Cash generated from operations		21,641	54,785
Tax paid		(7,586)	(20,221)
Net cash generated from operating activities		14,055	34,564
Cash flows from investing activities			
Additions of biological assets		(4)	(121)
Interest received		3,024	5,825
Proceeds from disposal of property, plant and equipment		19	330
Purchase of property, plant and equipment		(6,542)	(5,237)
Net cash (used in)/generated from investing activities		(3,503)	797
Cash flows from financing activities			
Advances to immediate holding company		(5,991)	(22,956)
Dividends paid to shareholders of the Company – net		(5,246)	(11,366)
Repayment from/(advances to) related companies		698	(1,133)
Net cash used in financing activities		(10,539)	(35,455)

Jeroco Plantations Sdn Bhd

(Company No.: 59340 - P)
(Incorporated in Malaysia)

Cash flow statement for the period ended 31 July 2006 (continued)

	Note	* Unaudited six months period ended 31.7.2006 RM'000	Restated audited year ended 31.1.2006 RM'000
Net increase/(decrease) in cash and cash equivalents		13	(94)
Cash and cash equivalents at 1 February		179	273
Cash and cash equivalents at 31 July/31 January	8	192	179

* Reviewed in accordance with AI 2400.

The notes on pages 9 to 33 are an integral part of these financial statements.

Jeroco Plantations Sdn Bhd

(Company No.: 59340 - P)
(Incorporated in Malaysia)

Notes to financial statements

Jeroco Plantations Sdn Bhd is a private limited liability company, incorporated and domiciled in Malaysia. The addresses of its registered office and principal place of business are as follows:

Registered office:
1A, Jalan 205
46050 Petaling Jaya
Selangor Darul Ehsan

Principal place of business:
Mile 34, Jalan Jeroco
Off Sandakan/Lahad Datu Highway
Kinabatangan District, Sabah

The Company is principally engaged in the cultivation of oil palm and processing of fresh fruit bunches.

The immediate holding company is Hap Seng Consolidated Berhad ("HSCB") and ultimate holding company is Gek Poh (Holdings) Sdn Bhd ("Gek Poh"). All the aforementioned companies are incorporated in Malaysia.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board ("MASB") and accounting principles generally accepted in Malaysia.

The MASB has issued a number of new and revised Financial Reporting Standard ("FRS") and Issues Committee Interpretation ("IC Interpretations") that are effective for accounting periods beginning on or after 1 January 2006. In this set of financial statements, the Company has chosen to early adopt FRS 117, Leases and FRS 124, Related Party Disclosures which are effective for annual periods beginning on or after 1 October 2006.

The following FRSs and IC Interpretations are effective for annual periods beginning on or after 1 July 2007 and have not been early adopted in preparing these financial statements:

Standard / IC Interpretation	**Effective for periods beginning on or after**
IC Interpretation 8, *Scope of FRS 2*	1 July 2007
FRS 107, *Cash Flows Statements*	1 July 2007
FRS 112, *Income Taxes*	1 July 2007
FRS 118, *Revenue*	1 July 2007

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

Standard / IC Interpretation	Effective for periods beginning on or after
FRS 137, *Provisions, Contingent Liabilities and Contingent Assets*	1 July 2007
FRS 139, *Financial Instruments: Recognition and Measurement*	--

The Company plans to apply the above-mentioned FRSs and IC Interpretations for the annual period beginning 1 February 2008 except for FRS 139, the effective date of which has yet to be announced. The said standards and interpretations are not expected to have any material impact on the financial statements of the Company upon their initial application.

The following FRSs and IC Interpretations are not applicable to the Company. Hence, no further disclosure is warranted.

Standard / IC Interpretation	Effective for periods beginning on or after
IC Interpretation 1, *Changes in Existing Decommissioning, Restoration and Similar Liabilities*	1 July 2007
IC Interpretation 2, *Members' Shares in Co-operative Entities and Similar Instruments*	1 July 2007
IC Interpretation 5, *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*	1 July 2007
IC Interpretation 6, *Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*	1 July 2007
IC Interpretation 7, *Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economies*	1 July 2007
FRS 111, *Construction Contracts*	1 July 2007
FRS 120, *Accounting for Government Grants and Disclosure of Government Assistance*	1 July 2007
Amendment to FRS 121, *The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation*	1 July 2007
FRS 134, *Interim Financial Reporting*	1 July 2007

The unaudited financial statements were approved for issuance by the Board of Directors on 15 September 2007.

1. Basis of preparation (continued)

(b) Basis of measurement

The unaudited financial statements have been prepared on the historical cost basis except as disclosed in the notes to the financial statements.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company, except for the adoption of the following:

(i) FRS 101 Presentation of financial statements;
(ii) FRS 117, Leases; and
(iii) FRS 124, Related party disclosures.

In addition to the new policies and extended disclosures where required by these new standards, the effects of the changes on adoption of the above FRSs are disclosed in Note 20 to these financial statements.

Certain comparative amounts have been reclassified to conform to the current period's presentation (see Note 21).

(a) Property, plant and equipment

(i) Recognition and measurement

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

The Company has availed itself to the transitional provision when the MASB first adopted IAS 16, Property, Plant and Equipment in 1998. Certain road and infrastructures were revalued in 1995 and no later valuation has been recorded for these property, plant and equipment.

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

2. Significant accounting policies (continued)

(a) Property, plant and equipment (continued)

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

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

(ii) ***Subsequent costs***

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

(iii) ***Depreciation***

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

Other assets are depreciated over their estimated useful lives by equal annual instalments at the following rates:

Road and infrastructure	1.2% - 4%
Buildings	4%
Machineries, vehicles and tugboats	7% - 25%
Furniture, fittings and equipment	10% - 15%

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual value are reassessed at the reporting date.

(b) Biological assets

In accordance with paragraph 68 of FRS 101, the Company has presented plantation development expenditure as biological assets.

New planting which include land clearing, planting, field upkeep and maintenance of oil palm plantings to maturity are capitalised as plantation development expenditure. Oil palm plantings are considered mature 30 months after the date of planting. Expenditures incurred after maturity of crops are charged to the income statement. Estate overhead expenditure is apportioned to revenue and plantation development expenditure on the basis of the proportion of mature and immature areas.

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

2. Significant accounting policies (continued)

(b) Biological assets (continued)

Net income from scout harvesting prior to maturity is offset against plantation development expenditure.

No amortisation is considered necessary for plantation development expenditure as the estate is maintained through replanting programmes and replanting expenditure is written off to the income statement during the period when it is incurred.

Certain plantation development expenditure were revalued in 1995 and no later valuation has been recorded for the biological assets. The Company has availed itself to the transitional provision when the MASB first adopted IAS 16, Property, Plant and Equipment in 1998, the applicable accounting standards for the plantation development expenditure at that time.

(c) Prepaid lease payments

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

The Company had previously classified a lease of land as finance lease and had recognised the amount of prepaid lease payments as long term leasehold land within its property, plant and equipment. Upon the adoption of FRS 117, Leases, the Company treats such a lease as an operating lease, with the unamortised carrying amounts classified as prepaid lease payments in accordance with the transitional provisions in FRS 117.67A.

Long term leasehold land is amortised over the tenure of the leases.

Revalued leasehold land

The Company had previously revalued its leasehold land and has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provisions in FRS 117.67A. Such prepaid lease payments are amortised over the lease term.

The Company has availed itself to the transitional provision when the MASB first adopted IAS 16, Property, Plant and Equipment in 1998. Certain leasehold land were revalued in 1995 and no later valuation has been recorded for these prepaid lease payments.

(d) Inventories

Inventories are valued at the lower of cost and net realisable value. In arriving at the net realisable value, due allowance is made for all damaged, obsolete and slow moving items. Cost is determined principally with the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

The cost of produce stocks includes estate production cost, mill processing cost, overhead expenses and depreciation.

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

2. Significant accounting policies (continued)

(d) Inventories (continued)

The cost of consumable stores compries purchase cost and incidental cost while planting materials cost includes purchase seedlings cost and direct nursery cost.

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

(e) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established. Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts, if any.

Receivables are not held for the purpose of trading.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances.

(g) Impairment of assets

The carrying amount of assets, other than financial assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised in the income statement if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

2. Significant accounting policies (continued)

(h) Employee benefits

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

The Company's contributions to the Employees' Provident Fund are charged to the income statements in the period to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

(i) Payables

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

(j) Revenue

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

(k) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(l) Tax expense

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

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

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

2. Significant accounting policies (continued)

(l) Tax expense (continued)

Deferred tax liability is recognised for all taxable temporary differences.

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

(m) Capital reserve

Sums received from the sale of timber salvaged in the course of clearing the Company's leasehold lands for plantation development are capital sums received in mitigation of further capital expenditure in developing the plantation. Such surplus is accordingly credited to the capital reserve account in the balance sheet.

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

3. Property, plant and equipment

Cost	Long term leasehold estate RM'000	Road & infrastructure RM'000	Buildings RM'000	Machinery, vehicles & tugboats RM'000	Furniture, fittings & equipment RM'000	Capital work-in-progress RM'000	Total RM'000
At 1 February 2005							
- as previously stated	228,286	--	62,009	49,666	2,081	2,607	344,649
- reclassification	(23,328)	25,302	(1,974)	--	--	--	--
- transfer to biological assets	(159,885)	--	--	--	--	--	(159,885)
- transfer to prepaid lease payments	(45,073)	--	--	--	--	--	(45,073)
At February 2005 - restated (audited)	--	25,302	60,035	49,666	2,081	2,607	139,691
Additions	--	--	7	299	4	4,927	5,237
Disposals	--	--	--	(549)	--	--	(549)
Write off	--	--	(557)	(310)	(162)	--	(1,029)
Transfer	--	1,263	717	2,388	224	(4,592)	--
At 31 January 2006 - restated (audited)	--	26,565	60,202	51,494	2,147	2,942	143,350
Additions	--	--	--	105	4	6,433	6,542
Disposals	--	--	(13)	--	(8)	--	(21)
Write off	--	--	(30)	(1)	(95)	--	(126)
Transfer	--	--	44	916	145	(1,105)	--
At 31 July 2006 (unaudited)	--	26,565	60,203	52,514	2,193	8,270	149,745
Representing items:							
At cost	--	3,624	60,203	52,514	2,193	8,270	126,804
At Directors' valuation	--	22,941	--	--	--	--	22,941
	--	26,565	60,203	52,514	2,193	8,270	149,745

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

3. Property, plant and equipment (continued)

	Long term leasehold estate RM'000	Road & infrastructure RM'000	Buildings RM'000	Machinery, vehicles & tugboats RM'000	Furniture, fittings & equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated depreciation							
At 1 February 2005							
- as previously stated	8,236	--	25,090	32,160	1,654	--	67,140
- reclassification	(2,452)	2,625	(173)	--	--	--	--
- transfer to prepaid lease payments	(5,784)	--	--	--	--	--	(5,784)
At 1 February 2005 - restated (audited)	--	2,625	24,917	32,160	1,654	--	61,356
Charge for the year	--	330	2,030	2,511	126	--	4,997
Disposals	--	--	--	(482)	--	--	(482)
Write off	--	--	(482)	(310)	(149)	--	(941)
At 31 January 2006 - restated (audited)	--	2,955	26,465	33,879	1,631	--	64,930
Charge for the period	--	177	1,267	1,195	69	--	2,708
Disposal	--	--	(2)	--	--	--	(2)
Write off	--	--	(30)	(1)	(89)	--	(120)
At 31 July 2006 (unaudited)	--	3,132	27,700	35,073	1,611	--	67,516

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

3. Property, plant and equipment (continued)

	Long term leasehold estate RM'000	Road & infrastructure RM'000	Buildings RM'000	Machinery, vehicles & tugboats RM'000	Furniture, fittings & equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Carrying amounts							
At 1 February 2005 – restated (audited)	--	22,677	35,118	17,506	427	2,607	78,335
At 31 January 2006 - restated (audited)	--	23,610	33,737	17,615	516	2,942	78,420
At 31 July 2006 - unaudited	--	23,433	32,503	17,441	582	8,270	82,229

Jeroco Plantations Sdn Bhd 20
(Company No.: 59340 - P)
(Incorporated in Malaysia)

3. Property, plant and equipment (continued)

Revaluation

The road and infrastructure is stated at Directors' valuation based on professional valuations on the open market basis conducted in 1995.

Had the road and infrastructure been carried at historical cost less accumulated depreciation, the carrying amount of the revalued assets that would have been included in the unaudited financial statements at the end of the period is RM15,262,000 (31.1.2006: RM15,369,000).

Depreciation charge for the period is allocated as follows:

	Unaudited six months period ended 31.7.2006 RM'000	Restated audited year ended 31.1.2006 RM'000
Income statement	2,708	4,990
Biological assets	--	7
	2,708	4,997

4. Biological assets

	Unaudited 31.7.2006 RM'000	Restated audited 31.1.2006 RM'000
Cost / Valuation		
At 1 February 2006 / 2005	160,013	--
Effect of adopting FRS 101	--	159,885
At 1 February 2006 / 2005 - restated	160,013	159,885
Additions	4	128
At 31 July / 31 January	160,017	160,013
Representing items:		
At cost	20,836	20,832
At Directors' valuation	139,181	139,181
At 31 July / 31 January	160,017	160,013

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

4. Biological assets (continued)

The biological assets are stated at Directors' valuation based on professional valuations on the open market basis conducted in 1995.

Had the biological assets been carried at historical cost, the carrying amount of the revalued assets that would have been included in the unaudited financial statements at the end of the period is RM109,241,000 (31.1.2006: RM109,241,000).

Depreciation capitalised under biological assets in the previous financial year was RM7,000.

5. Prepaid lease payments

	Unexpired period more than 50 years	
	Unaudited 31.7.2006 RM'000	Restated audited 31.1.2006 RM'000
Cost		
At 1 February 2006 / 2005	45,073	--
Effect of adopting FRS 117	--	45,073
At 1 February 2006 / 2005 - restated	45,073	45,073
Additions	--	--
At 31 July / 31 January	45,073	45,073
Amortisation		
At 1 February 2006 / 2005	6,312	--
Effect of adopting FRS 117	--	5,784
At 1 February 2006 / 2005 - restated	6,312	5,784
Amortisation for the period / year	264	528
At 31 July / 31 January	6,576	6,312

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

5. Prepaid lease payments (continued)

	Unexpired period more than 50 years Unaudited 31.7.2006 RM'000	Restated audited 31.1.2006 RM'000
Carrying amounts		
At 1 February 2006 / 2005 - restated	38,761	39,289
At 31 July / 31 January	38,497	38,761

The prepaid lease payments represent leasehold land stated at Directors' valuation based on professional valuations on the open market basis conducted in 1995. With the adoption of the revised FRS 117 as mentioned in Note 20, the unamortised carrying value is now recognised as the surrogate carrying amount.

6. Receivables, deposits and prepayments

	Unaudited 31.7.2006 RM'000	Audited 31.1.2006 RM'000
Trade		
Trade receivables	3,544	4,307
Amount due from a related company	364	85
	3,908	4,392
Non-trade		
Other receivables, deposits and prepayments	249	413
Amount due from immediate holding company	234,619	228,628
Amount due from related companies	2,297	2,995
	237,165	232,036
	241,073	236,428

The trade balance due from a related company is interest free and receivable in accordance with normal trade terms.

The non-trade balance due from immediate holding company is unsecured, bears interest at 3.5% (31.1.2006: 2.75%) per annum and has no fixed terms of repayment.

The non-trade balance due from related companies is unsecured, interest free and has no fixed terms of repayment.

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

7. Inventories

	Unaudited 31.7.2006 RM'000	Audited 31.1.2006 RM'000
At cost:		
Produce stocks	567	993
Consumable stores	6,686	8,020
Planting materials	--	503
Nursery	456	--
	7,709	9,516

8. Cash and cash equivalents

	Unaudited 31.7.2006 RM'000	Audited 31.1.2006 RM'000
Cash and bank balances	192	179

9. Capital and reserves

	Unaudited <------31.7.2006------->		Audited <--------31.1.2006------>	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Share capital				
Authorised:				
Ordinary shares of RM1 each	150,000	150,000	150,000	150,000
Issued and fully paid:				
Ordinary shares of RM1 each	121,432	121,432	121,432	121,432

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

9. Capital and reserves (continued)

Reserves

	Unaudited 31.7.2006 RM'000	Audited 31.1.2006 RM'000
Non-distributable		
Revaluation reserve	14,081	14,081
Share premium	1,194	1,194
	15,275	15,275
Distributable		
Retained earnings	307,384	299,100
Capital reserve	6,127	6,127
	313,511	305,227
	328,786	320,502

Tax exempt account

At 31 July 2006, subject to agreement by the Inland Revenue Board, the available tax exempt account from which dividends can be distributed without incurring any tax liability approximate RM1,816,000 (31.1.2006: RM1,816,000).

Section 108 tax credit

Subject to the agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit to frank approximately RM165,600,000 (31.1.2006: RM151,083,000) of its distributable reserves at 31 July 2006, if paid out as dividends.

Jeroco Plantations Sdn Bhd

(Company No.: 59340 - P)
(Incorporated in Malaysia)

10. Deferred tax liabilities

The recognised deferred tax liabilities are as follows:

	Unaudited 31.7.2006 RM'000	Audited 31.1.2006 RM'000
Property, plant and equipment		
- capital and agriculture allowances	13,609	13,267
- revaluation	20,302	20,302
Biological assets	40,819	40,819
	74,730	74,388

11. Payables and accruals

	Unaudited 31.7.2006 RM'000	Audited 31.1.2006 RM'000
Trade		
Trade payables	2,973	2,193
Amount due to immediate holding company	124	180
Amount due to related companies	1,044	956
	4,141	3,329
Non-trade		
Other payables and accruals	3,686	4,070
	7,827	7,399

The trade balances due to immediate holding company and related companies are interest free and payable in accordance with normal trade terms.

12. Revenue

Revenue represents sales of crude palm oil and palm kernels.

Jeroco Plantations Sdn Bhd 26
(Company No.: 59340 - P)
(Incorporated in Malaysia)

13. Profit before tax

	Unaudited six months period ended 31.7.2006 RM'000	Audited year ended 31.1.2006 RM'000
Profit before tax is arrived at after charging:		
Amortisation of prepaid lease payments	264	528
Auditors' remuneration	17	35
Depreciation of property, plant and equipment	2,708	4,990
Plantation management fees	2,055	4,028
Personnel expenses (including key management personnel):		
- Contributions to Employees' Provident Fund	200	505
- Wages, salaries and others	6,016	13,512
Property, plant and equipment written off	6	88
Inventories written off	--	721
Replanting expenses	2,461	994
And after crediting:		
Gain on disposal of property, plant and equipment	--	263
Rental income from properties	18	36
Interest income		
- from immediate holding company	3,024	5,825

14. Key management personnel compensation

The key management personnel compensations are as follows:

	Unaudited six months period ended 31.7.2006 RM'000	Audited year ended 31.1.2006 RM'000
Directors		
- Fees	48	96
Other key management personnel:		
- Remuneration	197	502
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	13	25
	210	527

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

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

15. Tax expense

	Unaudited six months period ended 31.7.2006 RM'000	Audited year ended 31.1.2006 RM'000
Current tax expense		
- Current period's/year's provisions	4,932	14,819
Deferred tax expense		
- Origination of temporary differences	342	353
- Over provision in prior year	--	(696)
	342	(343)
Total tax expense	5,274	14,476
Reconciliation of effective tax expense		
Profit before tax	18,804	54,513
Tax calculated using Malaysian tax rate of 28%	5,265	15,264
Non-deductible expenses	9	5
Other items	--	(97)
	5,274	15,172
Over provision of tax in prior year	--	(696)
	5,274	14,476

16. Dividends

Dividends declared and paid by the Company are:

Unaudited six months period ended 31.7.2006	Sen per share (Gross)	Total amount (Net) RM'000	Date of payments
Dividends for financial year ended 31 January 2006			
Final dividend	4.0	3,497	29 June 2006
Special final dividend	2.0	1,749	29 June 2006
	6.0	5,246	

16. Dividends (continued)

Audited year ended 31.1.2006	Sen per share (Gross)	Total amount (Net) RM'000	Date of payments
Dividends for financial year ended 31 January 2005			
Final dividend	4.0	3,497	29 June 2005
Special final dividend	2.0	1,749	29 June 2005
	6.0	5,246	
Dividends for financial year ended 31 January 2006			
Interim dividend	4.0	3,497	30 September 2005
Special interim dividend	3.0	2,623	30 September 2005
	7.0	6,120	
	13.0	11,366	

17. Financial instruments

Financial risk management objectives and policies

The financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its credit and liquidity risks. The Company operates within clearly defined guidelines and it is the Company's policy not to engage in speculative transaction.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on potential customers before entering into any contracts.

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

Liquidity risk

The Company maintains adequate funds to meet its obligations as and when they fall due.

Interest rate risk

The Company makes advances to its immediate holding company and charges interest to the immediate holding company.

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

17. Financial instruments (continued)

Effective interest rate and repricing analysis

The effective interest rate in respect of interest-earning financial asset at the balance sheet date and the period in which it reprices or matures, whichever is earlier, is as follows:

	Unaudited <------31.7.2006------->		Audited <-------31.1.2006------>	
	Effective interest rate per annum %	Total/ Within 1 year RM'000	Effective interest rate per annum %	Total/ Within 1 year RM'000
Financial asset				
Amount due from immediate holding company	3.5	234,619	2.75	228,628

Fair values

Recognised financial instruments

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

18. Capital commitments

	Unaudited 31.7.2006 RM'000	Audited 31.1.2006 RM'000
Capital expenditure:		
Contracted but not provided for Property, plant and equipment	11,724	862
Approved but not contracted for Property, plant and equipment	38,612	27,128
	50,336	27,990

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

19. Related parties

Identity of related parties

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

The Company has related party relationships with its holding companies and related companies.

Transactions with key management personnel

Key management personnel compensation

Key management personnel compensation is disclosed in Note 14.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence was as follows:

	Transaction	Transaction value Unaudited six months period ended 31.7.2006 RM'000	Audited year ended 31.1.2006 RM'000	Balance outstanding as at Unaudited 31.7.2006 RM'000 Due to/(from)	Audited 31.1.2006 RM'000
Company connected to Edward Lee Ming Foo, JP, a Director of the Company:					
Corporated International Consultant	Project consultancy fee payable	(3)	--	--	--

Significant transactions and balances with related parties are as follows:

	Transaction value Unaudited Six months period ended 31.7.2006 RM'000	Audited year ended 31.1.2006 RM'000	Balance outstanding as at Unaudited 31.7.2006 RM'000 Due to/(from)	Audited 31.1.2006 RM'000
Ultimate holding company, Gek Poh				
Insurance expenses	(258)	(533)	--	--

19. Related parties (continued)

	Transaction value Unaudited Six months period ended 31.7.2006 RM'000	Transaction value Audited year ended 31.1.2006 RM'000	Balance outstanding as at Unaudited 31.7.2006 RM'000 Due to/(from)	Balance outstanding as at Audited 31.1.2006 RM'000 Due to/(from)
Immediate holding company,				
HSCB and its subsidiaries				
Dividends paid (net)	(3,672)	(7,509)	--	--
Sales commission paid	(561)	(1,329)	124	136
Interest income	3,024	5,825	(525)	(520)
Plantation management fees	(2,055)	(4,165)	320	320
Rental income	24	--	(14)	--
Sales of bunch ash	45	--	(11)	--
Toll milling charges received	263	--	--	--
Toll milling charges paid	(18)	--	--	--
Purchase of diesel, petrol and lubricant	(2,588)	(5,701)	326	176
Purchase of fertilisers and chemicals	(4,200)	(12,883)	--	137
Purchase of plant and equipment	(269)	(509)	1	305
Contract expenses	(4,618)	--	658	--
Pangkalan rental charges received	49	--	--	--

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

20. Effects of adopting new FRSs

(a) FRS 101 – Presentation of Financial Statements

Prior to 1 February 2006, all direct expenditure incurred in the development and maintenance of immature areas of the oil palm and jelutong plantation capitalised under plantation development expenditure is included under property, plant and equipment.

With the adoption of FRS 101 as from 1 February 2006, the plantation development expenditure is required to be presented separately as biological assets on the face of the balance sheet.

The reclassification of plantation development expenditure as biological assets has been accounted for retrospectively in accordance with FRS 101 by restating the balance sheet presentation as at 31 January 2006. However, there is no impact to the retained earnings as at 31 January 2006.

Jeroco Plantations Sdn Bhd
(Company No.: 59340 - P)
(Incorporated in Malaysia)

20. Effects of adopting new FRSs (continued)

(b) FRS 117 – Leases

The adoption of FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight line basis over the lease term. Prior to 1 February 2006, leasehold land was classified as property, plant and equipment and was stated at cost or valuation less accumulated depreciation and impairment losses.

Upon the adoption of the revised FRS 117 at 1 February 2006, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and certain comparative amounts as at 31 January 2006 have been reclassified as stated in Note 21.

21. Comparative figures

Certain comparative figures have been reclassified as a result of adoption of FRS 101 and FRS 117 as stated in Note 20.

	As restated RM'000	As previously stated RM'000
Balance sheet		
Property, plant and equipment	78,420	277,194
Biological assets	160,013	--
Prepaid lease payments	38,761	--
Cash flow statement		
Amortisation of prepaid lease payments	528	--
Depreciation of property, plant and equipment	4,990	5,518

22. Post balance sheet events

On 16 May 2007, the shareholders of the Company entered into sale of shares agreements ("SSA") for the disposal of the entire equity interest in the Company, to Hap Seng Plantations Holdings Berhad (formerly known as Hap Seng Plantations Holdings Sdn. Bhd.) ("HSP"), in conjunction with, and as an integral part of the listing of and quotation for the enlarged issued and paid-up capital of HSP on the Main Board of Bursa Malaysia Securities Berhad. The SSA was completed on 7 September 2007 and accordingly, the new immediate, intermediate and ultimate holding companies are HSP, HSCB and Gek Poh respectively.

22. Post balance sheet events (continued)

Prior to the completion of the acquisitions by HSP, the Company undertook the following:

i) Amendment to the Memorandum of Association of the Company to divide the authorised share capital of RM150,000,000 comprising 150,000,000 ordinary shares of RM1 each to that of 149,997,300 ordinary shares of RM1 each and 270,000 redeemable preference shares of RM0.01 each as disclosed in Note 9.

   The 270,000 redeemable preference share of RM0.01 each were allotted on 22 August 2007 as a bonus issue at a premium of RM199.99 each to the shareholders of the Company, and subsequently redeemed on 10 September 2007 via the issuance of 2,700 ordinary shares of RM1 each and the balance via the drawdown of borrowings and internally generated funds.

ii) Payment of a parting dividend of RM229,490,000 to its previous shareholders on 22 August 2007.