Annual Report 2010

MHC Plantations Bhd

4060-V

(Incorporated in Malaysia)

contents

Notice of Annual General Meeting	2
Statement Accompanying the Notice of Annual General Meeting	4
Corporate Information	5
Corporate Structure	6
Profile of Directors	7
Chairman's Statement	10
Statement on Corporate Governance	14
Statement of Directors' Responsibility	19
Statement on Internal Control	20
Audit Committee Report	22
Additional Compliance Information	26
List of Properties	27
Financial Statements	
Directors’ Report	29
Statement by Directors	33
Statutory Declaration	33
Independent Auditors’ Report to the Members of MHC Plantations Bhd	34
Statements of Comprehensive Income	36
Statements of Financial Position	37
Statements of Changes in Equity	39
Statements of Cash Flows	41
Notes to the Financial Statements	44
Statement of Shareholdings	96
Form of Proxy	



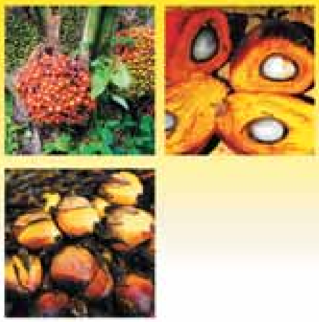
Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifty-First Annual General Meeting of the Company will be held at Kompleks Pejabat Behrang 2020, Jalan Persekutuan 1, 35900 Tanjung Malim, Perak, Malaysia on Thursday, 12 May 2011 at 11.00 a.m.

AGENDA	RESOLUTION NO.
1. To receive the Audited Financial Statements for the year ended 31 December 2010, together with the Directors' and Auditors' Reports thereon.	
2. To sanction the declaration of a final dividend of 1.4% less 25% taxation and single tier dividend of 1.95%.	**1**
3. To re-elect the following Directors retiring in accordance with the Company's Articles of Association: Dato' Mah King Seng Heng Beng Fatt	**2**
4. To appoint Auditors and authorise the Directors to fix their remuneration.	**3**
5. To transact any other business appropriate to an Annual General Meeting.	
6. As SPECIAL BUSINESS, to consider and, if thought fit, pass the following resolution: **ORDINARY RESOLUTION - AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** "That, subject to the Companies Act, 1965 and the Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad, Securities Commission and other relevant governmental or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the capital of the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."	**4**

By Order of the Board
CHAN YOKE YIN
CHIEW CINDY
Secretaries

Ipoh
20 April 2011



NOTE: A member entitled to attend and vote at the Meeting is not entitled to appoint more than two proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company. The instrument appointing a proxy must be deposited with the Company Secretaries, 55 Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan not less than forty-eight (48) hours before the time appointed for holding the Meeting.

EXPLANATORY NOTES TO SPECIAL BUSINESS

ORDINARY RESOLUTION - AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

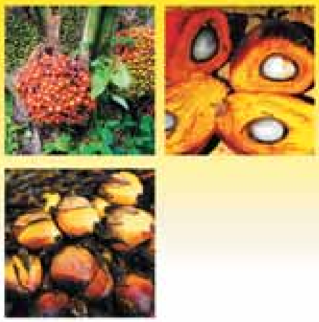
The Ordinary Resolution proposed under item 6 if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting ("AGM") until the next AGM to allot and issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company ("Share Mandate"). This Share Mandate is a new mandate and will expire at the conclusion of the next AGM of the Company, unless revoked or varied at a general meeting. With this Share Mandate, the Company will be able to raise capital from equity market in a shorter period of time compared to a situation without the Share Mandate. The Share Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment projects, working capital and / or acquisitions, or strategic opportunities involving equity deals, which may require the allotment and issuance of new shares. In addition, any delay arising from and cost involved in convening an extraordinary general meeting ("EGM") to approve such issuance of shares should be eliminated. The Company will have to seek shareholders' approval at an EGM to be convened in the event that the proposed issuance of shares exceeds the 10% threshold contained in the Share Mandate.



Statement Accompanying the Notice of Annual General Meeting

Statement Accompanying Notice of Annual General Meeting of MHC Plantations Bhd. pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities)

Further details of individual standing for election as Director is set out in the Profile of Directors and Statement of Shareholdings on Pages 7, 9 and 96 of this Annual Report.



Corporate Information

DIRECTORS
Dato' Mah King Seng
(Executive Chairman)
Dato' Mah King Thian
(Managing Director)
Chan Kam Leong
(Independent Non-Executive Director)
Wan Salmah Binti Wan Abdullah
(Independent Non-Executive Director)
Heng Beng Fatt
(Non-Independent Non-Executive Director)

AUDIT COMMITTEE
Chan Kam Leong *(Chairman)*
Wan Salmah Binti Wan Abdullah
Heng Beng Fatt

EXECUTIVE COMMITTEE
Datin Seri Ooi Ah Thin *(Chairperson)*
Dato' Mah King Seng
Dato' Mah King Thian

NOMINATING COMMITTEE
Chan Kam Leong *(Chairman)*
Wan Salmah Binti Wan Abdullah

REMUNERATION COMMITTEE
Dato' Mah King Thian *(Chairman)*
Chan Kam Leong

COMMITTEE TO REVIEW PRESS OR PUBLIC ANNOUNCEMENTS
Dato' Mah King Seng
Dato' Mah King Thian

REGISTERED OFFICE
Kompleks Pejabat Behrang 2020
Jalan Persekutuan 1
35900 Tanjung Malim
Perak Darul Ridzuan
Malaysia
Tel. No. 05-4590001/2
Fax No. 05-4590003

PRINCIPAL PLACE OF BUSINESS
Kompleks Pejabat Behrang 2020
Jalan Persekutuan 1
35900 Tanjung Malim
Perak Darul Ridzuan
Malaysia
Tel. No. 05-4590001/2
Fax No. 05-4590003

REGISTRARS
Symphony Share Registrars Sdn Bhd
No. 55, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak Darul Ridzuan
Malaysia
Tel. No. 05-5474833
Fax No. 05-5474363

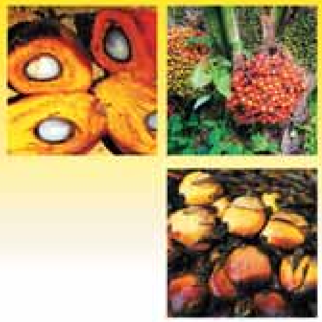
SECRETARIES
Chan Yoke Yin (MAICSA 7043743)
Chiew Cindy (MAICSA 7057923)

AUDITORS
Ernst & Young
Chartered Accountants

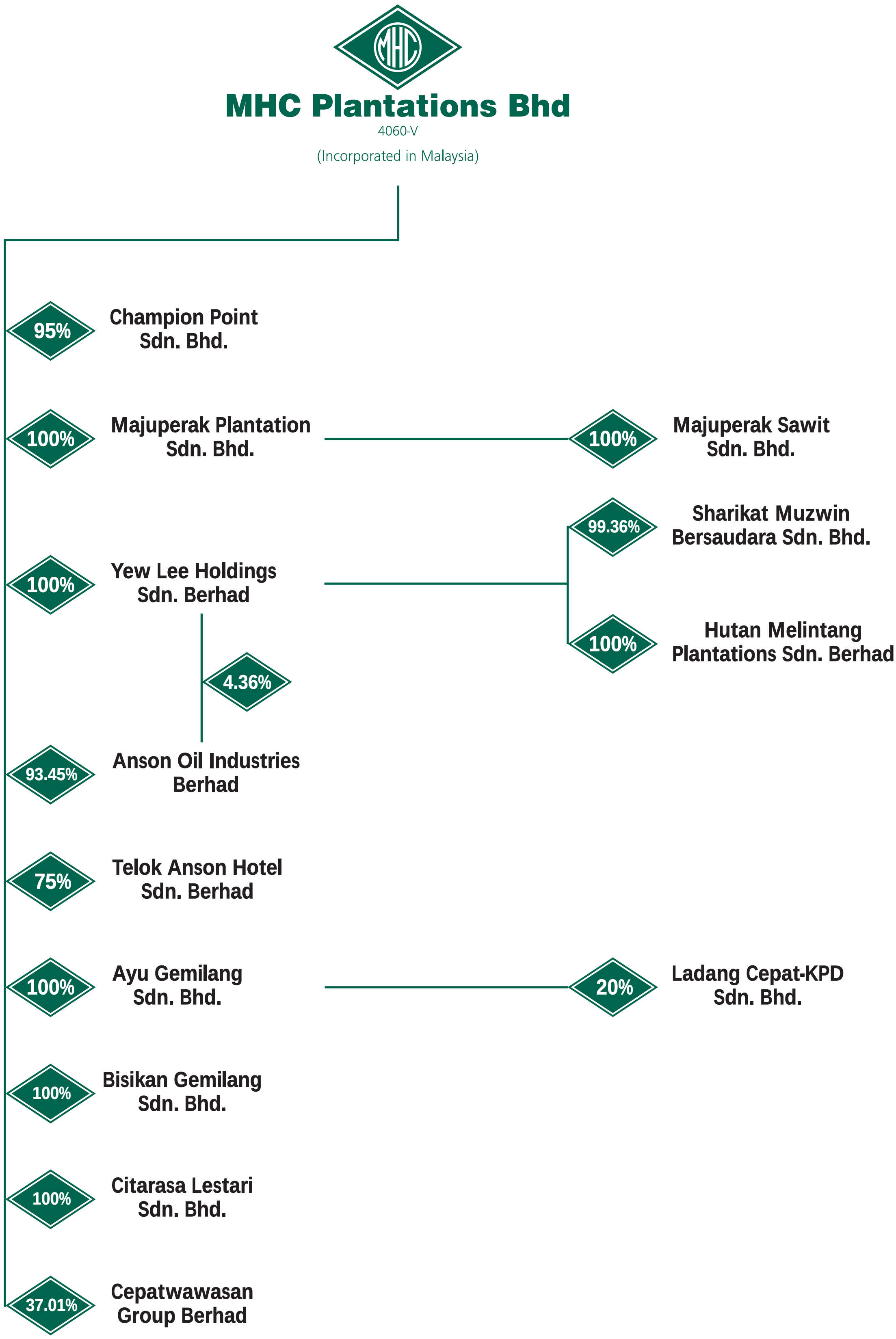
PRINCIPAL BANKERS
Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING
Bursa Malaysia Securities Berhad
Main Market

COUNTRY OF INCORPORATION
Malaysia



Corporate Structure





Profile of Directors

Dato' Mah King Seng,
Executive Chairman

- Dato' Mah King Seng, a Malaysian, aged 52 joined the Board of Directors on 20 September 1978. He was appointed the Executive Chairman on 13 July 2005.
- He is also a member of the Executive Committee and the Committee for the review of press releases or public announcements.
- He joined the Company in 1978 after graduating from the University of Minnesota, United States of America with a degree in Agricultural Science and has been with the Group since then, garnering more than twenty years' experience in managing the operations of the Group's estates, mills and hotel. In 1980, he attended the Palm Oil Mill Engineer/Executive Training course on palm oil mill operations organised by the Malaysian Oil Palm Growers Council. He subsequently obtained his Bachelor of Law Degree in 1985 from the University of Buckingham, United Kingdom and was admitted and enrolled as an Advocate and Solicitor of the High Court of Malaya in 1990.
- He is a Director of Anson Oil Industries Berhad, a public company, and also of Behrang 2020 Sdn Bhd and several other private limited companies. He is also the Managing Director of Cepatwawasan Group Berhad, a company listed on the Main Market of Bursa Securities.
- He is a son of Datin Seri Ooi Ah Thin who is a Director and substantial shareholder of Dato Mah Pooi Soo Realty Sdn Bhd (DMR), a major shareholder of the Company, and the elder brother of Dato' Mah King Thian, the Managing Director of the Company, who is also a Director and substantial shareholder of DMR.
- Dato' Mah King Seng is also a Director and substantial shareholder of DMR. He is deemed interested in certain recurrent related party transactions carried out in the ordinary course of business between the Company and its Group with the DMR group and certain privately owned companies.
- He has not been convicted of any offence in the last ten years.
- He attended all the Board Meetings held during the financial year.

Dato' Mah King Thian,
Managing Director

- Dato' Mah King Thian, a Malaysian, aged 47, joined the Board of Directors on 28 December 1992. He is currently the Managing Director responsible for the Group's operations, corporate and legal affairs, accounting and finance.
- He is also a member of the Executive Committee, Remuneration Committee and the Committee for the review of press releases or public announcements.
- He graduated from Monash University, Australia with a Bachelor of Economics Degree, majoring in Accounting in 1986 and also a Bachelor of Law Degree in 1987. He was subsequently admitted and enrolled as an Advocate and Solicitor of the High Court of Malaya in 1989. He then joined the Company in 1989. He is also a Fellow Member of Certified Practising Accountant Australia (FCPA).
- He is a Director of Anson Oil Industries Berhad, a public company, and also of Behrang 2020 Sdn Bhd and several other private limited companies. He is also the Executive Chairman of Cepatwawasan Group Berhad, a company listed on the Main Market of Bursa Securities.
- He is a son of Datin Seri Ooi Ah Thin who is a Director and substantial shareholder of Dato Mah Pooi Soo Realty Sdn Bhd (DMR), a major shareholder of the Company, and the younger brother of Dato' Mah King Seng, the Executive Chairman of the Company, who is also a Director and substantial shareholder of DMR.
- Dato' Mah King Thian is also a Director and substantial shareholder of DMR. He is deemed interested in certain recurrent related party transactions carried out in the ordinary course of business between the Company and its Group with the DMR group and certain privately owned companies.
- He has not been convicted of any offence in the last ten years.
- He attended all the Board Meetings held during the financial year.

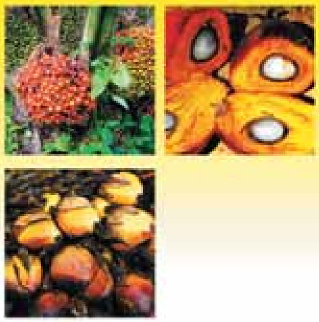


Chan Kam Leong,
Independent Non-Executive Director

- Chan Kam Leong, a Malaysian, aged 70, was appointed to the Board on 21 October 2008 and is currently an Independent Non-Executive Director of the Company.
- He is the Chairman of the Audit and Nominating Committees. He is also a member of the Remuneration Committee of the Company.
- He holds the qualifications of Bachelor of Science (Eng), Master of Science (Construction Management), Professional Engineer, Malaysia as well as Chartered Engineer, United Kingdom (UK). He is also members of The Institution of Civil Engineers, UK, The Institution of Structural Engineers, UK, The Institution of Engineers, Malaysia (IEM) and The Association of Consulting Engineers, Malaysia.
- Chan Kam Leong had worked three years in Singapore and three and a half years in London before founding K.L. Chan & Associates, of which he is still a partner. He has more than thirty one years of experience in civil and structural engineering consultancy. He was also the winner of the TAN SRI HJ. YUSOFF PRIZE in 2007 for publishing an outstanding paper in the IEM Journal.
- He is a Director of Cepatwawasan Group Berhad, a company listed on the Main Market of Bursa Securities.
- He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company.
- He has not been convicted of any offence in the last ten years.
- He attended all the Board Meeting held during the financial year.

Wan Salmah Binti Wan Abdullah
Independent Non-Executive Director

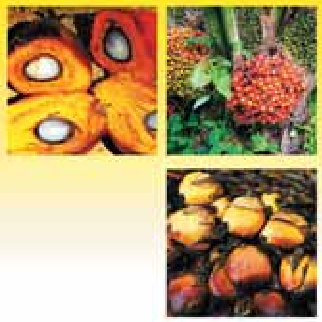
- Wan Salmah Binti Wan Abdullah, aged 57, was appointed to the Board on 10 July 2009 as an Independent Non-Executive Director of the Company.
- She is also a member of the Audit Committee and Nominating Committee of the Company.
- She graduated from University Sains Malaysia with a Bachelor of Social Science (Hons). She has more than 20 years experience in property development and land related matters. She began her career working with Perbadanan Kemajuan Negeri Perak (PKNP) as a Project Officer and was promoted to Director of Land and Property and Director of Land and Industrial Estate Development in 1995. She was also appointed as a Director of some of the subsidiaries of PKNP. She had previously served as a Director of Majuperak Holdings Berhad from 1995 to June 2008.
- She does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company.
- She has not been convicted of any offence in the last ten years.
- She attended all the Board Meeting held during the financial year since her appointment.



Profile of Directors (cont'd)

Heng Beng Fatt
Non-Independent Non-Executive Director

- Heng Beng Fatt, aged 47, was appointed to the Board on 23 July 2010 as a Non-Independent Non-Executive Director of the Company.
- He is also a member of the Audit Committee of the Company.
- He holds the qualification of Master of Business Administration, University of Bath and is a member of the Malaysia Institute of Accountants.
- He has vast experience in accounting, finance, administration, business development and corporate affairs, having served in various capacities during his tenure with Golden Screen Cinemas Sdn Bhd (GSC) namely as Human Resources and Admin Manager (1998-2000), Business Development Manager (1997-1998), Finance and Admin Manager (1995-1997) and Accountant (1993-1995). He also served as an Accountant at Avery Malaysia (1992-1993) and Ernst & Young (1988-1992). Currently, he is the Senior Manager for Corporate Services of GSC.
- He also serves on the Board of Enterprise Advance System Intelligence Sdn. Bhd. and as a committee member for the Malaysian Association of Film Exhibitors.
- He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company.
- He has not been convicted of any offence in the last ten years.
- He attended two Board Meeting held during the financial year since his appointment.



Chairman's Statement

On behalf of the Board of Directors of MHC Plantations Bhd, I am pleased to present to you the Annual Report of the Group and the Company for the financial year ended 31 December 2010.

Group Performance

For the year 2010, the Group recorded revenue of RM27.34 million as compared to RM23.30 million in 2009. Profit before taxation increased by 23% from RM23.06 million in 2009 to RM28.32 million in 2010.

Revenue and profit before taxation had increased mainly due to higher prices of Fresh Fruit Bunches ("FFB"). The annual FFB yield achieved in 2010 was 19.40 Metric Tonne ("MT") per hectare versus 20.23 MT per hectare in 2009. The lower FFB yield recorded in 2010 was mainly due to the replanting activities carried out during 2009 and 2010 and also lower yields from the newly matured fields.

Associated Company – Cepatwawasan Group Berhad ("CWG")

Strong Crude Palm Oil ("CPO") prices during the year has boosted the revenue of CWG by 41% to RM231.82 million and its profit after tax by 44% to RM25.87 million in 2010 as compared to RM164.00 million and RM18.01 million respectively in 2009. Thus, our share of profit in associated companies has increased by 12% from RM14.11 million in 2009 to RM15.78 million in 2010.

Dividend

Your Board has recommended for your approval a final dividend of 1.4% less 25% taxation and single tier dividend of 1.95% for the financial year ended 31 December 2010.

Outlook for 2011

The average CPO price in 2010 increased by about 20% to RM2,700 per tonne against RM2,230 per tonne in 2009.

During the second half of 2010, firmer crude oil prices coupled with supply tightness of world vegetable oils resulted in an increase in the second half year average to RM2,800 per tonne.

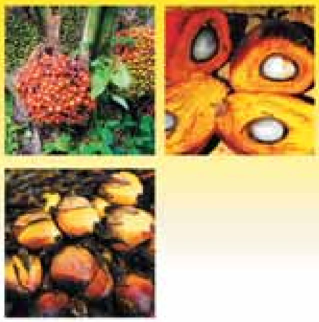
CPO price is expected to continue to be traded above RM3,000 per tonne on average in 2011 as crude oil prices continue to remain firm and world demand for food increases, thereby driving demand for all commodities including palm oil with positive price sentiments.

Your Board is therefore confident that, barring any unforeseen circumstances, the Group will continue to perform satisfactorily in 2011.

Corporate Social Responsibility ("CSR")

The Group is pleased to announce that, as part of its CSR, it has donated the Perak Orang Asli Educational Excellence Centre at Kampung Kerawat, Simpang Pulai, Perak which was completed in April 2010 with a total cost exceeding RM400,000. On 29th June 2010, it was officially opened by H.R.H. Raja Muda of Perak, Raja Dr. Nazrin Shah, and handed over to Yayasan Orang Asli Perak.

Built on a 2-acre site, the 4,740 sq ft structure has 2 classrooms, 1 computer room, a library and administration room, it can accommodate about 100 students, mostly Orang Asli children living around Simpang Pulai.



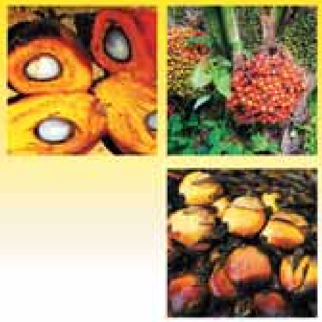
Acknowledgement

I wish to thank the Management and Staff for their dedicated services and contributions during the year.

To all our valued suppliers, customers, bankers, business associates and advisers, thank you very much for your commitment and assistance to the Group.

And finally, to all our highly valued shareholders, please accept my heartfelt thanks for your unwavering and continuous support.

Dato' Mah King Seng
Executive Chairman



Penyataan Pengerusi

Bagi pihak Lembaga Pengarah MHC Plantations Bhd, saya dengan sukacitanya menyampaikan Laporan Tahunan Kumpulan dan Syarikat untuk tahun kewangan yang berakhir pada 31 Disember 2010.

Prestasi Kumpulan

Bagi tahun kewangan 2010, Kumpulan telah mencatatkan pendapatan sebanyak RM27.34 juta berbanding dengan RM23.30 juta bagi tahun kewangan 2009. Keuntungan sebelum cukai telah meningkat 23% kepada RM28.32 juta daripada RM23.06 juta bagi tahun kewangan sebelumnya.

Pendapatan dan keuntungan sebelum cukai telah meningkat disebabkan terutamanya oleh peningkatan harga Buah Tandan Segar ("FFB"). Hasil keluaran tahunan FFB pada tahun 2010 adalah 19.40 Tan Metrik ("TM") sehektar berbanding dengan 20.23 TM sehektar pada tahun 2009. Pengeluaran FFB yang lebih rendah pada tahun 2010 disebabkan terutamanya oleh kegiatan penanaman semula pokok sawit lama yang diusahakan dalam tahun 2009 dan 2010, dan keluasan kawasan pokok muda yang kian meningkat.

Syarikat Sekutu – Cepatwawasan Group Berhad ("CWG")

Harga Minyak Sawit Mentah ("CPO") yang kukuh pada tahun kewangan ini telah melonjakkan pendapatan CWG sebanyak 41% kepada RM231.82 juta dan keuntungan selepas cukainya sebanyak 44% kepada RM25.87 juta berbanding dengan RM164.00 juta dan RM18.01 juta masing-masing untuk tahun 2009. Dengan demikian, sumbangan keuntungan kepada Kumpulan daripada syarikat sekutunya telah meningkat sebanyak 12% daripada RM14.11 juta pada tahun 2009 kepada RM15.78 juta pada tahun 2010.

Dividen

Lembaga Pengarah telah mencadangkan dividen muktamad sebanyak 1.4% kurang cukai pendapatan dan dividend satu tier sebanyak 1.95% untuk tahun kewangan berakhir 31 Disember 2010.

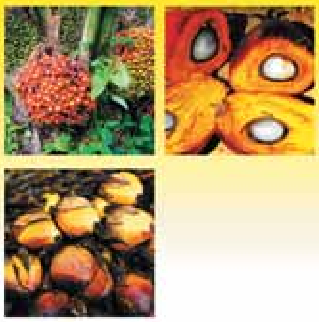
Prospek tahun 2011

Harga purata Minyak Sawit Mentah (CPO) bagi tahun 2010 telah meningkat 20% kepada RM2,700 se TM daripada RM2,230 se TM bagi tahun 2009.

Pada setengah tahun kedua 2010, harga minyak mentah (crude oil) yang lebih kukuh disertai oleh bekalan minyak sayuran dunia yang sempit telah meningkatkan harga purata CPO kepada RM2,800 se TM.

Harga CPO dijangka akan didagangkan diatas paras RM3,000 se TM secara puratanya pada tahun 2011 kerana harga minyak mentah (crude oil) dijangka akan tetap kukuh dan permintaan makanan dunia yang kian bertambah, yang akan melonjakkan permintaan untuk semua komoditi termasuk minyak sawit dengan sentimen harga yang positif.

Dengan itu, Lembaga Pengarah yakin bahawa prospek Kumpulan untuk tahun 2011 akan terus baik kecuali berlaku sesuatu diluar jangkaan.



Tanggungjawab Sosial Korporat ("CSR")

Kumpulan dengan sukacita mengumumkan, sebagai sebahagian daripada usaha CSRnya, telah menderma sebuah Pusat Kecemerlangan Pendidikan Orang Asli di Kampung Kerawat, Simpang Pulai, Perak. Pusat ini telah disiapkan pada bulan April 2010 dengan kos melebihi RM400,000. Ia telah dirasmikan pada 29 Jun 2010 oleh D.Y.T.M. Raja Muda Perak, Raja Dr. Nazrin Shah, dan diserahkan kepada Yayasan Orang Asli Perak.

Dibina diatas tapak seluas 2 ekar, pusat ini mempunyai keluasan 4,740 kaki persegi dan dilengkapi dengan bilik darjah, bilik komputer, bilik perpustakaan dan pejabat. Ia boleh memuatkan 100 orang pelajar anak-anak Orang Asli yang tinggal disekitar Simpang Pulai.

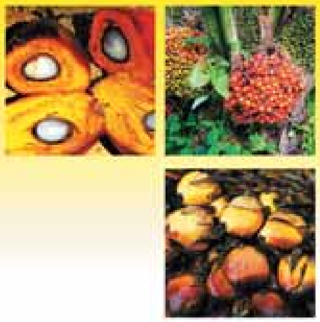
Penghargaan

Saya ingin mengambil kesempatan ini untuk merakamkan ribuan terima kasih kepada pihak pengurusan dan semua kakitangan atas sumbangan mereka sepanjang tahun 2010.

Terima kasih juga kepada semua pembekal dan pelanggan, rakan perniagaan, penasihat dan pihak bank atas komitmen dan bantuan yang telah diberikan.

Sebagai akhir kata, kepada semua pemegang saham yang dihargai, terima kasih yang tidak terhingga saya ucapkan diatas sokongan anda semua. Saya berharap semoga anda semua akan dirahmati dengan kejayaan dan kemakmuran di masa hadapan.

Dato' Mah King Seng
Pengerusi Eksekutif



Statement on Corporate Governance

Introduction

The Board of Directors (the Board) of the Company is committed to ensure that the highest standards of Corporate Governance are practised throughout the Group towards enhancing business prosperity and corporate accountability to realise long term shareholders' value for the Company's shares. The Board is working towards ensuring full application of all the Principles in Part 1 of the Malaysian Code on Corporate Governance (the Code) and is also committed to ensuring full compliance with the Best Practices as recommended in Part 2 of the Code. An indication of the Board's commitment is reflected in the incorporation of various processes and the establishment of the relevant committees. The Board is pleased to report on how the Company and Group have applied the principles laid down in the Code and the extent of compliance with the Best Practices in Corporate Governance.

The Board of Directors

Principal Responsibilities

The Board assumes full responsibilities for the overall performance of the Company and its subsidiaries by setting the policies, establishing goals and monitoring the achievement of the goals through strategic action plans and careful stewardship of the Group's assets and resources. It focuses on financial performance and crucial business issues, like principal risks and their management, succession planning for senior management, investor relations' programme and shareholder communication policy, systems for internal control and compliance with laws and regulations.

Composition

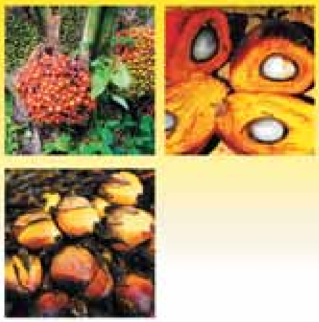
The Board, led by the Executive Chairman, currently comprises five members who bring with them a wide mix of knowledge, business acumen, industry expertise and financial experience which are invaluable assets required in their thorough examination and deliberations of the various key issues and matters involving the Group.

There is a balance of power and authority in the Board, with two executive directors and two independent non-executive directors and one non-independent non-executive director. The Company has thus satisfied the Listing Requirements (LR) of Bursa Malaysia Securities Berhad (Bursa Securities) of having at least one-third of the Board members as independent non-executive directors.

The roles of the Executive Chairman and the Managing Director are distinct and segregated with responsibilities clearly drawn out to ensure a balance of power and authority. The Executive Chairman is responsible for ensuring Board effectiveness and conduct, whilst the Managing Director is primarily responsible for managing the Group's day-to-day operations and with his expert and intimate knowledge of the business of the Group, he is able to efficiently practise "hands on" management in his specific areas of responsibilities. The Non-Executive Directors are credible professionals of calibre, who play key supporting roles by contributing their knowledge, guidance and experience towards making independent judgement on issues of strategies, performance, resources and standards of conduct. The Executive and Non-Executive Directors together ensure that the strategies proposed by the management are fully discussed and examined and the long-term interests of the shareholders, employees, suppliers and customers are taken into account. Where any conflict of interests arises, it is a mandatory practice for the director concerned to declare his interest and abstain from the decision making process.

The Executive Chairman, Dato' Mah King Seng and the Managing Director, Dato' Mah King Thian, both represent the significant major shareholder, Dato Mah Pooi Soo Realty Sdn Bhd.

The profile of each Director is presented on pages 7 to 9 of this Annual Report.



Meetings

The Board meets four (4) times a year on a scheduled basis with additional meetings held when specific urgent or important matters are required to be considered and decided between the scheduled meetings. At each meeting, the Board considers pre-set agenda items covering the quarterly financial statements, performance for the period and strategies for progress. The Independent Non-Executive Directors play an important role here in ensuring strategies formulated or major transactions proposed by management are fully discussed and examined and long-term interests of the shareholders, employees, customers and suppliers are taken into account before such are approved and carried through.

A total of four (4) Board Meetings were held during the financial year under review on 25 February 2010, 21 May 2010, 30 July 2010 and 28 October 2010. Details of attendance of the Directors at the Board Meetings are as follows:

Name	**Number of Meetings Attended**
Dato' Mah King Seng	4 of 4
Dato' Mah King Thian	4 of 4
Chan Kam Leong	4 of 4
Wan Salmah Binti Wan Abdullah	4 of 4
Koay Say Loke Andrew*	1 of 1
Heng Beng Fatt**	2 of 2

* Koay Say Loke Andrew retired as a Director on 29 April 2010.
** Heng Beng Fatt was appointed as a Director on 23 July 2010.

All the Directors have complied with the minimum attendance at Board Meetings as stipulated by Bursa Securities during the financial year.

Supply of Information

All Directors are provided with reports and other relevant information pertaining to the Group's operations and performance on a timely basis. Board papers providing current reviews and updates on the operations, financial and corporate developments, quarterly financial reports and minutes of the previous meetings are circulated prior to the Board Meetings to give the Directors time to peruse the issues to be discussed at the Board Meetings. The Directors have access to all staff for any information they require on the Group's affairs and to the advice and services of the Company Secretaries, independent professional advisers, and internal/external auditors in appropriate circumstances at the Company's expense, if required. The Secretaries are charged with the duty of ensuring proper filing of all requisite documents and obtaining all the necessary information from the Directors, both for the Company's own records and for meeting statutory requirements and regulatory obligations. The Secretaries also highlight all issues which they feel ought to be brought to the Board's attention.

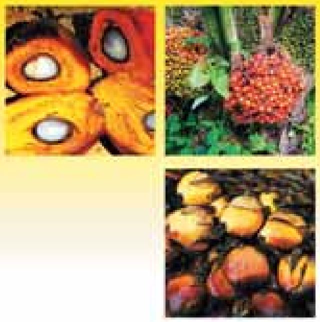
Continuous Training of Directors

All Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. During the financial year ended 31 December 2010, the following training programmes and seminars were attended by the Directors:

- Visit to Siemens India Turbine Factory and a Chemical Plant in Baroda, India to study the use of green technology to generate renewable electricity in palm oil mills.
- IEM SSCDF Outreach Programme on THINK GLOBAL, ACT LOCAL & SUCCESSFUL SERVICES EXPORTING.
- IEM SSCDF Outreach Programme on SUCCESSFUL SERVICE EXPORTING.
- Briefing and Dialogue with Suruhanjaya Perkhidmatan Air Negara (SPAN).
- Sewerage Certifying Agency Premier Road Show 2010 by Indah Water Konsortium Sdn. Bhd.

Re-election

In accordance with the Articles of Association of the Company, all directors who are appointed by the Board are subject to election at the first opportunity after their appointment and at least one third of the remaining directors are subject to re-election by rotation at each Annual General Meeting. The Articles of Association also provide that all directors shall retire at least once in three (3) years.



Board Committees
The Board is assisted by the following Sub-Committees in the discharge of its duties and responsibilities:

Audit Committee
Executive Committee
Nominating Committee
Remuneration Committee
Committee for the review of press releases or public announcements

The Audit Committee was established on 27 September 2000. Details of the composition, terms of reference and activities of the Audit Committee are set out in the Audit Committee Report on pages 22 to 25 of this Annual Report.

The Executive Committee was set up on 24 May 2001 to act on behalf of the Board on matters concerning administration, operations, capital expenditure, debt approvals and investments. It meets at regular intervals to review the operations, budget and investment strategy. It has three members comprising the Executive Chairman, the Managing Director and a Senior Executive:

1) Datin Seri Ooi Ah Thin *(Senior Executive)* - Chairperson
2) Dato' Mah King Seng *(Executive Chairman)*
3) Dato' Mah King Thian *(Managing Director)*

The Nominating Committee was set up on 24 May 2001 with the objective of ensuring an effective process for director selection and also an appropriate structure for management succession and development. It is responsible for the recommendation of candidates for appointments to the Board, the formulation of a programme for the orientation of directors and the succession planning for the senior management. The Committee comprises the following Independent Director:

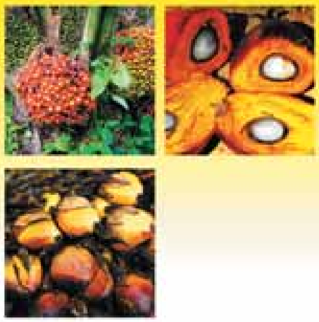
1) Chan Kam Leong
2) Wan Salmah Binti Wan Abdullah

The Remuneration Committee was set up on 24 May 2001 with the objective of reviewing and recommending to the Board a formal and transparent policy on the remuneration of the Executive Directors, fixing the remuneration packages of individual directors and approving employee compensation and benefits. The Committee ensures that the Executive Directors are fairly rewarded for their contributions to the Group's overall performance and that the levels of remuneration are sufficient to attract and retain the best senior managers for the Group. It is responsible for making recommendations to the Board on remuneration packages and benefits extended to the Executive Directors.

The Remuneration Committee comprises the following two members:

1) Dato' Mah King Thian *(Managing Director)*
2) Chan Kam Leong *(Independent Non-Executive)*

The Committee for the review of press releases or public announcements, comprising the Executive Chairman, Dato' Mah King Seng, and the Managing Director, Dato' Mah King Thian, is responsible for making timely dissemination of information to the shareholders and investing public and ensuring that the information released is factual, clear, accurate and not false or misleading.



Directors' Remuneration
The Company pays its Non-Executive Directors allowances based on attendance of meetings and level of responsibilities. There are no contracts of service between any Director and the Company and its subsidiaries.

The details of the remuneration of Directors comprising remuneration received/receivable from Group during the financial year are as follows:

a) Aggregate remuneration of Directors categorised into the appropriate components:

Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
(a) Directors' Fees	-	-	-
(b) Salaries	864,000	-	864,000
(c) Bonuses/Allowances	216,000	98,000	314,000
(d) Benefits in kind – EPF/Socso	130,220	-	130,220

b) Analysis of Remuneration:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	3
RM600,001 - RM650,000	2	-

Shareholders

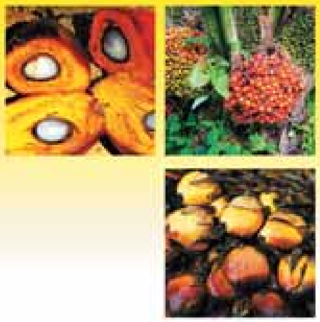
Investor Relations and Communication
The Board recognises the importance of timely dissemination of information to its shareholders to keep them well informed of all major developments of the Group. Disclosures in the Annual Report, announcements and releases of the quarterly financial results provide the shareholders and the investing public with a periodic overview of the Group's performance and operations.

The Company uses the Annual General Meeting (AGM) as a forum for dialogue and interaction with all its shareholders. Shareholders are encouraged to attend and participate in the AGM. They will be given the opportunity to seek clarification on any matters pertaining to the Company's affairs and performance as the Directors and the representatives of the external Auditors will be present to answer any questions that they may have.

The Board has identified Chan Kam Leong, the Independent Non-Executive Director, as the Liaison Director to whom the shareholders, management and others may convey their concerns.

Shareholders may also contact the Company Secretary at any time for information.

The Company's website at www.mhc.com.my contains vital information concerning the Group which is updated on a regular basis and shareholders are able to put questions to the Company through the website.



Corporate Social Responsibilities

The Company is committed to ensuring that its actions not only benefit its shareholders but also its employees, the community and the environment. The Group intends to contribute up to 1% of its net profit after tax every year to the local community through Dato' Seri Mah Pooi Soo Benevolent Fund which is a trust maintained and operated by the majority shareholder of the Company since 1975.

Dato' Seri Mah Pooi Soo Benevolent Fund is dedicated to the advancement of education and religion, relief of poverty and other purposes beneficial to the community, mainly in Southern Perak. The Fund has donated an Old Folks Home and the Town Library in Teluk Intan, a Mosque and a Hindu Temple in Behrang, a library in Hulu Bernam, a new Tamil school at Bandar Behrang 2020 and the Perak Orang Asli Educational Excellence Centre in Simpang Pulai, Perak.

Accountability and Audit

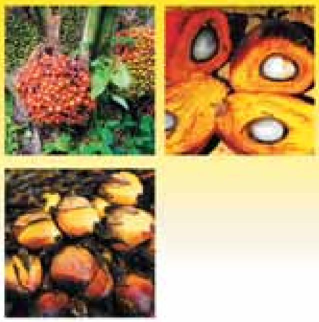
Financial Reporting
In addition to providing financial reports on an annual basis, the Group's financial results are also presented to shareholders on a quarterly basis through the link to Bursa Securities known as BURSA Link. Before their release to the Bursa Securities, the quarterly financial results are reviewed by the Audit Committee and approved by the Board of Directors. A statement by the Directors of their responsibilities in preparing the financial statements is set out on Page 19 of this Annual Report.

Internal Control
The Statement on Internal Control set out on Pages 20 to 21 of the Annual Report provides a review of the system of internal control within the Group.

Relationship with the Auditors
The Board has established a formal and transparent arrangement with its external auditors to meet their professional requirements. The auditors have continued to highlight to the Audit Committee and Board of Directors matters that require the Board's attention.

Compliance with the Code
The Group has complied with the Best Practices of the Code except for the following minor exceptions that, in the opinion of the Directors, adequately suit the circumstances:

- Disclosure of Directors' remuneration is not made in detail for each Director. However, the remuneration paid are categorised into the appropriate components and, in compliance with the Bursa Securities LR, analysed in bands of RM50,000.



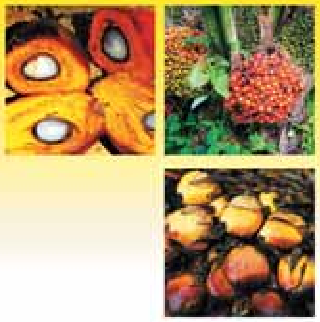
Statement of Directors' Responsibility
for Preparing the Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- selected appropriate accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent; and
- stated whether applicable accounting standards have been followed and made a statement to that effect in the financial statements, subject to any material departures being disclosed and explained in the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and Group and to enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia. They are responsible for taking reasonable steps to safeguard the assets of the Company and Group for the prevention and detection of fraud and other irregularities.



Statement on Internal Control

BOARD'S RESPONSIBILITY

The Board acknowledges its responsibility for establishing an efficient and effective system of internal control covering not only financial controls but also controls relating to operational, compliance and risk management to safeguard shareholders' value and the Group's assets. There is an on-going review process by the Board to ensure the adequacy and integrity of the system.

In view of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, the system can only provide reasonable but not absolute assurance against material misstatement, operational failures, fraud or loss.

For the purpose of preparing this statement, the associated companies are not dealt with as part of the Group.

RISK MANAGEMENT FRAMEWORK AND CONTROL SELF-ASSESSMENT

The Board has assessed the various types of risks, which might have an impact on the profitable operation of the Group's business. These include operational risk, market risk, legal risk and environmental risk. After the review and taking into consideration the nature of the Group's business, the Directors are of the view that the Group is not materially exposed to legal and environmental risks and therefore have concluded to focus on the operational risks relevant to the business. Although there is exposure to market risk as a result of price fluctuations in the commodity market, the Directors consider these as movement in market forces inherent in the industry in which the Group operates.

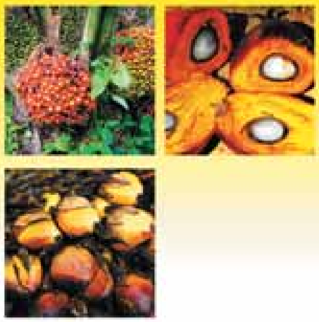
The Board has established a formal Group Risk Management Committee that comprises the Managing Director and senior management. The Group Risk Management Committee is entrusted with the responsibilities of identifying and evaluating various critical risks that are considered likely to affect the profitable operation of the business units in the Group.

Relevant discussions have been held with the operational managers on the major risks affecting the business operations of the Group. As a result, a database of all major risks and controls and subsequent actions taken was compiled to produce a divisional risk profile of the business units evaluated under the risk management plan.

INTERNAL AUDIT FUNCTION

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. In this respect, the Board through the Audit Committee regularly receives and reviews reports on internal control from its internal audit function.

The internal audit function is outsourced to a professional services firm which reports directly to the Audit Committee. The scope of work covered by the internal audit function is determined by the Audit Committee after careful consideration and discussion of the audit plan with the Board. The costs incurred for the Internal Audit function for the financial year ended 31 December 2010 were RM28,750.



OTHER KEY ELEMENTS OF INTERNAL CONTROL

Other key elements of the Group's internal control are as follows:

- The Board of Directors reviews the operational and financial performance of the Group every quarter and management meetings are conducted regularly at head office and operating division level.
- Existence of an organisational structure with clear delegation of responsibilities.
- The Company has implemented a system of controls as set out in the Operations Manual. The Board will review from time to time and update the financial authority limits set out therein as and when necessary.
- A detailed budgeting process takes place annually, where each business unit prepares its budget for the following financial year and the budget is then reviewed by the Managing Director, after which the budget is submitted to the Board for formal approval.
- Regular visits to the Operating Centres by the Managing Director and senior management whenever appropriate.
- Proposals for major capital expenditure and investment by the Group are reviewed and approved by the Board of Directors. All other purchases and payments are approved according to formalised limits of authority.
- The Remuneration Committee evaluates and reviews the remuneration packages of the executive directors and senior management.
- The Audit Committee reviews the internal audit plan for the year, and reviews and holds discussions on the actions taken on internal control issues identified in the reports prepared by the Internal Auditor.

WEAKNESS IN INTERNAL CONTROL

There were no material internal control failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year.



Audit Committee Report

Members of the Committee
Chan Kam Leong – Chairman
(Independent Non-Executive Director)
Wan Salmah Binti Wan Abdullah – Member
(Independent Non-Executive Director)
Heng Beng Fatt – Member
(Non-Independent Non-Executive Director)

Terms of Reference

Constitution
The Audit Committee was established on 27 September 2000. The terms of reference of the Audit Committee are as follows:

Composition of Audit Committee (Committee)
The Committee shall be appointed by the Board from among its Directors (except alternate directors) and shall fulfill the following requirements:

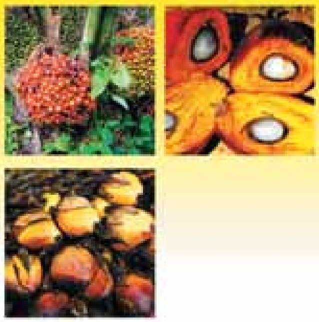
(a) the Committee must be composed of no fewer than three (3) members;
(b) all the Committee members must be non-executive directors, with a majority of them being independent directors, and
(c) at least one member of the Committee:

  (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 3 years' working experience and:
    (aa) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
    (bb) 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.
  (iii) fulfils such other requirements as prescribed or approved by the Exchange.

The members of the Committee shall elect a Chairman from among their number who shall be an independent director.

The Board shall, within three (3) months of any vacancy occurring in the Committee which results in the non-compliance of composition of the Committee, appoint such number of new members as may be required to comply with the required composition.

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



Rights

The Committee shall, in accordance with the procedure determined by the Board and at the cost of the Company:

(a) have authority to investigate any matter within its terms of reference;
(b) have the resources which are required to perform its duties;
(c) have full and unrestricted access to any information pertaining to the Company;
(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
(e) be able to obtain independent professional or other advice; and
(f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions

The functions of the Committee shall include the following:

(1) review the following and report the same to the Board:

  (a) with the external auditor, the audit plan;
  (b) with the external auditor, his evaluation of the system of internal controls;
  (c) with the external auditor, his audit report, management letter and management's response;
  (d) the assistance given by the employees of the Company to the external auditor;
  (e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
  (g) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
    (i) changes in or implementation of major accounting policy changes;
    (ii) significant and unusual events; and
    (iii) compliance with accounting standards and other legal requirements;
  (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
  (i) any letter of resignation from the external auditors of the Company; and
  (j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment; and

(2) recommend the nomination of a person or persons as external auditors.



Meetings

Meetings of the Committee shall be held not less than four (4) times a year. The Committee shall meet with the external auditors without executive board members present at least twice a year. The external auditors may request a meeting if they consider that one is necessary and shall have the right to appear and be heard at any meeting of the Committee. The Chairman shall convene a meeting whenever any member of the Committee requests for a meeting. Written notice of the meeting together with the agenda shall be given to the members of the Committee and external auditors where applicable. The quorum for a meeting of the Committee shall be two (2) Provided Always that the majority of members present must be independent directors any decision shall be by a simple majority.

Other Board members and employees may attend any particular meeting only at the Committee's invitation.

The Company Secretary shall be the Secretary of the Committee.

Reporting Procedures

The Secretary shall maintain minutes of the proceedings of the meetings of the Committee and circulate such minutes to all members of the Board.

Composition

The Audit Committee comprises three members of the Board of which two are Independent Non-Executive Directors and one is Non-Independent Non-Executive Director. The Company has thus complied with the Bursa Securities LR which require the Audit Committee to have no fewer than 3 members and all members to be Non-Executive Directors.

Number of Meetings & Details of Attendance

During the year under review, the Audit Committee held four meetings on 25 February 2010, 21 May 2010, 30 July 2010 and 28 October 2010 to conduct and discharge its functions in accordance with its Terms of Reference. The Group Accountant and representatives of the external auditors were invited to attend the Audit Committee meetings conducted during the financial year. The attendance record of each member is as follows:

Audit Committee Members	Number of Meetings Attended
Chan Kam Leong*	4 of 4
Wan Salmah Binti Wan Abdullah	4 of 4
Koay Say Loke Andrew**	1 of 1
Heng Beng Fatt***	2 of 2

* Chan Kam Leong was appointed as the Audit Committee Chairman on 23 July 2010.
** Koay Say Loke Andrew was retired on 29 April 2010.
*** Heng Beng Fatt was appointed as the Audit Committee Member on 23 July 2010.

Reports and Minutes

Detailed reports issued by the external auditors are circulated to all the members of the Audit Committee and the Executive Directors prior to the meetings at which they will be tabled for discussion.

Minutes of meetings of the Audit Committee are circulated to all members of the Audit Committee and all members of the Board and tabled at subsequent Board Meetings. The Chairman of the Audit Committee also updates the Board at subsequent Board Meetings on specific issues reviewed or deliberated on by the Committee.

Activities

The activities of the Audit Committee during the financial year are as summarised below:

(a) Reviewed the unaudited quarterly Group results prior to recommending them to the Board for approval for announcement to Bursa Securities;

(b) Reviewed, prior to the commencement of audit, the external auditors' scope of engagement, their audit plan and approach and their request for any increase in audit fees;

(c) Reviewed and discussed with the external auditors the updates or new developments on accounting standards issued by the Malaysian Accounting Standards Board and the Company's compliance with the applicable standards;

(d) Reviewed with the external auditors the results of their audit, their audit report and management letters relating to the audit, their internal control recommendations in respect of control weaknesses noted in the course of their audit and the management's responses thereto. The Committee also appraised the adequacy of actions and measures subsequently taken by the management to address the issues and recommended, where relevant, further improvement measures;

(e) Reviewed the draft audited financial statements together with external auditors prior to recommending the same to the Board for approval;

(f) Considered the proposals received for the internal audit function and recommended the appointment of the internal auditor;

(g) Reviewed the related party transactions that had arisen prior to recommending them to the Board for approval;

(h) Reviewed the internal auditor's reports, their recommendations and the management responses. Improvement actions in the area of internal controls, systems and efficiency enhancements suggested by the internal auditors were discussed together with management; and

(i) Followed up on the implementation actions taken by management in respect of the internal auditor's recommendations.

Internal Audit Function

The Group outsourced its internal audit function. The role of the internal audit function, which reports directly to the Audit Committee, is to support the Audit Committee by providing it with independent and objective reports on the adequacy and effectiveness of the system of internal control and the extent of compliance with the procedures and by recommending ways to rectify shortfall and improve the existing control environment in relation to the Group's operations. It submits its findings and recommendations to the Audit Committee and senior management of the Group.

Two internal audits had been performed during the year under review. The internal audit activities carried out for the financial year include, inter alia, the following:

- Securities, utilisation and upkeep of estate assets;
- Estate payroll and job contracting; and
- Procurement of engineering spares, repair and maintenance procedures.

The audit report incorporating the internal auditors' findings and recommendations with regard to the system operations and control weaknesses noted in the course of their audit and the management's responses thereto were subsequently submitted to the Audit Committee.



Additional Compliance Information

Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad
for the year ended 31 December 2010

Utilisation of Proceeds
The Company did not raise any funds through any corporate proposal during the financial year.

Share Buy-Back
The Company did not make any share buy-back during the financial year.

Options, Warrants or Convertible Securities
No options, warrants or convertible securities were exercised during the financial year.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme
The Company did not sponsor any ADR or GDR programme during the financial year.

Sanctions and/or Penalties
There were no material public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fees
Non-audit fees paid to the external Auditors for the financial year amounted to RMNil.

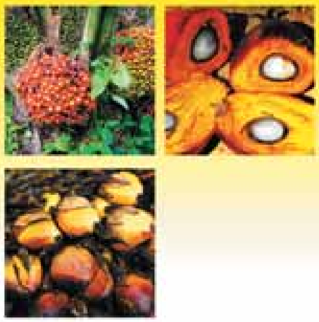
Variation in Results (subject to Audit)
There was no material variance between the audited results for the financial year ended 31 December 2010 and unaudited results previously released for the financial quarter ended 31 December 2010.

Profit Guarantee
There was no profit guarantee given by the Company during the financial year.

Material Contracts awarded to Directors and Substantial Shareholders
There were no material contracts entered into by the Company and its subsidiaries involving directors and major shareholders' interests still subsisting at the end of the financial year except for those disclosed under related party transaction on page 89 of this Annual Report.

Recurrent Related Party Transactions
The Company incurs related party transaction in the ordinary course of business with a private company connected to certain directors. The total amount involved falls below the threshold requiring announcements and/or shareholders' mandate.

Revaluation Policy on Landed Properties
There was no revaluation of landed properties during the financial year.



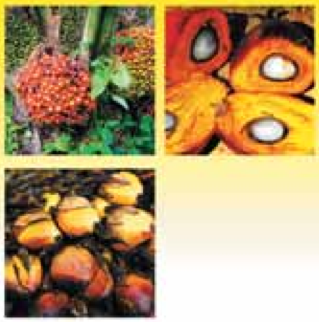
List of Properties
as at 31 December 2010

Location	Description/ Existing Use	Approximate Land Area	Tenure/ Age of Building	Expiry dates of the leasehold interests	Net book value RM'000	Date of last revaluation
Lot Nos. 2768, 3502, 3537, 4471, 4475, 5228, 5229, 5936, 9249 to 9295 (incl.), 12657 and 12658, Mukim of Durien Sebatang, District of Hilir Perak, Perak Darul Ridzuan (MHC Plantations Bhd.)	Oil palm estate	849.8 acres	Grant in perpetuity	N/A	3,718	30.9.1998
Lot Nos. 2327, 5299, 5300, 8275 and 16413, Mukim of Durien Sebatang, District of Hilir Perak, Perak Darul Ridzuan (MHC Plantations Bhd.)	Oil palm estate	702.6 acres	Grant in perpetuity	N/A	2,799	30.9.1998
Lot Nos. 3318, 3319, 3342 to 3345 (incl.), Town of Teluk Intan, District of Hilir Perak, Perak Darul Ridzuan (MHC Plantations Bhd.)	$6\frac{1}{2}$-storey commercial structure partly used as a hotel known as Hotel Anson and partly as office premises	10,142 sq. feet	Leasehold 999 years/ 23 years	21.2.2883	1,421	30.9.1998
Lot No. 4453, Town of Teluk Intan, District of Hilir Perak, Perak Darul Ridzuan (MHC Plantations Bhd.)	3-storey commercial shophouse	2,325 sq. feet	Grant in perpetuity	N/A	631	N/A
Lot No. PT 6129, Mukim of Changkat Jong, District of Hilir Perak, Perak Darul Ridzuan (Anson Oil Industries Berhad)	Oil palm estate	992.3 acres	Leasehold 60 years	9.11.2068	6,582	30.9.1998
Lot No. 8292, Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan (Anson Oil Industries Berhad)	Oil palm estate	906.9 acres	Leasehold 60 years	9.11.2068	3,659	30.9.1998



List of Properties
as at 31 December 2010 (cont'd)

Location	Description/ Existing Use	Approximate Land Area	Tenure/ Age of Building	Expiry dates of the leasehold interests	Net book value RM'000	Date of last revaluation
Lot Nos. 26798, 26799, 26800-26802, 26876, 26903, Mukim Durian Sebatang, Daerah Hilir Perak, Perak Darul Ridzuan (Anson Oil Industries Berhad)	Industrial land	15,468 sq. metre	Grant in perpetuity	N/A	3,425	N/A
Lot No. 10471, Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan (Majuperak Plantation Sdn. Bhd.)	Oil palm estate	1,000.5 acres	Leasehold 60 years	11.1.2055	4,577	30.9.1998
Lot No. PT 8291 Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan (Sharikat Muzwin Bersaudara Sdn. Bhd.)	Oil palm estate	1,000.0 acres	Leasehold 60 years	9.3.2069	2,955	30.9.1998
Lot No. PT 6159, Mukim of Changkat Jong, District of Hilir Perak, Perak Darul Ridzuan (Yew Lee Holdings Sdn. Berhad)	Oil palm estate	969.0 acres	Leasehold 60 years	16.11.2068	2,167	30.9.1998
Lot No. PT 8290, Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan (Hutan Melintang Plantations Sdn. Berhad)	Oil palm estate	978.9 acres	Leasehold 60 years	23.11.2068	5,764	30.9.1998
Lot Nos. 10065, 10066, 10068, 10069, 10071 - 10075 (Incl.), Mukim of Durien Sebatang, District of Hilir Perak, Perak Darul Ridzuan (Champion Point Sdn. Bhd.)	Oil palm estate	193.3 acres	Grant in perpetuity	N/A	2,356	30.9.1998



Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2010.

Principal activities

The principal activities of the Company are oil palm cultivation, investment holding and the operation of a hotel.

The principal activities of the subsidiary companies are set out in Note 16 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

Results

	Group RM	Company RM
Profit for the year	24,720,455	8,517,302
Attributable to:		
Owners of the parent	24,631,020	8,517,302
Minority interests	89,435	-
	24,720,455	8,517,302

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the negative goodwill of RM6,233,817 arising from the acquisition of additional shares in an associated company as disclosed in Note 7 to the financial statements.

Dividends

During the financial year, the Company paid a final dividend in respect of the financial year ended 31 December 2009, of 3% less 25% taxation on 84,233,130 ordinary shares, amounting to a total dividend of RM1,895,243.

At the forthcoming Annual General Meeting, the following dividends will be proposed for shareholders' approval:-

(a) a final dividend of 1.4% less 25% taxation in respect of the current financial year ended 31 December 2010 on 84,233,130 ordinary shares, amounting to a dividend payable of RM884,448 (1.05 sen net per share); and

(b) a final single tier dividend of 1.95% in respect of the current financial year ended 31 December 2010 on 84,233,130 ordinary shares, amounting to a dividend payable of RM1,642,546 (1.95 sen net per share).

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the next financial year ending 31 December 2011.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Mah King Seng	
Dato' Mah King Thian	
Chan Kam Leong	
Wan Salmah Binti Wan Abdullah	
Heng Beng Fatt	(appointed on 23 July 2010)
Koay Say Loke Andrew	(retired on 29 April 2010)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby directors might 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 any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 31 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member or with a company, or with a company in which the director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act, 1965, except as disclosed in Note 33 to the financial statements.

Directors' interests

According to the register of directors' shareholdings, the interest of directors in office at the end of the financial year in shares in the Company and its subsidiary companies during the financial year were as follows:

	Number of ordinary shares of RM1 each			
MHC Plantations Bhd	**1 January 2010**	**Bought**	**Sold**	**31 December 2010**
Direct interest				
Dato' Mah King Seng	145,364	-	-	145,364
Dato' Mah King Thian	39,964	-	-	39,964
Deemed interest				
Dato' Mah King Seng	39,722,982	-	-	39,722,982
Dato' Mah King Thian	39,722,982	-	-	39,722,982
Chan Kam Leong	110,000	-	-	110,000
Subsidiary company				
Champion Point Sdn Bhd				
Direct interest				
Dato' Mah King Thian	1	-	-	1

By virtue of their interests in the Company, Dato' Mah King Seng and Dato' Mah King Thian are also deemed to have interest in shares in the subsidiary companies to the extent that the Company has an interest.

The other directors who held office at the end of the financial year did not have any interest in shares in the Company and its subsidiary companies.

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) 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 there were no known bad debts and that no allowance for doubtful debts was necessary; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of circumstances which would render:

(i) it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Group and of the Company; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report there does not exist:

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

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

(f) In the opinion of the directors:

(i) 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 will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant event

On 29 September 2010, the Company acquired the entire issued and paid up share capital of Bisikan Gemilang Sdn. Bhd. (BGSB), a company incorporated in Malaysia, comprising 2 ordinary shares of RM1 each for a total consideration of RM2, resulting in BGSB becoming a wholly-owned subsidiary company of the Company. The intended principal activity of BGSB is investment holding.

Subsequent event

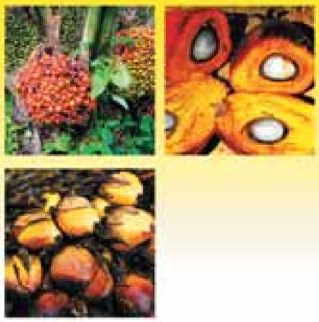
Details of subsequent event are disclosed in Note 38 to the financial statements.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 11 March 2011.

Dato' Mah King Seng **Dato' Mah King Thian**



Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Mah King Seng and Dato' Mah King Thian, being two of the directors of MHC Plantations Bhd, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 36 to 94 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010 and of their financial performance and cash flows for the year then ended.

The information set out in Note 40 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 in 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 in accordance with a resolution of the directors dated 11 March 2011.

Dato' Mah King Seng

Dato' Mah King Thian

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Dato' Mah King Thian, being the director primarily responsible for the financial management of MHC Plantations Bhd, do solemnly and sincerely declare that the accompanying financial statements set out on pages 36 to 94 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.

Subscribed and solemnly declared by
the abovenamed Dato' Mah King Thian
at Ipoh in the State of Perak Darul Ridzuan
on 11 March 2011.

Dato' Mah King Thian

Before me,

Syed Ahmad Fadzil Bin Syed Baharum (A207)
Pesuruhjaya Sumpah
(Commissioner for Oaths)

Independent Auditors' Report

to the members of MHC Plantations Bhd
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of MHC Plantations Bhd, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 94.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 and fair presentation of the financial statements 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 the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010 and of their financial performance and cash flows for the year then ended.



Independent Auditors' Report
to the members of MHC Plantations Bhd
(Incorporated in Malaysia) (cont'd)

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 subsidiary companies have been properly kept in accordance with the provisions of the Act.

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

(c) The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

The supplementary information set out in Note 40 on page 95 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. 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.

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.

Ernst & Young
AF: 0039
Chartered Accountants

Oo Boon Beng
No. 1939/12/12 (J)
Chartered Accountant

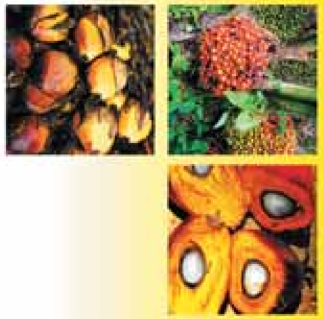
Ipoh, Perak Darul Ridzuan, Malaysia
Date: 11 March 2011



Statements of Comprehensive Income
for the financial year ended 31 December 2010

	Note	Group 2010 RM	Group 2009 (restated) RM	Company 2010 RM	Company 2009 (restated) RM
Revenue	4	27,337,030	23,293,115	8,656,469	7,466,387
Cost of sales		(9,939,835)	(10,154,722)	(3,184,938)	(3,217,432)
Gross profit		17,397,195	13,138,393	5,471,531	4,248,955
Other income		207,203	157,646	954,886	956,185
Administrative expenses		(4,140,733)	(3,741,815)	(2,159,010)	(2,001,679)
Operating profit		13,463,665	9,554,224	4,267,407	3,203,461
Finance costs	5	(976,517)	(844,263)	(955,198)	(821,023)
Income from investments	6	64,629	239,983	7,251,652	6,824,932
Share of profits in associates, net of tax	7	15,772,623	14,108,756	-	-
Profit before taxation	8	28,324,400	23,058,700	10,563,861	9,207,370
Income tax expense	9	(3,603,945)	(2,425,747)	(2,046,559)	(914,398)
Profit net of tax		24,720,455	20,632,953	8,517,302	8,292,972
Other comprehensive income:					
Net gain on available-for-sale financial assets					
- Gain on fair value changes		64,974	-	33,662	-
Total comprehensive income for the year		24,785,429	20,632,953	8,550,964	8,292,972
Profit attributable to:					
Owners of the parent		24,631,020	20,549,485	8,517,302	8,292,972
Minority interests		89,435	83,468	-	-
		24,720,455	20,632,953	8,517,302	8,292,972
Total comprehensive income attributable to:					
Owners of the parent		24,695,994	20,549,485	8,550,964	8,292,972
Minority interests		89,435	83,468	-	-
		24,785,429	20,632,953	8,550,964	8,292,972
Earnings per share attributable to owners of the parent	10	29.24 sen	24.40 sen		
Net dividends per share	11	2.25 sen	2.25 sen		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Statements of Financial Position

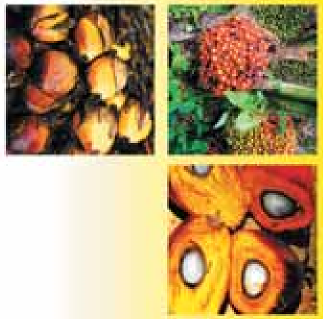
as at 31 December 2010

	Note	Group 2010 RM	Group 2009 (restated) RM	Group As at 1.1.2009 (restated) RM	Company 2010 RM	Company 2009 (restated) RM	Company As at 1.1.2009 (restated) RM
Assets							
Non-current assets							
Property, plant and equipment	12	37,907,393	35,136,872	35,203,508	7,886,202	7,805,762	7,742,207
Investment property	13	4,056,176	645,893	660,914	630,872	645,893	660,914
Land use rights	14	-	-	-	-	-	-
Biological assets	15	16,535,556	16,535,556	16,535,556	3,565,843	3,565,843	3,565,843
Investment in subsidiary companies	16	-	-	-	50,351,578	48,851,636	48,851,636
Investment in associated companies	17	189,939,872	171,297,629	154,404,794	97,857,231	93,264,297	88,504,559
Investment securities	18	456,051	3,364,181	3,364,181	312,244	222,735	222,735
Other receivables	19	-	-	-	-	1,712,075	1,909,761
Goodwill on consolidation	20	16,929,220	16,929,220	16,929,220	-	-	-
		265,824,268	243,909,351	227,098,173	160,603,970	156,068,241	151,457,655
Current assets							
Inventories	21	455,289	740,863	1,270,788	240,640	158,833	332,628
Trade and other receivables	19	4,775,049	2,309,069	1,670,983	24,285,711	26,127,424	26,779,349
Tax recoverable		-	363	363	-	-	-
Short term investments	22	4,788,189	5,002,753	429,281	3,032,690	2,188,189	30,807
Fixed deposits with licensed banks	23	455,978	1,649,293	2,142,385	300,978	294,293	287,385
Cash and bank balances	23	2,576,729	1,884,373	1,226,670	1,071,926	1,196,541	395,234
		13,051,234	11,586,714	6,740,470	28,931,945	29,965,280	27,825,403
Total assets		278,875,502	255,496,065	233,838,643	189,535,915	186,033,521	179,283,058

		Group			Company		
		2010	2009 (restated)	As at 1.1.2009 (restated)	2010	2009 (restated)	As at 1.1.2009 (restated)
	Note	RM	RM	RM	RM	RM	RM
Equity and liabilities							
Equity attributable to owners of the parent							
Share capital	24	84,233,130	84,233,130	84,233,130	84,233,130	84,233,130	84,233,130
Reserves	25	161,917,290	139,089,643	120,435,401	46,195,673	39,484,105	33,086,376
		246,150,420	223,322,773	204,668,531	130,428,803	123,717,235	117,319,506
Minority interests		1,368,634	1,524,831	1,457,844	-	-	-
Total equity		247,519,054	224,847,604	206,126,375	130,428,803	123,717,235	117,319,506
Non-current liabilities							
Hire purchase payables	26	157,602	303,436	438,788	-	-	-
Borrowings	27	15,050,000	17,250,000	19,450,000	15,050,000	17,250,000	19,450,000
Deferred tax liabilities	28	3,071,956	2,918,962	2,963,387	391,218	387,502	402,430
		18,279,558	20,472,398	22,852,175	15,441,218	17,637,502	19,852,430
Current liabilities							
Payables	29	1,857,271	1,502,292	1,456,819	33,228,659	36,715,824	39,182,573
Hire purchase payables	26	216,856	194,012	162,392	-	-	-
Borrowings	27	10,200,000	7,800,000	2,650,000	10,200,000	7,800,000	2,650,000
Taxation		802,763	679,759	590,882	237,235	162,960	278,549
		13,076,890	10,176,063	4,860,093	43,665,894	44,678,784	42,111,122
Total liabilities		31,356,448	30,648,461	27,712,268	59,107,112	62,316,286	61,963,552
Total equity and liabilities		278,875,502	255,496,065	233,838,643	189,535,915	186,033,521	179,283,058

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.





Statements of Changes in Equity
for the financial year ended 31 December 2010

	Note	Share capital RM	Share premium RM	Capital reserve RM	Revaluation reserve RM	Fair value adjustment reserve RM	Capital reserve RM	Retained earnings RM	Total RM	Minority interests RM	Total equity RM
		Equity attributable to owners of the parent									
			Non-distributable				Distributable				
Group											
Opening balance at 1 January 2010		84,233,130	8,212,680	5,736,883	557,113	-	5,198,292	119,384,675	223,322,773	1,524,831	224,847,604
Effects of adopting FRS 139		-	-	-	-	135,651	-	(108,755)	26,896	-	26,896
		84,233,130	8,212,680	5,736,883	557,113	135,651	5,198,292	119,275,920	223,349,669	1,524,831	224,874,500
Total comprehensive income		-	-	-	-	64,974	-	24,631,020	24,695,994	89,435	24,785,429
Transactions with owners:											
Dividends	11	-	-	-	-	-	-	(1,895,243)	(1,895,243)	-	(1,895,243)
Dividends paid to minority shareholders		-	-	-	-	-	-	-	-	(245,632)	(245,632)
Total transactions with owners		-	-	-	-	-	-	(1,895,243)	(1,895,243)	(245,632)	(2,140,875)
Closing balance at 31 December 2010		84,233,130	8,212,680	5,736,883	557,113	200,625	5,198,292	142,011,697	246,150,420	1,368,634	247,519,054

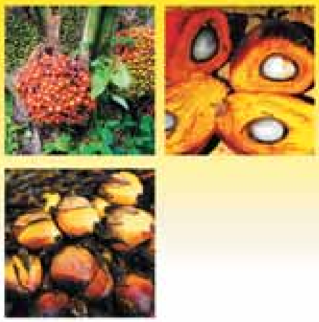
	Note	Share capital RM	Share premium RM	Capital reserve RM	Revaluation reserve RM	Capital reserve RM	Retained earnings RM	Total RM	Minority interests RM	Total equity RM
		Equity attributable to owners of the parent								
			Non-distributable			Distributable				
Group										
Opening balance at 1 January 2009		84,233,130	8,212,680	5,736,883	557,113	5,198,292	100,730,433	204,668,531	1,457,844	206,126,375
Total comprehensive income		-	-	-	-	-	20,549,485	20,549,485	83,468	20,632,953
Transactions with owners:										
Dividends	11	-	-	-	-	-	(1,895,243)	(1,895,243)	-	(1,895,243)
Dividends paid to minority shareholders		-	-	-	-	-	-	-	(16,481)	(16,481)
Total transactions with owners		-	-	-	-	-	(1,895,243)	(1,895,243)	(16,481)	(1,911,724)
Closing balance at 31 December 2009		84,233,130	8,212,680	5,736,883	557,113	5,198,292	119,384,675	223,322,773	1,524,831	224,847,604

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity
for the financial year ended 31 December 2010 (cont'd)

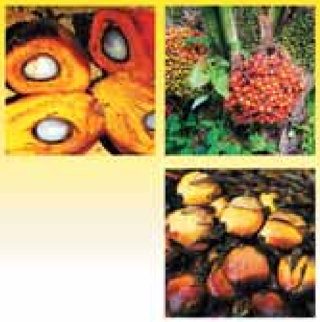
			Non-distributable		Distributable		
Company	**Note**	**Share capital RM**	**Share premium RM**	**Fair value adjustment reserve RM**	**Capital reserve RM**	**Retained earnings RM**	**Total equity RM**
Opening balance at 1 January 2010		84,233,130	8,212,680	-	2,496,239	28,775,186	123,717,235
Effects of adopting FRS 139		-	-	55,847	-	-	55,847
		84,233,130	8,212,680	55,847	2,496,239	28,775,186	123,773,082
Total comprehensive income		-	-	33,662	-	8,517,302	8,550,964
Transactions with owners:							
- Dividends representing total transaction with owners	11	-	-	-	-	(1,895,243)	(1,895,243)
Closing balance at 31 December 2010		84,233,130	8,212,680	89,509	2,496,239	35,397,245	130,428,803
Opening balance at 1 January 2009		84,233,130	8,212,680	-	2,496,239	22,377,457	117,319,506
Total comprehensive income		-	-	-	-	8,292,972	8,292,972
Transaction with owners:							
- Dividends representing total transaction with owners	11	-	-	-	-	(1,895,243)	(1,895,243)
Closing balance at 31 December 2009		84,233,130	8,212,680	-	2,496,239	28,775,186	123,717,235

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



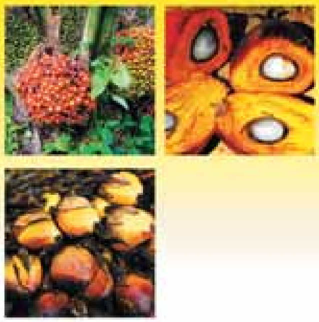
Statements of Cash Flows
for the financial year ended 31 December 2010

	Group		Company	
	2010	2009 (restated)	2010	2009 (restated)
	RM	RM	RM	RM
Operating activities				
Profit before taxation	28,324,400	23,058,700	10,563,861	9,207,370
Adjustments for:				
Depreciation of property, plant and equipment	997,404	941,357	422,419	384,696
Depreciation of investment property	15,021	15,021	15,021	15,021
Interest expense	976,517	844,263	955,198	821,023
Loss on disposal of property, plant and equipment	44,641	9,247	44,641	7,170
Property, plant and equipment written off	70,595	-	60,838	-
Share of profits in associated companies, net of tax	(15,772,623)	(14,108,756)	-	-
Tax exempt interest from short term investments	(65,773)	(46,771)	(20,237)	(10,681)
Interest income	(11,524)	(43,667)	(769,120)	(791,949)
Dividend income	(64,629)	(239,983)	(7,251,652)	(6,824,932)
Total adjustments	(13,810,371)	(12,629,289)	(6,542,892)	(6,399,652)
Operating cash flows before changes in working capital	14,514,029	10,429,411	4,020,969	2,807,718
Changes in working capital:				
Decrease/(Increase) in inventories	285,574	529,925	(81,807)	173,795
Increase in receivables	(2,465,980)	(638,086)	(22,352)	(257,966)
Increase/(Decrease) in payables	354,979	45,473	(27,150)	21,617
Increase/(Decrease) in subsidiary companies' accounts	-	-	116,125	(1,380,789)
Total changes in working capital	(1,825,427)	(62,688)	(15,184)	(1,443,343)
Cash generated from operations	12,688,602	10,366,723	4,005,785	1,364,375
Interest received	77,297	90,438	789,357	802,630
Interest paid	(976,517)	(844,263)	(955,198)	(821,023)
Tax paid	(3,311,430)	(2,379,855)	(1,011,484)	(809,902)
Net cash flows from operating activities	8,477,952	7,233,043	2,828,460	536,080



Statements of Cash Flows
for the financial year ended 31 December 2010 (cont'd)

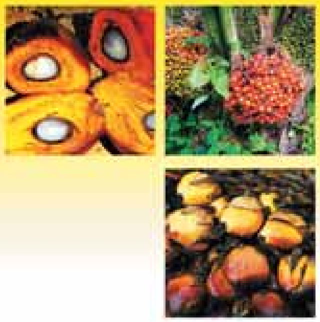
	Group 2010 RM	Group 2009 (restated) RM	Company 2010 RM	Company 2009 (restated) RM
Investing activities				
Dividend received	1,771,789	2,214,202	6,294,568	6,589,919
Purchase of investment properties	(3,425,304)	-	-	-
Purchase of property, plant and equipment	(3,942,161)	(872,168)	(743,338)	(485,421)
Purchase of a subsidiary company	-	-	(2)	-
Additional investment in an associated company	(4,592,934)	(4,759,738)	(4,592,934)	(4,759,738)
Additional investment in a subsidiary company	-	-	(1,499,940)	-
Additional placement of pledged fixed deposits	(6,685)	(6,908)	(6,685)	(6,908)
Proceeds from disposal of property, plant and equipment	135,000	65,000	135,000	30,000
Proceeds from disposal of unquoted investments	3,000,000	-	-	-
Net cash flows (used in)/ from investing activities	(7,060,295)	(3,359,612)	(413,331)	1,367,852
Financing activities				
Drawdown of revolving credit	2,400,000	3,500,000	2,400,000	3,500,000
Repayment of term loan	(2,200,000)	(550,000)	(2,200,000)	(550,000)
Repayment of hire purchase obligations	(198,990)	(180,532)	-	-
Dividends paid to shareholders	(1,895,243)	(1,895,243)	(1,895,243)	(1,895,243)
Dividends paid to minority shareholders	(245,632)	(16,481)	-	-
Net cash flows (used in)/ from financing activities	(2,139,865)	857,744	(1,695,243)	1,054,757
Net (decrease)/increase in cash and cash equivalents	(722,208)	4,731,175	719,886	2,958,689
Cash and cash equivalents as at 1 January	8,122,126	3,390,951	3,384,730	426,041
Cash and cash equivalents as at 31 December (Note 23)	7,399,918	8,122,126	4,104,616	3,384,730



Statements of Cash Flows
for the financial year ended 31 December 2010 (cont'd)

	Group		Company	
	2010	**2009 (restated)**	**2010**	**2009 (restated)**
	RM	**RM**	**RM**	**RM**
Property, plant and equipment				
During the financial year, the Group and the Company acquired property, plant and equipment by:				
Cash	3,942,161	872,168	743,338	485,421
Hire purchase arrangement	76,000	76,800	-	-
	4,018,161	948,968	743,338	485,421

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Notes to the Financial Statements
– 31 December 2010

1. Corporate information

MHC Plantations Bhd (“the Company”) is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company are located at Kompleks Pejabat Behrang 2020, Jalan Persekutuan 1, 35900 Tanjung Malim, Perak Darul Ridzuan.

The principal activities of the Company consist of oil palm cultivation, investment holding and the operation of a hotel and the principal activities of the subsidiary companies are set out in Note 16 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2010 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2010, the Group and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

- FRS 4 *Insurance contracts*
- FRS 7 *Financial Instruments: Disclosures*
- FRS 8 *Operating Segments*
- FRS 101 *Presentation of Financial Statements* (Revised)
- FRS 123 *Borrowing Costs*
- FRS 139 *Financial Instruments: Recognition and Measurement*
- Amendments 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 2 *Share-based Payment – Vesting Conditions and Cancellations*
- Amendments to FRS 132 *Financial Instruments: Presentation*

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

- Amendments to FRS 139 *Financial Instruments: Recognition and* Measurement, FRS 7 *Financial Instruments: Disclosures* and *IC* Interpretation 9 *Reassessment of Embedded Derivatives*
- Improvements to FRSs issued in 2009
- IC Interpretation 9 *Reassessment of Embedded Derivatives*
- IC Interpretation 10 *Interim Financial Reporting and Impairment*
- IC Interpretation 11 *FRS 2 – Group and Treasury Share Transactions*
- IC Interpretation 13 *Customer Loyalty Programmes*
- IC Interpretation 14 *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
- TR i-3 *Presentation of Financial Instruments of Islamic Financial Institutions*

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

FRS 7 *Financial Instruments: Disclosures*

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 *Financial Instruments: Disclosure and Presentation*. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December 2010.

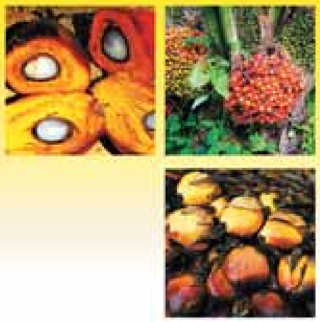
FRS 101 *Presentation of Financial Statements (Revised)*

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 37).

The revised FRS 101 was adopted retrospectively by the Group and the Company.



2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

Amendments to FRS 117 *Leases*

Prior to 1 January 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group and the Company as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

The amendments to FRS 117 *Leases* clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group and the Company have applied this change in accounting policy retrospectively and certain comparatives have been restated.

The following are effects to the statements of financial position as at 31 December 2010 arising from the above change in accounting policy:

	2010 RM
Increase/(decrease) in:	
Group:	
Property, plant and equipment	18,023,256
Land use rights	(18,023,256)
Company:	
Property, plant and equipment	388,220
Land use rights	(388,220)

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

Amendments to FRS 117 *Leases* (cont'd)

The following comparatives have been restated:

	As previously stated RM	Adjustments RM	As restated RM
Statements of financial position			
Group:			
31 December 2009			
Property, plant and equipment	16,794,593	18,342,279	35,136,872
Land use rights	18,342,279	(18,342,279)	-
1 January 2009			
Property, plant and equipment	16,540,103	18,663,405	35,203,508
Land use rights	18,663,405	(18,663,405)	-
Company:			
31 December 2009			
Property, plant and equipment	7,417,542	388,220	7,805,762
Land use rights	388,220	(388,220)	-
1 January 2009			
Property, plant and equipment	7,353,987	388,220	7,742,207
Land use rights	388,220	(388,220)	-

FRS 139 *Financial Instruments: Recognition and Measurement*

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard have been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

Equity instruments

Prior to 1 January 2010, the Group and the Company classified its investments in equity instruments which were held for non-trading purposes as non-current investments. Such investments were carried at cost less accumulated impairment losses. Upon the adoption of FRS 139, these investments, except for those whose fair value cannot be reliably measured, are designated at 1 January 2010 as available-for-sale financial assets and accordingly are stated at their fair values as at that date amounting to RM200,890 and RM90,582 respectively. The adjustments to their previous carrying amounts are recognised as adjustments to the opening balance of retained earnings as at 1 January 2010. Investments in equity instruments whose fair value cannot be reliably measured amounting to RM3,190,187 and RM188,000 respectively at 1 January 2010 continued to be carried at cost less accumulated impairment losses.

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

FRS 139 *Financial Instruments: Recognition and Measurement* (cont'd)

The following are effects arising from the above changes in accounting policies:

	As at 31 December 2010 RM	As at 1 January 2010 RM
Statements of financial position		
Group		
Investment in securities (non-current)		
- available-for-sale financial assets	64,974	26,896
Retained earnings	-	(108,755)
Other reserves - fair value adjustment reserve	64,974	135,651
Statements of financial position		
Company		
Investment in securities (non-current)		
- available-for-sale financial assets	33,662	55,847
Other reserves - fair value adjustment reserve	33,662	55,847

Statements of comprehensive income

	Increase Group 2010 RM	2009 RM	Increase Company 2010 RM	2009 RM
Other comprehensive income for the year, net of tax	64,974	-	33,662	-

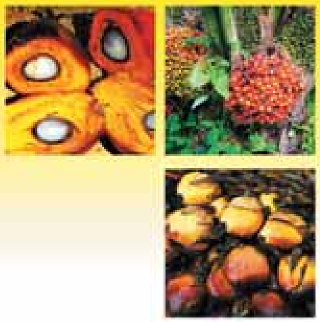
2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
FRS 1 *First-time Adoption of Financial Reporting Standards*	1 July 2010
FRS 3 *Business Combinations* (Revised)	1 July 2010
Amendments to FRS 2 *Share-based Payment*	1 July 2010
Amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	1 July 2010
Amendments to FRS 127 *Consolidated and Separate Financial Statements*	1 July 2010
Amendments to FRS 138 *Intangible Assets*	1 July 2010
Amendments to IC Interpretation 9 *Reassessment of Embedded Derivatives*	1 July 2010
IC Interpretation 12 *Service Concession Arrangements*	1 July 2010
IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*	1 July 2010
IC Interpretation 17 *Distributions of Non-cash Assets to Owners*	1 July 2010
Amendments to FRS 132: *Classification of Rights Issues*	1 March 2010
Amendments to FRS 1: *Additional Exemptions for First-time Adopters*	1 January 2011
Amendments to FRS 1: *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*	1 January 2011
Amendments to FRS 7: *Improving Disclosures about Financial Instruments*	1 January 2011
Amendments to FRS 2: *Group Cash-settled Share-based Payment Transactions*	1 January 2011
IC Interpretation 4: *Determining whether an Arrangement contains a Lease*	1 January 2011
IC Interpretation 18: *Transfer of Assets from Customers*	1 January 2011
TRI - 3: *Guidance on Disclosure of Translation to IFRSs*	1 January 2011
TRI - 4: *Shariah Compliant sale Contracts*	1 January 2011
IC Interpretation 15: *Agreements for the Construction of Real Estate*	1 January 2012

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of their initial application.



2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the reporting date. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

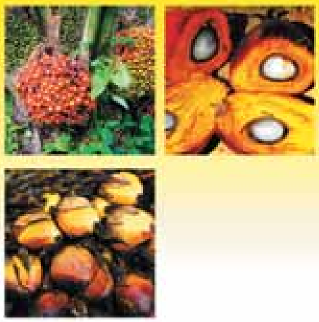
All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiary companies are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary company's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.6. Any excess of the Group's share in the net fair value of the acquired subsidiary company's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.5 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiary companies not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.



2. Summary of significant accounting policies (cont'd)

2.6 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

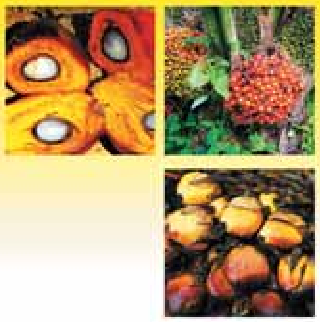
2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Certain property, plant and equipment have subsequently been revalued and are stated in the balance sheet at their revalued amounts, being the fair value on the basis of their existing use at the date of revaluation. The Group and the Company have availed themselves of the transitional provision in International Accounting Standard 16 (Revised) - 'Property, Plant and Equipment', as previously adopted by the Malaysian Accounting Standards Board ("MASB"), by virtue of which a reporting enterprise is allowed to retain revalued amounts on the basis of their previous revaluations (subject to continuity in depreciation policy and requirement to write an asset down to its recoverable amounts, as applicable), if it does not further revalue such assets.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.



2. Summary of significant accounting policies (cont'd)

2.7 Property, plant and equipment (cont'd)

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated whilst leasehold land is amortised over the term of the lease ranging between 60 and 999 years.

Depreciation is provided on all other property, plant and equipment, at rates calculated to write off the cost or valuation, less estimated residual value of each asset evenly over its expected useful life. The annual rates used are as follows:

	%
Buildings	2 - 10
Motor vehicles	10 - 20
Electrical installation, furniture and fittings, office equipment, roads and drainage	5 - 10
Plant and machinery	5

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Biological assets

The expenditure on new planting and replanting of a different produce crop incurred from land clearing to the point of harvesting is capitalised and is not amortised. Replanting expenditure incurred in respect of the same crop is recognised as an expense in profit or loss in the period they are incurred.

Biological assets are initially recorded at cost. Certain biological assets have subsequently been revalued and stated in the statement of financial position at its revalued amount, being the fair value on the basis of their existing use at the date of revaluation. These assets have since not been revalued. The Group and the Company have not adopted a policy of regular revaluation of such assets and have availed themselves of the transitional provisions of International Accounting Standard 16 (Revised) - 'Property, Plant and Equipment', as previously adopted by the MASB, by virtue of which a reporting enterprise is allowed to retain revalued amounts on the basis of their previous revaluations (subject to continuity in depreciation policy and requirement to write an asset down to its recoverable amounts, as applicable), if it does not further revalue such assets. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

2. Summary of significant accounting policies (cont'd)

2.9 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided for on a straight-line basis at the annual rate of 2%. Freehold investment properties have an unlimited useful life and therefore are not depreciated.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at cost.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2.10 Inventories

Inventories comprise nursery seedlings, stores and materials which are stated at the lower of cost and net realisable value.

Nursery seedlings are valued at the cost of seed, fertilisers and sprays.

Stores and materials are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method.

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

2.11 Subsidiary companies

A subsidiary company is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses.

2.12 Associated companies

An associated company is an entity, not being a subsidiary company or a joint venture, in which the Group has significant influence. An associated company is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company.

The Group's investments in associated companies are accounted for using the equity method. Under the equity method, the investment in associated companies is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associated companies. Goodwill relating to associated companies is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associated company's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associated company's profit or loss for the period in which the investment is acquired.

2. Summary of significant accounting policies (cont'd)

2.12 Associated companies (cont'd)

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associated companies. The Group determines at each reporting date whether there is any objective evidence that the investment in the associated company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company and its carrying value and recognises the amount in profit or loss.

The financial statements of the associated companies are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associated companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.13 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.14 Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

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

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

2. Summary of significant accounting policies (cont'd)

2.14 Financial assets (cont'd)

(a) Financial assets at fair value through profit or loss (cont'd)

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

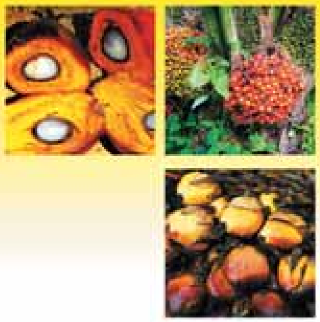
Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current, except for those having maturity within 12 months after the reporting date which are classified as current.

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.



2. Summary of significant accounting policies (cont'd)

2.14 Financial assets (cont'd)

(d) Available-for-sale financial assets (cont'd)

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses.

Available-for-sale financial assets are classified as non-current unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.15 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

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, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.15 Impairment of financial assets (cont'd)

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, 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 discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.16 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

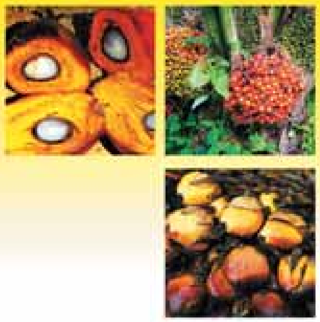
Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.



2. Summary of significant accounting policies (cont'd)

2.16 Revenue recognition (cont'd)

(d) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.17 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2. Summary of significant accounting policies (cont'd)

2.17 Financial liabilities (cont'd)

(b) Other financial liabilities (cont'd)

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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 different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.19 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. Summary of significant accounting policies (cont'd)

2.19 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax liabilities are recognised for all temporary differences, except: (cont'd)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (cont'd)

2.20 Employee benefits

Defined contribution plans

The Group participates in the national pension scheme as defined by the laws of the country in which it has operations. The companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

2.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.22 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.16(d).

2. Summary of significant accounting policies (cont'd)

2.23 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

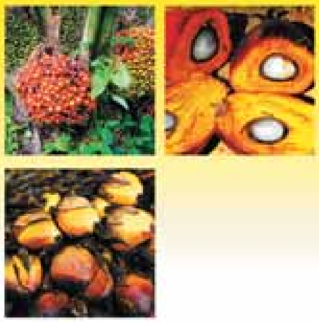
2.24 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.25 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.



3. Significant accounting estimates and judgements

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There are no judgements made by management in the process of applying the Group's accounting policies on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

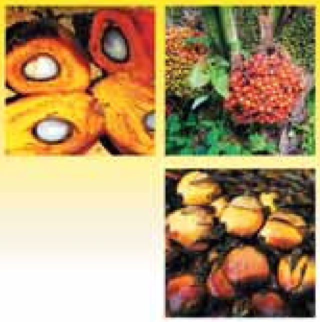
Impairment of goodwill and brands

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are given in Note 20.

4. Revenue

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Sales of fresh fruit bunches	26,322,111	22,253,908	7,641,550	6,427,180
Revenue from hotel operations	1,014,919	1,039,207	1,014,919	1,039,207
	27,337,030	23,293,115	8,656,469	7,466,387



5. Finance costs

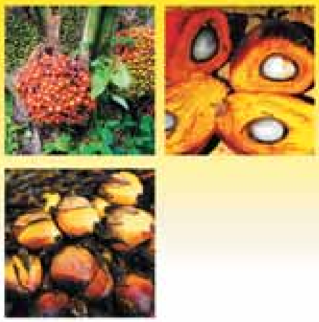
	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Interests on:				
- hire purchase	21,319	23,240	-	-
- revolving credit	252,486	110,013	252,486	110,013
- term loan	702,712	711,010	702,712	711,010
	976,517	844,263	955,198	821,023

6. Income from investments

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Gross dividend income from:				
- subsidiary companies	-	-	6,123,535	5,536,414
- associated companies	-	-	1,123,316	1,275,658
- quoted investments in Malaysia	6,561	6,343	4,801	4,220
- unquoted investments in Malaysia	58,068	233,640	-	8,640
	64,629	239,983	7,251,652	6,824,932

7. Share of profits in associates, net of tax

This includes negative goodwill credited to the consolidated statements of comprehensive income of RM6,233,817 (2009 - RM7,944,849) which arose from the acquisition of additional shares in an associate during the year.



8. Profit before taxation

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
This is arrived at after charging:				
Auditors' remuneration				
- current year's provision	67,550	58,950	34,500	29,400
- under provision in prior year	2,200	2,914	2,000	2,564
- non-audit fee	-	15,000	-	15,000
Depreciation of investment property	15,021	15,021	15,021	15,021
Depreciation of property, plant and equipment	997,404	941,357	422,419	384,696
Directors' emoluments:				
- directors of the Company (Note 31)	1,308,220	1,265,900	703,420	681,260
- other directors of the subsidiary companies (Note 31)	584,400	560,320	-	-
Loss on disposal of property, plant and equipment	44,641	9,247	44,641	7,170
Property, plant and equipment written off	70,595	-	60,838	-
Rentals				
- premises	53,000	55,000	53,000	55,000
- land	78,367	65,375	1,897	2,014
and crediting:				
Interest income from:				
- fixed deposits	11,524	43,667	7,903	9,889
- advances to subsidiary companies	-	-	761,217	782,060
Tax exempt interest from short term investments	65,773	46,771	20,237	10,681
Rental income				
- equipment hire income	-	-	35,623	32,346
- landed property	54,966	54,180	54,966	54,180
- investment properties	66,000	66,000	66,000	66,000

9. Income tax expense

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Current tax:				
- Malaysian income tax	3,330,695	2,440,971	1,962,819	915,118
- under provision in prior years	120,256	29,201	80,024	14,208
	3,450,951	2,470,172	2,042,843	929,326
Deferred taxation (Note 28):				
- relating to origination and reversal of temporary differences	149,673	(52,622)	429	(18,617)
- under provision in prior years	3,321	8,197	3,287	3,689
	152,994	(44,425)	3,716	(14,928)
	3,603,945	2,425,747	2,046,559	914,398

Current income tax is calculated at the statutory tax rate of 25% of the assessable profit for the year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rates to income tax expense at the effective income tax rates of the Group and of the Company is as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit before taxation	28,324,400	23,058,700	10,563,861	9,207,370
Taxation at applicable statutory tax rate at 25%	7,081,100	5,764,675	2,640,966	2,301,843
Effect of share of associated companies' results	(3,943,156)	(3,527,189)	-	-
Income not subject to tax	(16,444)	(70,198)	(860,888)	(1,473,890)
Expenses not deductible for tax purposes	357,357	277,670	186,422	131,883
Others	1,511	(56,609)	(3,252)	(63,335)
Under provision in prior years				
- current tax	120,256	29,201	80,024	14,208
- deferred tax	3,321	8,197	3,287	3,689
Tax expense for the year	3,603,945	2,425,747	2,046,559	914,398

10. Earnings per share

The earnings per share is calculated by dividing the Group's profit for the year, net of tax, attributable to owners of the parent of RM24,631,020 (2009 - RM20,549,485) by the number ordinary shares of 84,233,130 (2009 - 84,233,130).

11. Dividends

	Amount 2010 RM	2009 RM
In respect of financial year ended 31 December 2009:		
Final dividend of 3% less 25% taxation: 2.25 sen per share	-	1,895,243
In respect of financial year ended 31 December 2010:		
Final dividend of 3% less 25% taxation: 2.25 sen per share	1,895,243	-
Proposed but not recognised as liabilities as at 31 December 2010:		
Final dividend of 1.4% less 25% taxation: 1.05 sen per share	884,448	-
Final single tier dividend of 1.95%: 1.95 sen per share	1,642,546	-
	2,526,994	-

At the forthcoming Annual General Meeting, the following dividends will be proposed for shareholders' approval:-

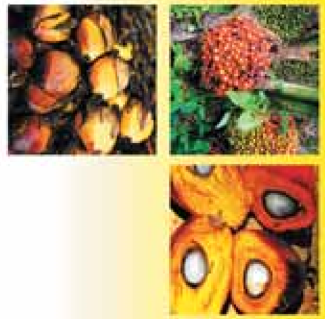
(a) a final dividend of 1.4% less 25% taxation in respect of the current financial year ended 31 December 2010 on 84,233,130 ordinary shares, amounting to a dividend payable of RM884,448 (1.05 sen net per share); and

(b) a final single tier dividend of 1.95% in respect of the current financial year ended 31 December 2010 on 84,233,130 ordinary shares, amounting to a dividend payable of RM1,642,546 (1.95 sen net per share).

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the next financial year ending 31 December 2011.

12. Property, plant and equipment

Group	Freehold land RM	Long term leasehold land RM	Short term leasehold land RM	Buildings RM	Plant and machinery RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Electrical installation, road and drainage RM	Capital work-in-progress RM	Total RM
At 31 December 2010											
Cost/Valuation											
At 1 January 2010:											
As previously stated	8,664,704	-	-	6,070,788	897,368	2,223,317	471,399	3,119,392	1,097,207	348,728	22,892,903
Effects of adopting the amendments to FRS 117	-	19,390,159	7,139,309	-	-	-	-	-	-	-	26,529,468
As restated	8,664,704	19,390,159	7,139,309	6,070,788	897,368	2,223,317	471,399	3,119,392	1,097,207	348,728	49,422,371
Additions	-	-	-	103,231	41,198	84,427	33,064	185,638	9,152	3,561,451	4,018,161
Disposals/Write off	-	-	-	(65,236)	(50,731)	(2,500)	(66,787)	(490,664)	(23,150)	-	(699,068)
Reclassifications	-	-	-	-	256,754	(236,674)	(20,080)	-	-	-	-
Transfers	-	-	-	516,620	104,943	198,689	80,072	-	-	(900,324)	-
At 31 December 2010	8,664,704	19,390,159	7,139,309	6,625,403	1,249,532	2,267,259	497,668	2,814,366	1,083,209	3,009,855	52,741,464
Representing:											
At cost	5,760,751	19,390,159	7,139,309	6,489,507	1,249,532	2,267,259	497,668	2,814,366	1,083,209	3,009,855	49,701,615
At valuation	2,903,953	-	-	135,896	-	-	-	-	-	-	3,039,849
	8,664,704	19,390,159	7,139,309	6,625,403	1,249,532	2,267,259	497,668	2,814,366	1,083,209	3,009,855	52,741,464
Accumulated depreciation											
At 1 January 2010:											
As previously stated	-	-	-	2,260,866	530,870	1,067,163	304,765	1,386,273	548,373	-	6,098,310
Effects of adopting the amendments to FRS 117	-	7,013,499	1,173,690	-	-	-	-	-	-	-	8,187,189
As restated	-	7,013,499	1,173,690	2,260,866	530,870	1,067,163	304,765	1,386,273	548,373	-	14,285,499
Charge for the year	-	206,059	112,965	153,832	37,595	230,264	31,986	172,090	52,613	-	997,404
Reclassifications	-	-	-	-	256,754	(244,578)	(12,176)	-	-	-	-
Written back	-	-	-	(30,766)	(43,777)	(1,000)	(46,791)	(310,899)	(15,599)	-	(448,832)
At 31 December 2010	-	7,219,558	1,286,655	2,383,932	781,442	1,051,849	277,784	1,247,464	585,387	-	14,834,071
Net carrying amount											
At 31 December 2010	8,664,704	12,170,601	5,852,654	4,241,471	468,090	1,215,410	219,884	1,566,902	497,822	3,009,855	37,907,393



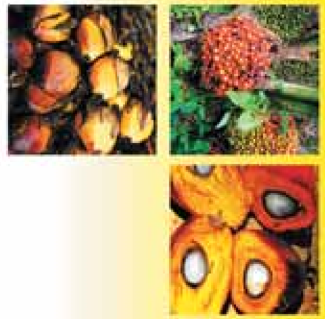
12. Property, plant and equipment (cont'd)

Group (cont'd)	**Freehold land RM**	**Long term leasehold land RM**	**Short term leasehold land RM**	**Buildings RM**	**Plant and machinery RM**	**Furniture and fittings RM**	**Office equipment RM**	**Motor vehicles RM**	**Electrical installation, road and drainage RM**	**Capital work-in-progress RM**	**Total RM**
At 31 December 2009											
Cost/Valuation											
At 1 January 2009:											
As previously stated	8,664,704	-	-	5,615,001	854,433	2,171,811	431,392	2,986,511	1,095,907	229,635	22,049,394
Effects of adopting the amendments to FRS 117	-	19,390,159	7,139,309	-	-	-	-	-	-	-	26,529,468
As restated	8,664,704	19,390,159	7,139,309	5,615,001	854,433	2,171,811	431,392	2,986,511	1,095,907	229,635	48,578,862
Additions	-	-	-	150,287	42,935	51,506	40,007	238,340	1,300	424,593	948,968
Disposals/Write off	-	-	-	-	-	-	-	(105,459)	-	-	(105,459)
Transfers	-	-	-	305,500	-	-	-	-	-	(305,500)	-
At 31 December 2009	8,664,704	19,390,159	7,139,309	6,070,788	897,368	2,223,317	471,399	3,119,392	1,097,207	348,728	49,422,371
Representing:											
At cost	5,760,751	19,390,159	7,139,309	5,934,892	897,368	2,223,317	471,399	3,119,392	1,097,207	348,728	46,382,522
At valuation	2,903,953	-	-	135,896	-	-	-	-	-	-	3,039,849
	8,664,704	19,390,159	7,139,309	6,070,788	897,368	2,223,317	471,399	3,119,392	1,097,207	348,728	49,422,371
Accumulated depreciation											
At 1 January 2009:											
As previously stated	-	-	-	2,119,230	497,201	865,303	274,630	1,257,844	495,083	-	5,509,291
Effects of adopting the amendments to FRS 117	-	6,805,337	1,060,726	-	-	-	-	-	-	-	7,866,063
As restated	-	6,805,337	1,060,726	2,119,230	497,201	865,303	274,630	1,257,844	495,083	-	13,375,354
Charge for the year	-	208,162	112,964	141,636	33,669	201,860	30,135	159,641	53,290	-	941,357
Written back	-	-	-	-	-	-	-	(31,212)	-	-	(31,212)
At 31 December 2009	-	7,013,499	1,173,690	2,260,866	530,870	1,067,163	304,765	1,386,273	548,373	-	14,285,499
Net carrying amount											
At 31 December 2009	8,664,704	12,376,660	5,965,619	3,809,922	366,498	1,156,154	166,634	1,733,119	548,834	348,728	35,136,872

12. Property, plant and equipment (cont'd)

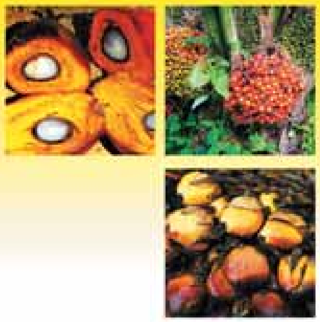
Company	Freehold land RM	Long term leasehold land RM	Buildings RM	Plant and machinery RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Electrical installation RM	Capital work-in-progress RM	Total RM
At 31 December 2010										
Cost/Valuation										
At 1 January 2010:										
As previously stated	3,006,617	-	4,237,717	134,535	2,083,491	447,919	1,039,528	181,826	119,996	11,251,629
Effects of adopting the amendments to FRS 117	-	388,220	-	-	-	-	-	-	-	388,220
As restated	3,006,617	388,220	4,237,717	134,535	2,083,491	447,919	1,039,528	181,826	119,996	11,639,849
Additions	-	-	10,500	32,160	59,474	33,064	-	-	608,140	743,338
Transfers	-	-	449,375	-	198,689	80,072	-	-	(728,136)	-
Disposals/Write off	-	-	(59,265)	-	(2,500)	(66,787)	(358,031)	(23,150)	-	(509,733)
At 31 December 2010	3,006,617	388,220	4,638,327	166,695	2,339,154	494,268	681,497	158,676	-	11,873,454
Representing:										
At cost	102,664	388,220	4,502,431	166,695	2,339,154	494,268	681,497	158,676	-	8,833,605
At valuation - 1976	2,903,953	-	135,896	-	-	-	-	-	-	3,039,849
	3,006,617	388,220	4,638,327	166,695	2,339,154	494,268	681,497	158,676	-	11,873,454
Accumulated depreciation										
At 1 January 2010	-	-	1,804,846	48,793	996,036	292,588	564,302	127,522	-	3,834,087
Charge for the year	-	-	107,439	7,252	217,665	31,986	51,690	6,387	-	422,419
Written back	-	-	(27,596)	-	(1,000)	(46,791)	(178,268)	(15,599)	-	(269,254)
At 31 December 2010	-	-	1,884,689	56,045	1,212,701	277,783	437,724	118,310	-	3,987,252
Net carrying amount										
At 31 December 2010	3,006,617	388,220	2,753,638	110,650	1,126,453	216,485	243,773	40,366	-	7,886,202





12. Property, plant and equipment (cont'd)

Company (cont'd)	**Freehold land RM**	**Long term leasehold land RM**	**Buildings RM**	**Plant and machinery RM**	**Furniture and fittings RM**	**Office equipment RM**	**Motor vehicles RM**	**Electrical installation, RM**	**Capital work-in-progress RM**	**Total RM**
At 31 December 2009										
Cost/Valuation										
At 1 January 2009:										
As previously stated	3,006,617	-	3,908,590	134,535	2,064,185	407,912	998,347	180,526	125,955	10,826,667
Effects of adopting the amendments to FRS 117	-	388,220	-	-	-	-	-	-	-	388,220
As restated	3,006,617	388,220	3,908,590	134,535	2,064,185	407,912	998,347	180,526	125,955	11,214,887
Additions	-	-	97,027	-	19,306	40,007	101,640	1,300	226,141	485,421
Transfers	-	-	232,100	-	-	-	-	-	(232,100)	-
Disposals	-	-	-	-	-	-	(60,459)	-	-	(60,459)
At 31 December 2009	3,006,617	388,220	4,237,717	134,535	2,083,491	447,919	1,039,528	181,826	119,996	11,639,849
Representing:										
At cost	102,664	388,220	4,101,821	134,535	2,083,491	447,919	1,039,528	181,826	119,996	8,600,000
At valuation - 1976	2,903,953	-	135,896	-	-	-	-	-	-	3,039,849
	3,006,617	388,220	4,237,717	134,535	2,083,491	447,919	1,039,528	181,826	119,996	11,639,849
Accumulated depreciation										
At 1 January 2009	-	-	1,706,887	42,066	802,069	264,101	537,556	120,001	-	3,472,680
Charge for the year	-	-	97,959	6,727	193,967	28,487	50,035	7,521	-	384,696
Written back	-	-	-	-	-	-	(23,289)	-	-	(23,289)
At 31 December 2009	-	-	1,804,846	48,793	996,036	292,588	564,302	127,522	-	3,834,087
Net carrying amount										
At 31 December 2009	3,006,617	388,220	2,432,871	85,742	1,087,455	155,331	475,226	54,304	119,996	7,805,762



12. Property, plant and equipment (cont'd)

Group and Company

Property, plant and equipment of the Group and of the Company shown at directors' valuation are based on fair market value expressed by independent licensed appraisers. As allowed by the transitional provisions of International Accounting Standard 16 (Revised), 'Property, Plant and Equipment', previously adopted by the MASB, these assets have continued to be stated on the basis of their valuations in 1976.

Information on the carrying amounts of the revalued assets that would have been included in these financial statements had these assets been carried at cost less accumulated depreciation is not available and therefore has not been disclosed as required by FRS 116 - Property, Plant and Equipment.

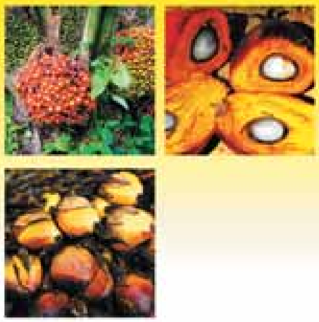
The Group's freehold and leasehold land and buildings with an aggregate carrying amount of RM16,741,096 (2009 - RM16,999,415) and the Company's freehold land and buildings with carrying amount of RM3,995,757 (2009 - RM4,020,836) are pledged to a licensed bank as securities for banking facilities granted to the Company. In addition, the Company's other property, plant and equipment with the aggregate net carrying amount of RM1,737,727 (2009 - RM1,978,054) are also pledged to a licensed bank as securities for certain banking facilities granted to the Company.

The carrying amounts of motor vehicles of the Group held under hire purchase arrangements are as follows:

	Group	
	2010 RM	2009 RM
Motor vehicles	1,039,598	1,044,110

13. Investment properties

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cost				
At 1 January	751,039	751,039	751,039	751,039
Additions	3,425,304	-	-	-
At 31 December	4,176,343	751,039	751,039	751,039
Accumulated depreciation				
At 1 January	105,146	90,125	105,146	90,125
Depreciation charge	15,021	15,021	15,021	15,021
At 31 December	120,167	105,146	120,167	105,146
Net carrying amount	4,056,176	645,893	630,872	645,893
Fair value	4,605,000	1,180,000	1,180,000	1,180,000



14. Land use rights

	Group 2010 RM	Group 2009 (restated) RM	Company 2010 RM	Company 2009 (restated) RM
Cost				
At 1 January	26,529,468	26,529,468	388,220	388,220
Effect of adopting the amendments to FRS 117	(26,529,468)	(26,529,468)	(388,220)	(388,220)
At 31 December	-	-	-	-
Accumulated amortisation				
At 1 January	8,187,189	7,866,063	-	-
Effect of adopting the amendments to FRS 117	(8,187,189)	(7,866,063)	-	-
At 31 December	-	-	-	-
Net carrying amount	-	-	-	-

In previous year, the Group's leasehold land with net carrying amount of RM7,012,960 was pledged as securities for banking facilities granted to the Company.

15. Biological assets

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Plantation development expenditure				
At 1 January and 31 December	16,535,556	16,535,556	3,565,843	3,565,843
Representing:				
At cost	7,191,913	7,191,913	3,565,843	3,565,843
At valuation				
- 1982	5,351,230	5,351,230	-	-
- 1988	3,992,413	3,992,413	-	-
	16,535,556	16,535,556	3,565,843	3,565,843

Plantation development expenditure shown at directors' valuation is based on the opinion of open market value expressed by independent licensed appraisers. Certain plantation development expenditure of the Group has not been revalued since it was revalued in 1982 and 1988. As allowed by the transitional provisions of International Accounting Standard 16 (Revised), 'Property, Plant and Equipment', this asset has continued to be stated on the basis of its valuation in the respective years.

Information on the carrying amount of the revalued asset that would has been included in these financial statements had this asset been carried at cost is not available and therefore has not been disclosed as required by FRS 116 - Property, Plant and Equipment.

The Group's and the Company's biological assets with carrying amount of RM10,817,808 and RM3,565,843 (2009 - RM10,817,808 and RM3,565,843) respectively are pledged as securities for banking facilities granted to the Company.



16. Investment in subsidiary companies

	Company 2010 RM	Company 2009 RM
At cost		
Unquoted investments	50,351,578	48,851,636

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

Direct subsidiary companies	**Group's effective equity interest 2010 %**	**Group's effective equity interest 2009 %**	**Principal activities**
Champion Point Sdn Bhd	95	95	Cultivation of oil palm and sale of fresh fruit bunches.
Majuperak Plantation Sdn Bhd	100	100	Cultivation of oil palm and sale of fresh fruit bunches.
Yew Lee Holdings Sdn Berhad	100	100	Cultivation of oil palm and sale of fresh fruit bunches.
Anson Oil Industries Berhad	98	98	Cultivation of oil palm and sale of fresh fruit bunches.
Ayu Gemilang Sdn Bhd	100	100	Investment holding.
Telok Anson Hotel Sdn Berhad	75	75	Property development.
Bisikan Gemilang Sdn Bhd	100	-	Investment holding.
Sharikat Muzwin Bersaudara Sdn Bhd [(1)]	99	99	Cultivation of oil palm and sale of fresh fruit bunches.
Hutan Melintang Plantations Sdn Berhad [(1)]	100	100	Cultivation of oil palm and sale of fresh fruit bunches.
Majuperak Sawit Sdn Bhd [(2)]	100	100	Dormant.

(1) through Yew Lee Holdings Sdn Berhad
(2) through Majuperak Plantation Sdn Bhd

Purchase of shares issued by an existing subsidiary company

During the year, the Company subscribed for an additional allotment of shares by an existing subsidiary comprising 49,998 ordinary shares of RM1 each for a total consideration of RM1,499,490.

16. Investment in subsidiary companies (cont'd)

Acquisition of a new subsidiary company

On 29 September 2010, the Company acquired the entire issued and paid up share capital of Bisikan Gemilang Sdn. Bhd. (BGSB), a company incorporated in Malaysia comprising 2 ordinary shares of RM1 each for a total consideration of RM2, resulting in BGSB becoming a wholly-owned subsidiary of the Company.The intended principal activity of BGSB is investment holding.

The fair values of the identifiable assets and liabilities of BGSB as at the date of acquisition were:

	Fair value/ Carrying amount RM
Cash and cash equivalents, representing net identified asset	2
Consideration settled in cash	(2)
Net cash outflow on acquisition	-

Impact of acquisition in Statement of comprehensive income

From the date of acquisition, BGSB has contributed a net loss of RM3,632 to the Group's profit net of tax.

17. Investment in associated companies

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
In Malaysia:				
Quoted shares at cost	133,980,632	129,387,698	97,857,231	93,264,297
Unquoted shares at cost	1,879,000	1,879,000	-	-
Share of post acquisition reserves	39,901,574	32,086,082	-	-
Negative goodwill recognised	14,178,666	7,944,849	-	-
	189,939,872	171,297,629	97,857,231	93,264,297
At market value				
Quoted shares in Malaysia	115,833,384	72,584,484	86,233,384	52,984,484

17. Investment in associated companies (cont'd)

The summarised financial information of the associates are as follows:

	2010 RM	2009 RM
Assets and liabilities		
Current assets	76,998,765	58,140,337
Non-current assets	430,758,590	417,503,456
Total assets	507,757,355	475,643,793
Current liabilities	31,017,417	24,910,006
Non-current liabilities	80,654,447	77,579,509
Total liabilities	111,671,864	102,489,515
Results		
Revenue	240,487,459	170,473,270
Profit for the year	28,559,936	19,932,719

The details of goodwill included within the Group's carrying amount of investment in associates are as follows:

	2010 RM	2009 RM
At 1 January and 31 December	45,069,902	45,069,902

Details of the associated companies incorporated in Malaysia, are as follows:

	Group's effective equity interest 2010 %	2009 %	Principal activities
Cepatwawasan Group Berhad	37.01	35.03	Investment holding, cultivation of oil palm and operation of oil mill and quarry.
Ladang Cepat-KPD Sdn Bhd (1)	20	20	Cultivation of oil palm and sale of fresh fruit bunches.

(1) through Ayu Gemilang Sdn Bhd

The financial statements of the above associated companies are coterminous with those of the Company.

17. Investment in associated companies (cont'd)

The directors are of the opinion that the investment in an associated company whose shares are quoted shall be held for the long term with no intention of disposal below cost and that the market value is not reflective of the associated company's net tangible assets or earnings potential. The directors are therefore of the opinion that there is no impairment in the value of the investment in the associated company as at 31 December 2010.

The goodwill is attributable to the acquisition of 32.02% equity interest in Cepatwawasan Group Berhad. The impairment test for goodwill relating to the recoverable amount of CGU was based on value-in-use calculations using cash flow projections based on financial budgets approved by management. Based on the impairment test, no impairment is required for goodwill attributed to Cepatwawasan Group Berhad.

18. Investment securities

	2010 RM		2009 RM	
	Carrying amount	Market value of quoted investments	Carrying amount *	Market value of quoted investments
Group				
Non-current				
Available-for-sale financial assets				
- Equity instruments (quoted in Malaysia)	265,864	265,864	173,994	200,890
- Equity instruments (unquoted), at cost	190,187	-	3,190,187	-
	456,051		3,364,181	
Company				
Non-current				
Available-for-sale financial assets				
- Equity instruments (quoted in Malaysia)	124,244	124,244	34,735	90,582
- Equity instruments (unquoted), at cost	188,000	-	188,000	-
	312,244		222,735	

* Prior to 1 January 2010, the non-current investments are stated at costs less accumulated impairment losses.

19. Receivables

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Current				
Trade receivables	1,424,452	975,135	558,783	396,047
Other receivables	51,212	118,492	42,125	34,729
Prepayments and deposits	2,691,135	607,192	104,871	252,651
Dividends receivable	608,250	608,250	-	-
Amounts owing by subsidiary companies	-	-	23,579,932	25,443,997
	4,775,049	2,309,069	24,285,711	26,127,424
Non-current				
Amounts owing by subsidiary companies	-	-	-	1,712,075
	4,775,049	2,309,069	24,285,711	27,839,499
Total trade and other receivables (current and non-current)	4,775,049	2,309,069	24,285,711	27,839,499
Less: Prepayments	(36,976)	(22,723)	(25,584)	(12,630)
	4,738,073	2,286,346	24,260,127	27,826,869
Cash and cash equivalent (Note 23)	7,820,896	8,536,419	4,405,594	3,679,023
Total loans and receivables	12,558,969	10,822,765	28,665,721	31,505,892

Trade receivables

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. In view of the aforementioned, there is no significant concentration of credit risk. Trade receivables are non-interest bearing. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

<u>Ageing analysis of trade receivables</u>

The ageing analysis of the trade receivables is as follows:

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Neither past due nor impaired	1,424,452	975,135	558,783	396,047

<u>Receivables that are neither past due nor impaired</u>

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. The Group's and the Company's trade receivables amounting to approximately RM700,000 (2009 - RMNil) and RM250,000 (2009 - RMNil) are secured by financial guarantees given by banks of the receivables. It is impracticable to estimate the fair values of the guarantees obtained.

19. Receivables (cont'd)

Receivables that are neither past due nor impaired (cont'd)

None of the trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Dividends receivable

These dividends are receivable from an investment in preference shares in a company where certain directors have significant financial interests.

Amounts owing by subsidiary companies

	Company 2010 RM	Company 2009 RM
Interest bearing advances	18,250,000	21,250,000
Non-interest bearing advances	5,329,932	5,906,072
	23,579,932	27,156,072

The amounts owing by subsidiary companies are unsecured and repayable on demand. The interest bearing advances bear interest at floating rates ranging between 4.20% to 4.30% (2009 - 3.39% to 3.49%) per annum.

20. Goodwill on consolidation

	Group 2010 RM	Group 2009 RM
At cost		
At 1 January and 31 December	16,929,220	16,929,220

Goodwill on consolidation is solely attributable to plantation segment.

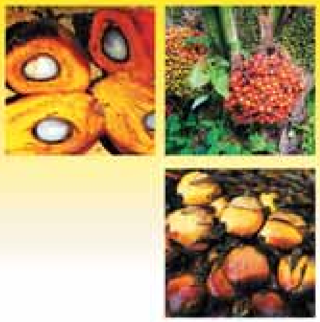
The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by the management covering a five-year period.

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

Budgeted gross margin - Gross margins are based on average values achieved in the three years preceding the start of the budget period.

Growth rates - The growth rates are based on the management's estimate of commodity prices and palm yields as well as cost of productions.

Pre-tax discount rates - Discount rates reflect the current market assessment of the risks specific to the CGUs. This is the benchmark used by the management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates for the CGUs, regard has been given to the yield on a ten-year government bond at the beginning of the budgeted year.



21. Inventories

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
At cost				
Nursery seedlings, stores and materials	455,289	740,863	240,640	158,833

22. Short term investments

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
AmIncome	1,658,403	2,415,735	-	-
AmCash Management	3,129,786	2,587,018	3,032,690	2,188,189
	4,788,189	5,002,753	3,032,690	2,188,189

Group and Company

(a) AmIncome

AmIncome is a short to medium-term money market fund that aims to provide investors with a stream of income. The withdrawal proceeds will be received in the following manner:

(i) the first RM2 million and below not later than the 7th day of receipt of repurchase notice; and

(ii) any amount above RM2 million withdrawn, not later than the 30th day of receipt of repurchase notice.

(b) AmCash Management

AmCash Management is a short term money market fund designed to provide investors with a stream of income. It is managed with the aim of maintaining the Fund's unit price at RM1. The redemption proceeds for investments in AmCash Management will normally be collected by the next business day.

23. Cash and cash equivalents

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Short term investments (Note 22)	4,788,189	5,002,753	3,032,690	2,188,189
Fixed deposits with licensed banks	455,978	1,649,293	300,978	294,293
Cash and bank balances	2,576,729	1,884,373	1,071,926	1,196,541
	7,820,896	8,536,419	4,405,594	3,679,023
Fixed deposits pledged	(420,978)	(414,293)	(300,978)	(294,293)
	7,399,918	8,122,126	4,104,616	3,384,730

23. Cash and cash equivalents (cont'd)

The fixed interest rates of fixed deposits and the floating interest rates of short term investments at the reporting date are as follows:

	Group		Company	
	2010	2009	2010	2009
	% per annum	% per annum	% per annum	% per annum
Short term investments	1.9 - 2.8	1.0 - 2.5	1.9	1.0
Fixed deposits with licensed banks	2.8	2.0	2.8	2.0

The maturities of deposits and short term investments as at the end of the financial year are as follows:

	Group		Company	
	2010	2009	2010	2009
	Days	Days	Days	Days
Short term investments	1 - 30	1 - 30	1	1
Fixed deposits with licensed banks	30 - 31	30 - 31	30 - 31	30 - 31

Group

Fixed deposits with licensed banks amounting to RM420,978 (2009 - RM414,293), in which fixed deposits amounting to RM300,978 (2009 - RM294,293) are registered in the name of certain directors and held in trust for the Company, are pledged as securities for bankers' guarantee facilities granted to the Group.

Company

Fixed deposits with a licensed bank amounting to RM300,978 (2009 - RM294,293) are registered in the name of two of the Company's directors and held in trust for the Company. They are pledged as security for bankers' guarantee facilities granted to the Company.

24. Share capital

	Group and Company			
	Number of ordinary shares of RM1 each		Amount	
	2010	2009	2010 RM	2009 RM
Authorised	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid	84,233,130	84,233,130	84,233,130	84,233,130

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

25. Reserves

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Distributable				
- Capital reserve	5,198,292	5,198,292	2,496,239	2,496,239
- Retained earnings	142,011,697	119,384,675	35,397,245	28,775,186
	147,209,989	124,582,967	37,893,484	31,271,425
Non-distributable				
- Capital reserve	5,736,883	5,736,883	-	-
- Revaluation reserve	557,113	557,113	-	-
- Share premium	8,212,680	8,212,680	8,212,680	8,212,680
- Fair value adjustment reserve	200,625	-	89,509	-
	14,707,301	14,506,676	8,302,189	8,212,680
	161,917,290	139,089,643	46,195,673	39,484,105

Capital reserve

The distributable capital reserve comprises mainly gains arising from disposal of property, plant and equipment and investments whereas the non-distributable capital reserve represents amount capitalised for bonus issue from post-acquisition reserve of a subsidiary company.

Distributable reserves

Prior to year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act, 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act, 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2010 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act, 2007.

As at 31 December 2010, the Company has a tax exempt account balance available for distribution of tax exempt dividends of approximately RM3,557,000 (2009 - RM3,557,000), subject to the agreement of the Inland Revenue Board.

The Company has sufficient credit in the 108 balance to pay dividends amounting to approximately RM922,000 (2009 - RM4,712,000) out of its distributable reserves as at 31 December 2010. The Company may distribute the balance of the distributable reserves of RM36,971,484 (2009 - RM26,559,425) as dividends under the single tier system.



25. Reserves (cont'd)

Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

Revaluation reserve

Revaluation reserve represents net surplus arising from the revaluation of the Company's and certain subsidiary companies' freehold land, long term and short term leasehold land, buildings and biological assets in 1976, 1982 and 1988 respectively.

On the subsequent sale or retirement of a revalued asset, the attributable surplus remaining in the revaluation reserve is transferred to distributable reserve.

Share premium

The share premium account may be applied in paying up unissued shares as fully paid bonus shares.

26. Hire purchase payables

	Group	
	2010	**2009**
	RM	**RM**
Future minimum hire purchase payments:		
- within one year	219,392	213,024
- within one to two years	142,974	213,024
- within two to three years	35,485	96,890
- within three to four years	-	7,822
	397,851	530,760
Finance charges on hire purchase	(23,393)	(33,312)
Present value of hire purchase liabilities	374,458	497,448
Analysis of present value of hire purchase liabilities:		
- within one year	216,856	194,012
- within one to two years	122,897	201,883
- within two to three years	34,705	93,827
- within three to four years	-	7,726
	374,458	497,448
Less: Amounts due within 12 months	(216,856)	(194,012)
Amounts due after 12 months	157,602	303,436

The hire purchase payables bear effective fixed interest rates ranging from 2.20% to 3.00% (2009 - 2.20% to 3.00%) per annum.



27. Borrowings

	Group and Company 2010 RM	Group and Company 2009 RM
Short term borrowings		
Secured:		
Term loan	2,200,000	2,200,000
Short term revolving credit	8,000,000	5,600,000
	10,200,000	7,800,000
Long term borrowings		
Secured:		
Term loan	15,050,000	17,250,000
Total borrowings		
Secured:		
Term loan	17,250,000	19,450,000
Short term revolving credit	8,000,000	5,600,000
	25,250,000	25,050,000

	Group and Company 2010 RM	Group and Company 2009 RM
Maturity of borrowings:		
Within one year	10,200,000	7,800,000
More than 1 year and less than 2 years	2,200,000	2,200,000
More than 2 years and less than 3 years	2,200,000	2,200,000
More than 3 years and less than 4 years	2,200,000	2,200,000
More than 4 years and less than 5 years	2,200,000	2,200,000
5 years and more	6,250,000	8,450,000
	25,250,000	25,050,000

The revolving credit is repayable upon demand and subject to periodic review.

The weighted average floating interest rates per annum as at the reporting date for borrowings were as follows:

	Group and Company 2010 %	Group and Company 2009 %
Term loan	4.20	3.39
Short term revolving credit	4.30	3.49

The revolving credit and term loan facilities are secured by way of legal charges over the freehold land, long term leasehold land, buildings and biological assets of the Company.



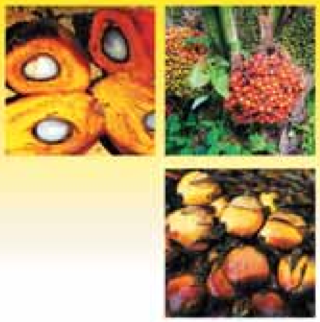
28. Deferred tax liabilities

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
At 1 January	2,918,962	2,963,387	387,502	402,430
Recognised in the profit or loss (Note 9)	152,994	(44,425)	3,716	(14,928)
At 31 December	3,071,956	2,918,962	391,218	387,502
Presented after appropriate offsetting as follows:				
Deferred tax assets	-	(142,972)	-	-
Deferred tax liabilities	3,071,956	3,061,934	391,218	387,502
	3,071,956	2,918,962	391,218	387,502

The components and movements of deferred tax (assets)/liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Property, plant and equipment RM	Biological assets RM	Revaluation of leasehold land and buildings RM	Total RM
At 1 January 2009	623,029	1,435,271	1,042,341	3,100,641
Recognised in the profit or loss	9,781	-	(48,488)	(38,707)
At 31 December 2009	632,810	1,435,271	993,853	3,061,934
Recognised in the profit or loss	58,584	-	(48,562)	10,022
At 31 December 2010	691,394	1,435,271	945,291	3,071,956



28. Deferred tax liabilities (cont'd)

Deferred tax assets of the Group:

	Unabsorbed business losses RM	Unabsorbed capital and agriculture allowances RM	Total RM
At 1 January 2009	(76,385)	(60,869)	(137,254)
Recognised in the profit or loss	(8,801)	3,083	(5,718)
At 31 December 2009	(85,186)	(57,786)	(142,972)
Recognised in the profit or loss	85,186	57,786	142,972
At 31 December 2010	-	-	-

Deferred tax liabilities of the Company:

	Property, plant and equipment RM	Biological assets RM	Revaluation of leasehold land and buildings RM	Total RM
At 1 January 2009	246,200	140,054	16,176	402,430
Recognised in the profit or loss	(14,928)	-	-	(14,928)
At 31 December 2009	231,272	140,054	16,176	387,502
Recognised in the profit or loss	3,716	-	-	3,716
At 31 December 2010	234,988	140,054	16,176	391,218

29. Payables

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Other payables	889,607	776,883	163,034	205,348
Accruals and deposits	967,664	725,409	541,444	526,280
Amounts owing to subsidiary companies	-	-	32,524,181	35,984,196
	1,857,271	1,502,292	33,228,659	36,715,824
Total other payables	1,857,271	1,502,292	33,228,659	36,715,824
Hire purchase payables (Note 26)	374,458	497,448	-	-
Loan and borrowings (Note 27)	25,250,000	25,050,000	25,250,000	25,050,000
Total financial liabilities carried at amortised cost	27,481,729	27,049,740	58,478,659	61,765,824

Other payables are non-interest bearing. The normal trade credit terms granted to the Group range from 30 days to 90 days.

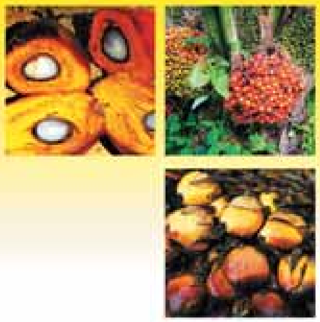
Company

The amounts owing to subsidiary companies are unsecured, non-interest bearing and are repayable on demand.

30. Employee information

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Staff costs (including Directors)				
Salaries, wages, bonus, overtime, allowances, annual leave pay and other related expenses	3,906,459	3,924,427	1,769,352	1,675,808
Employees Provident Fund contributions	326,796	273,727	153,963	133,762
	4,233,255	4,198,154	1,923,315	1,809,570

Included in staff costs of the Group and of the Company are directors' remuneration amounting to RM1,308,220 (2009 - RM1,265,900) and RM703,420 (2009 - RM681,260) respectively as further disclosed in Note 31.



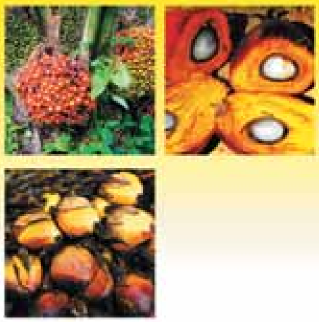
31. Directors' emoluments

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Executive:				
Salaries and other emoluments	1,080,620	1,044,620	540,620	522,620
Employees Provident Fund contributions	129,600	125,280	64,800	62,640
Total executive directors' remuneration	1,210,220	1,169,900	605,420	585,260
Non-Executive:				
Allowance	98,000	96,000	98,000	96,000
Total directors' remuneration	1,308,220	1,265,900	703,420	681,260
Directors of the subsidiary companies				
Executive:				
Salaries and other emoluments	540,000	522,000	-	-
Employees Provident Fund contributions	32,400	31,320	-	-
Total executive directors' remuneration	572,400	553,320	-	-
Non-executive:				
Allowance	12,000	7,000	-	-
Total directors' remuneration	584,400	560,320	-	-

The number of directors of the Company whose total remuneration during the financial year fall within the following bands are as follows:

Number of directors

	2010	2009
Executive directors:		
RM550,001 – RM600,000	-	2
RM600,001 – RM650,000	2	-
Non-executive directors:		
Below RM50,000	3	3



32. Segment information

Segment information is not presented as the Group operates solely in Malaysia and the combined revenues, operating results and assets employed of business segments other than the plantation segment represents less than 10% of the Group's revenues, operating results and assets employed respectively.

33. Related party disclosures

(a) Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Subsidiaries:				
Interest receivable on advances	-	-	761,217	782,060
Purchase of a motor vehicle	-	-	-	35,000
Rental of equipments	-	-	35,623	32,346
Non-group enterprise:				
Dividend receivable	-	225,000	-	225,000
Rental of premises	48,000	48,000	48,000	48,000
Purchase of industrial lands	-	3,330,000	-	-

Non-group enterprise is considered to be related where the directors have control over the financial and operating decisions of the enterprise or where the directors have significant financial interest.

Information regarding outstanding balances arising from related party transactions as at 31 December 2010 are disclosed in the respective notes to the financial statements.

(b) Compensation of key management personnel

The remuneration of the directors, being the key management personnel of the Group and of the Company, are disclosed in Note 31 to the financial statements and the Corporate Governance Statement.

34. Capital commitments

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Property, plant and equipment				
- Approved and contracted for	10,091,793	3,622,904	-	625,904

35. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Management. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

The Group's and the Company's credit risk is primarily attributable to trade receivables. For other financial assets (including investment securities, cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an going basis and the Group's exposure to bad debts is very minimal. The Group usually trades only with recognised and creditworthy customers in which there is no requirement for collateral. For new customers, the Group will request financial guarantees from them.

Exposure to credit risk

At the end of the reporting date, the maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. The entire portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered with reputable financial institutions or companies with high credit ratings and no history of default.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

35. Financial risk management objectives and policies (cont'd)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company have no significant interest-bearing financial assets, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short term in nature.

The Group's and the Company's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group and the Company to cash flow interest rate risk. The Group and the Company manage its interest rate exposure by minimize its borrowings.

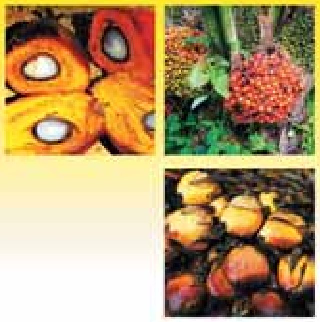
The interest rates as at the reporting date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk have been disclosed in Notes 19, 23 and 27 to the financial statements.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the impact is immaterial to the Group's and the Company's profit net of tax.

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities. The Group and the Company actively manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.



35. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2010			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
Financial liabilities:				
Borrowings	10,200,000	8,800,000	6,250,000	25,250,000
Hire purchase payables	216,856	157,602	-	374,458
Payables	1,857,271	-	-	1,857,271
Total undiscounted financial liabilities	12,274,127	8,957,602	6,250,000	27,481,729
Company				
Financial liabilities:				
Borrowings	10,200,000	8,800,000	6,250,000	25,250,000
Payables	704,478	-	-	704,478
Total undiscounted financial liabilities	10,904,478	8,800,000	6,250,000	25,954,478

(d) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest).

The Group and the Company are exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia and classified as available-for-sale financial assets.



35. Financial risk management objectives and policies (cont'd)

(d) Market price risk (cont'd)

Sensitivity analysis for equity price risk

At the reporting date, the impact of changes in 5% on the FTSE Bursa Malaysia KLCI, with all other variables constant, is immaterial to the Group's and the Company's profit net of tax and equity.

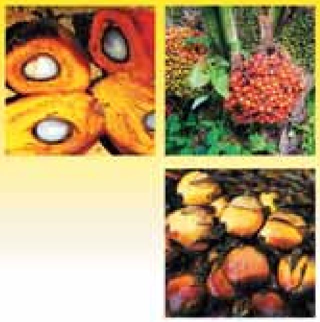
36. Fair value of financial instruments

(A) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	2010		2009	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Financial assets:				
Investment securities (non-current)				
- Unquoted investment (Note 18)	190,187	*	3,190,187	*
Company				
Financial assets:				
- Unquoted investment at cost (Note 18)	188,000	*	188,000	*

* Investment in equity investment carried at cost (Note 18)

Fair value information has not been disclosed for the Group's and the Company's investments in equity instruments that are carried at cost because fair value cannot be measured reliably. These equity instruments are not quoted on any market and does not have any comparable industry peer that is listed. The Group and the Company do not intend to dispose of these investments in the foreseeable future.



36. Fair value of financial instruments (cont'd)

(B) Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Receivables	19
Hire purchase payables	26
Borrowings	27
Payables	29

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amount of hire purchase payables are reasonable approximations of fair values due to the insignificant impact of discounting.

Quoted equity instruments

The fair value of quoted shares is determined directly by reference to their published market bid price at the reporting date.

37. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

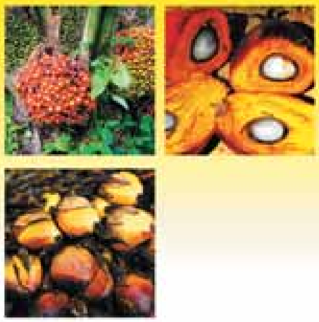
The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2010 and 31 December 2009.

38. Event occurring after the reporting date

On 9 February 2011, the Company acquired the entire issued and paid up share capital of Citarasa Lestari Sdn. Bhd. (CLSB), an unlisted company incorporated in Malaysia, comprising 2 ordinary shares of RM1 each for a total consideration of RM2, resulting in CLSB becoming a wholly-owned subsidiary of the Company. The intended principal activity of CLSB is investment holding.

39. Authorisation of financial statements for issue

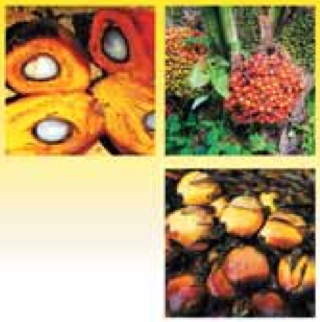
The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on 11 March 2011.



40. Supplementary information – breakdown of retained profits into realised and unrealised

The breakdown of the retained profits of the Group and of the Company as at 31 December 2010 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared 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.

	Group 2010 RM	Company 2010 RM
Total retained profits/(accumulated losses) of the Company and its subsidiary companies		
- Realised	96,969,560	35,788,463
- Unrealised	(3,071,956)	(391,218)
	93,897,604	35,397,245
Total retained profits/(accumulated losses) from associated companies		
- Realised	75,408,215	-
- Unrealised	(16,835,297)	-
	58,572,918	-
Less: Consolidation adjustments	(10,458,825)	-
Total group retained profits as per audited financial statements	142,011,697	35,392,245



Statement of Shareholdings
as at 31 March 2011

Authorised Capital	:	RM100,000,000.00
Issued and Fully Paid-up Capital	:	RM84,233,130.00
Class of Shares	:	Ordinary shares of RM1.00 each fully paid
Voting Rights	:	One vote per RM1.00 share

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Holders	% of Holders	No. of RM1.00 Shares	% of Issued Capital
Less than 100	456	12.74	12,044	0.01
100 – 1,000	342	9.56	237,802	0.28
1,001 – 10,000	2,237	62.52	8,716,218	10.35
10,001 – 100,000	504	14.09	15,440,921	18.33
100,001 – 4,211,655 (*)	38	1.06	21,603,163	25.65
4,211,656 and above (**)	1	0.03	38,222,982	45.38
TOTAL	3,578	100.00	84,233,130	100.00

Note: * - Less than 5% of issued holdings
** - 5% and above of issued holdings

THIRTY LARGEST REGISTERED HOLDERS AS AT 31.03.2011

	Name of Holder	Holdings	% of Issued Capital
1.	Dato Mah Pooi Soo Realty Sdn. Bhd.	38,222,982	45.38
2.	Tan Lai Kim (Holdings) Sdn. Bhd.	3,254,278	3.86
3.	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for Credit Suisse (SG BR-TST-Asing)	2,666,400	3.17
4.	Juwitawan Sdn. Bhd.	2,428,374	2.88
5.	Reg. Board of T'Tees of Dato Mah Pooi Soo Benelovent Fund	1,760,600	2.09
6.	Menjelang Citarasa Sdn. Bhd.	1,500,000	1.78
7.	Datin Seri Ooi Ah Thin	1,475,204	1.75
8.	Tan Lai Kim (Holdings) Sdn. Bhd.	957,695	1.14
9.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yap Qwee Beng	928,300	1.10
10.	Syarikat Majuperak Berhad	708,800	0.84
11.	Juwitawan Sdn. Bhd.	698,400	0.83
12.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chin Kiam Hsung	437,500	0.52
13.	HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Leou Thiam Lai	359,924	0.43
14.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Tang King Hua	350,100	0.42
15.	Tan Sri Dato Dr. Tan Lai Kim	300,000	0.35
16.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chuah Chaw Song	300,000	0.35
17.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mah Siew Seong	285,084	0.33



Statement of Shareholdings
as at 31 March 2011 (cont'd)

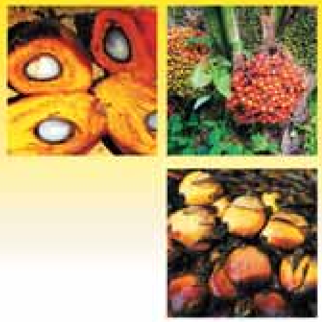
THIRTY LARGEST REGISTERED HOLDERS AS AT 31.03.2011 (cont'd)

	Name of Holder	Holdings	% of Issued Capital
18.	Yeoh Kim Leng	220,000	0.26
19.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Heng Chew	200,000	0.24
20.	Vensta Co Sdn. Bhd.	196,480	0.23
21.	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Gim Leong	183,400	0.22
22.	Dato' Teo Soo Cheng	175,300	0.21
23.	Ken Fruits Sdn. Bhd.	174,840	0.21
24.	Low Koon Teng	166,000	0.20
25.	MKW Jaya Sdn. Bhd.	150,000	0.18
26.	Tan Kow Choon @ Tang Ah Chong	150,000	0.18
27.	Dato' Mah King Seng	145,264	0.17
28.	Cheah Yaw Song	143,200	0.17
29.	Adam Iskandar Chong Bin Abdullah	140,100	0.17
30.	Cheah Khee Lin	134,000	0.16
	TOTAL	58,812,225	69.82

SUBSTANTIAL SHAREHOLDERS AS AT 31.03.2011

According to the Register of Substantial Shareholders required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders of the Company:

Name of Substantial Shareholder	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
Dato Mah Pooi Soo Realty Sdn. Bhd.	38,222,982	45.38	-	-	38,222,982	45.38
Dato' Mah King Seng	145,364	0.17	39,722,982	47.16	39,868,346	47.33
Dato' Mah King Thian	39,964	0.05	39,722,982	47.16	39,762,946	47.21
Datin Seri Ooi Ah Thin	1,475,204	1.75	39,908,310	47.38	41,383,514	49.13
Tan Lai Kim (Holdings) Sdn. Bhd.	4,211,973	5.00	-	-	4,211,973	5.00



DIRECTORS' INTEREST AS AT 31.03.2011

According to the Register of Directors' Shareholdings required to be kept under Section 134 of the Companies Act, 1965 the Directors' interests in the ordinary share capital of RM1/- each of the Company and its subsidiary companies are as follows:

MHC PLANTATIONS BHD.

Name of Director	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
Dato' Mah King Seng	145,364	0.17	39,722,982	47.16	39,868,346	47.33
Dato' Mah King Thian	39,964	0.05	39,722,982	47.16	39,762,946	47.21
Chan Kam Leong	-	-	110,000	0.13	110,000	0.13
Wan Salmah Binti Wan Abdullah	-	-	-	-	-	-
Heng Beng Fatt	-	-	-	-	-	-

Subsidiary company
CHAMPION POINT SDN. BHD.

Name of Director	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
Dato' Mah King Seng	-	-	1,999,998	100.00	1,999,998	100.00
Dato' Mah King Thian	1	0.00	1,999,998	100.00	1,999,999	100.00

By virtue of their interests in the Company, Dato' Mah King Seng and Dato' Mah King Thian are deemed to have interests in shares in the subsidiary companies to the extent that the Company has an interest.

None of the other Directors had any interest in shares in the Company's related corporations.

MHC Plantations Bhd 4060-V
(Incorporated in Malaysia)

Form of Proxy

I/We, ____

of ____

being a member of MHC Plantations Bhd. hereby appoint ______________________________

______________________________ of ______________________________ or

failing him, ______________________________ of ______________________________

______________________________ or failing him, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Fifty-First Annual General Meeting of the Company, to be held on Thursday, 12 May 2011 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Resolution No.	Ordinary Business	For	Against
1	Declaration of a Final Dividend		
2	Re-election of Directors: Dato' Mah King Seng		
	Heng Beng Fatt		
3	Appointment of Auditors and their remuneration		
4	**Special Business** Ordinary Resolution - Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965		

Please indicate with (✔) how you wish your vote to be cast.

No. of shares held	
CDS A/C No.	

Date: ______________________________

Signature of Shareholder

NOTES:

A member entitled to attend and vote at the Meeting is not entitled to appoint more than two proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company. The instrument appointing a proxy must be deposited with the Company Secretaries, 55 Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan not less than forty-eight (48) hours before the time for holding the Meeting.

Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

If this Form is signed and returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.

In the case of a corporation, the proxy must be executed under its Common Seal, or under the hand of a duly authorised officer.

2nd fold here

60 SEN STAMP
(within Malaysia)

The Secretary

MHC Plantations Bhd 4060-V

NO. 55 MEDAN IPOH 1A,
MEDAN IPOH BISTARI,
31400 IPOH, PERAK DARUL RIDZUAN,
MALAYSIA.

1st fold here

MHC Plantations Bhd 4060-V
(Incorporated in Malaysia)

Kompleks Pejabat Behrang 2020, Jalan Persekutuan 1, 35900 Tanjung Malim, Perak Darul Ridzuan.
Tel: 05-4590001 • Fax: 05-4590003