HIDONG
ESTATE PLC

(990786-V)

Annual Report 1999

Contents

Hidong Estate PLC
(Incorporated in England)

Notice of meeting

NOTICE IS HEREBY GIVEN that the SEVENTY-SIXTH ANNUAL GENERAL MEETING of the Company will be held at the head office of the Company, Standard Chartered Bank Chambers, Beach Street, 10300 Penang, Malaysia on 26th October, 1999 at 12.00 noon for the following purposes:-

1. To receive and consider the accounts and the reports of the directors and auditors thereon for the year ended 31st March, 1999.

2. To re-elect a director.

3. To appoint the auditors and to authorise the directors to fix their remuneration.

   Notice of nomination pursuant to Sections 379 and 391A, Companies Act 1985, a copy of which has been received by the Company for the nomination of Messrs. KPMG Audit Plc who have given their consent to act, as Auditors of the Company and of the intention to propose the following

   Ordinary Resolution:-

   "That KPMG Audit Plc be and is hereby appointed auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company, and that their remuneration be fixed by the Directors."

By order of the Board,

PLANTATION AGENCIES SDN. BERHAD.
Secretaries

Penang
2nd October, 1999

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed for your completion and return.

2. A statement of all transactions of each director and, where applicable, of his family in the share capital of the Company will be available at the head office of the Company on any weekday during normal business hours from the date of this notice until the conclusion of the annual general meeting. There are no service contracts in existence with the directors.

Corporate information

DIRECTORS

Chew Sing Guan (Chairman)
A director and chairman of the Company since 1983. A non-executive director of the secretaries, Plantation Agencies Sdn. Berhad. Age 49.

Zambri bin Haji Mahmud
A director of the Company since 1986. A director of several companies involved in palm oil milling. Age 60.

HEAD OFFICE, SECRETARIES, MANAGING AGENTS AND MALAYSIAN REGISTRARS

Plantation Agencies Sdn. Berhad
Standard Chartered Bank Chambers
Beach Street
P.O. Box 706
10790 Penang, Malaysia

ESTATE

Kuala Hidong Estate
18000 Kuala Krai
Kelantan, Malaysia

REGISTERED OFFICE

Balfour House
390/398 High Road
Ilford, Essex IG1 1NQ

U.K. REGISTRARS

Independent Registrars Group
Balfour House
390/398 High Road
Ilford, Essex IG1 1NQ

AUDITORS

KPMG Audit Plc
P. O. Box 695
8 Salisbury Square
London EC4Y 8BB

LISTING

London Stock Exchange

Chairman's statement

The Company posted a profit after tax of RM295,088 compared to a profit of RM69,111(restated) in the previous year. The higher profit was attributed to the increase in production of rubber and oil palm fresh fruit bunches (FFB) crop and high FFB selling price.

The Company has changed its accounting policy for service gratuity benefits and the effect of the change is set out in note 6 to the accounts.

No dividend is proposed for the year under review.

Production of rubber for the year increased to 394,200 kgs from 352,600 kgs in the previous year. However, production cost was reduced by 4.50% to 212 sen per kg from 222 sen per kg in the previous year, while the average selling price was reduced by 2.86% from 245 sen per kg to 238 sen per kg.

FFB for the year was higher at 2,177 tonnes as compared to 2,023 tonnes in the previous year. Average selling price per tonne increased by 45.10% to RM415 from RM286 the year before. Cost of production per tonne, however, increased by 6.25% from RM176 to RM187 this year.

In spite of the increase in replanting expenditure and the lower average selling price of rubber during the year, the excellent selling price of FFB against only a marginal increase in its cost of production has brought about a substantially higher profit for the year.

I wish to place on record the Board's appreciation of the hard work and dedication contributed by the management and staff during the year.

CHEW SING GUAN
Chairman

Penang,
30th September, 1999

Report of the directors

The directors present their seventy-sixth report together with the Company's accounts for the year ended 31st March, 1999.

PRINCIPAL ACTIVITIES AND REVIEW OF DEVELOPMENT OF BUSINESS:
The principal activities of the Company are the production of natural rubber and oil palm fresh fruit bunches (FFB) in Malaysia. There were no direct export from the United Kingdom. A review of the development of the Company's business is contained in the Chairman's statement on page 3.

RESULTS AND DIVIDEND:
The Company made a profit after taxation of RM295,088 for the year compared with a profit of RM69,111 (restated) in the previous year. No dividend is proposed (1998:RM Nil).

LAND AND PLANTATIONS:
Details of the Company's land and plantations are set out in note 7 to the accounts.

DIRECTORATE:
The names of the directors who held office during the year together with brief biographical details are shown on page 2. In accordance with the Company's Articles of Association, Mr. Chew Sing Guan will retire by rotation at the forthcoming annual general meeting and, being eligible, offers himself for re-election.

The directors do not have a service contract with the Company. Mr. Chew Sing Guan is a non-executive director of Plantation Agencies Sdn. Berhad who acts as the secretary and an agent to the Company in Malaysia.

DIRECTORS' INTEREST:
The directors who held office at end of the financial year had the following interests in the ordinary shares of the Company.

	Number of Ordinary Shares of 10p each			
	At 31st March, 1999		At 31st March,1998	
	Beneficially Owned	Non-Beneficially Owned	Beneficially Owned	Non-Beneficially Owned
Chew Sing Guan	Nil	800,986	Nil	800,986
Zambri bin Haji Mahmud	Nil	1,000	Nil	1,000

The Company has not received notification of any change in the above shareholdings between 1st April, 1999 and the date of this report.

No directors had any interest either during or at the end of the year in any material contract or arrangement with the Company except as disclosed in note 18 to the accounts.

SUBSTANTIAL SHAREHOLDINGS:
At the date of this report, substantial interests in the share capital of the Company, notified to the Company, were as follows:-

	No. of Ordinary Shares of 10p each	%
Malayan Securities Trust Sdn. Berhad	796,986	46.52
Nutraco Nominees Ltd.	160,997	9.40
Flairshare Limited	132,000	7.70
The Temerloh Rubber Estates Berhad	88,442	5.16
State Street Nominees Ltd. JD38 ACCT	84,809	4.95
The Exors of John Robert Horrocks Dec'd	70,000	4.09

Mr Chew Sing Guan has notified an interest in the shares held by Malayan Securities Trust Sdn. Berhad by reason of his shareholding in Erat Dinar Sdn. Berhad. of which Malayan Securities Trust Sdn. Berhad is a subsidiary. The directors are not aware of any other beneficial holding of 3% or more in the share capital of the Company.

PAYMENT TO SUPPLIERS:
The Company's policy, in relation to all of its suppliers, is to settle the terms of payment when agreeing the terms of the transaction and to abide by those terms (provided that it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions). The Company does not follow any code or standard on payment practice.

The number of days' purchase outstanding for payment by the Company at the year end was 79 days (1998: 79 days).

TAXATION:
The Company is tax resident in Malaysia.

CORPORATE GOVERNANCE:
Mission
The Board of Directors of Hidong Estate PLC carries out its duties in a manner that will safeguard the shareholders' interests at all times. The Board is responsible for ensuring sound management of the Company and effective implementation and execution of its policies, decisions and business strategies towards maintaining a successful continuity of the business and at the same time aiming to improve shareholders' wealth.

While striving to achieve the Company's objectives, the Board also looks into its obligations to the stakeholders and the community at large as a responsible corporate citizen.

Combined Code
The Board, having carefully considered the Code Provisions set out in Section 1 of the Combined Code which became effective for accounting periods ending on or after 31st December, 1998, concludes that a number of changes in the Company's corporate governance procedures will have additional benefits. In particular, a number of decisions and informal procedures undertaken by the Board in the past considered to be effective in relation to the size of the Company and of the Board will be reviewed and formalised.

The Board has taken appropriate steps to formalise the adoption of a Schedule of Matters specifically reserved to it for collective decision. Formal procedures will also be in place for the directors to take independent professional advice, including access to the services of the Company Secretary, in the furtherance of their duties at the Company's expense.

The Board acknowledges the usefulness of non-executive directors and will therefore look into their appointments probably before the end of the next financial year. The appointment of an Audit Committee will be possible then. The Board will ensure that newly appointed directors go through an induction programme to allow them to make an effective contribution to the Board's work as quickly as possible. It is the Board's view that the enlarged Board will be appropriate for a company of this size and it is not deemed necessary to appoint a senior non-executive director or to form a Nomination Committee.

The Memorandum and Articles of Association of the Company require the directors to retire by rotation at the Annual General Meeting and the retiring director shall be eligible for re-election. The Board has always complied with this requirement and ensure that re-election is not automatic.

The directors received only a nominal fee for their services and there is no intention to change the way they are remunerated. Accordingly, the formation of a Remuneration Committee is not deemed to be necessary.

The Board is also of the view that it is not deemed necessary to separate the posts of chairman and chief executive officer. The Board is assisted by a professional estate management agent ('Managing Agents') who reports periodically to it. Important business matters are submitted to the Board for decision.

The Board will continue to have regular informal discussions about the Company's affairs but all important business decisions will be formally discussed and documented. The Board will hold periodic board meetings to formally approve the monthly estate financial reports and reports on field conditions submitted by the Managing Agents. The Board also makes enquiries from time to time of the Managing Agents to satisfy themselves that the estate is properly managed according to the agency agreement.

Managing Agents and internal controls

The Board is responsible for maintaining a comprehensive system of internal financial controls, which is designed to provide reasonable, but not absolute, assurance

- as to the reliability and integrity of the accounts;
- that assets are safeguarded and only authorised transactions are entered into; and
- that fraud and other irregularities are prevented and detected.

The day-to-day operation of the system of internal financial controls is delegated to the Managing Agents. The system includes physical controls; procedures for the segregation of duties; credit, trading and other authorisation limits; extensive financial and operating policies and a comprehensive financial reporting and planning system. It is documented through Managing Agents' and Company's policies and procedures that are communicated to employees. In devising internal financial controls, the Company has regard to the materiality of the risk, the likelihood of it crystallising and the costs of controls. It is, however, possible for internal financial controls to be circumvented or overridden.

The Managing Agents manage the Company's oil palm and rubber estates as well as market the oil palm fruits and rubber produce. Yearly forecasts and budgets are submitted by the Managing Agents for Board approval. The Board reviews the effectiveness of the operational and financial systems applied by the Managing Agents through the monthly estate financial reports and reports on field conditions submitted to it by the Managing Agents.

As permitted by the London Stock Exchange, the Company has complied with Code provision D.2.1 on internal control by reporting on internal financial control in accordance with the guidance for directors on internal control and financial reporting that was issued in December 1994.

Relations with shareholders
The forthcoming Annual General Meeting of the Company will be conducted, where applicable, in compliance with the provisions of paragraph C.2 of the Combined Code.

Going concern
Having undertaken all the appropriate procedures and assessing the performance and results, there is reasonable expectation that the Company will continue in operational existence for the foreseeable future and the Board has therefore continued to adopt the going concern basis in preparing the financial statements.

YEAR 2000 COMPLIANCE:
The Company's accounting, operations and reporting systems are still manual-based though efforts to computerise the accounting system are still underway. However, completion is expected to be in the second quarter of next year.

AUDITORS:
Ernst & Young resigned as auditors during the year. KPMG Audit Plc were appointed by the Board on 8th September, 1999 and they have expressed their willingness to continue in office. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc is to be proposed at the forthcoming annual general meeting.

By order of the Board,

PLANTATION AGENCIES SDN. BERHAD.
Secretaries

Penang
30th September, 1999

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and prevent and detect fraud and other irregularities.

Report of the auditors to the members of Hidong Estate Plc

We have audited the accounts set out on pages 10 to 20.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the Annual Report, including as described on page 8 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, the Listing Rules of the London Stock Exchange, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions with the company is not disclosed.

We review whether the statement on pages 5 to 7 reflects the company's compliance with those provisions of the Combined Code specified for our review by the Stock Exchange, and we report if it does not. We are not required to form an opinion on the effectiveness of the company's corporate governance procedures or its internal controls.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall presentation of information in the financial statements.

Opinion
In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31st March, 1999 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

London
30th September, 1999

Profit and loss account for the year ended 31st March, 1999

	Note	Continuing Operations 1999 RM	1998(restated) RM
Turnover	2	1,834,776	1,388,567
Cost of sales - including replanting expenditure of RM273,064 (1998: RM198,181)		(1,445,567)	(1,233,176)
Gross profit		389,209	155,391
Distribution costs		(69,452)	(55,706)
Administrative expenses		(68,075)	(62,505)
		251,682	37,180
Other income		507	-
Operating profit		252,189	37,180
Loss on disposal of tangible fixed assets		(208)	(612)
Interest receivable on short term deposits		59,255	55,558
Profit on ordinary activities before taxation	3	311,236	92,126
Tax on profit on ordinary activities	4	(16,148)	(23,015)
RETAINED PROFIT FOR THE YEAR	13	295,088	69,111
Earnings per 10p share	5	17.22sen	4.03sen

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES		**1999 RM**	**1998(restated) RM**
Profit for the financial year		295,088	69,111
Total recognised gains and losses relating to the year		295,088	69,111
Prior year adjustment	6	(159,240)	
Total gains and losses recognised since last annual report		135,848	

The notes on pages 13 to 20 form part of these accounts

Balance Sheet as at 31st March, 1999

	Note	1999 RM	1998(restated) RM
FIXED ASSETS			
Tangible assets	7	6,587,572	6,586,637
CURRENT ASSETS			
Stocks	8	119,914	111,992
Debtors	9	276,712	297,020
Cash at bank and in hand		838,943	643,075
		1,235,569	1,052,087
CREDITORS: amounts falling due within one year	10	(206,084)	(309,953)
NET CURRENT ASSETS		1,029,485	742,134
TOTAL ASSETS LESS CURRENT LIABILITIES		7,617,057	7,328,771
PROVISION FOR LIABILITIES AND CHARGES	11	(189,438)	(196,240)
NET ASSETS		7,427,619	7,132,531
CAPITAL AND RESERVES			
Called up share capital	12	1,067,846	1,067,846
Revaluation reserve	13	4,948,548	4,948,548
Profit and loss account	13	1,411,225	1,116,137
TOTAL EQUITY SHAREHOLDERS' FUNDS	13	7,427,619	7,132,531

These financial statements were approved by the Board of Directors on 30th September, 1999

CHEW SING GUAN)
) Directors
)
ZAMBRI BIN HAJI MAHMUD)

The notes on pages 13 to 20 form part of these accounts

Cash flow statement for the year ended 31st March, 1999

	Note	1999 RM	1998(restated) RM
NET CASH INFLOW FROM OPERATING ACTIVITIES	14	254,945	70,187
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		59,255	55,558
TAXATION			
Overseas tax paid		(71,988)	(107,955)
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets		(48,632)	(108,570)
Sale of tangible fixed assets		2,288	-
		(46,344)	(108,570)
NET CASH INFLOW/(OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES		195,868	(90,780)
MANAGEMENT OF LIQUID RESOURCES			
(Increase)/decrease in short term deposits		(242,000)	132,000
(DECREASE)/INCREASE IN CASH	15	(46,132)	41,220

The notes on pages 13 to 20 form part of these accounts

Notes to the accounts - 31st March, 1999

1. ***ACCOUNTING POLICIES***

Change of accounting policy

The Company has changed its accounting policy for service gratuity benefits and these benefits are now accrued in the accounts for each completed year of service of eligible employees. In prior years, they were charged to the profit and loss account as and when paid. The directors consider this change will provide a fairer presentation of the financial position of the Company to reflect the Company's obligation to pay the benefits. The effect of the change in policy is shown in note 6 to the accounts.

(a) **Accounting convention**

The accounts of the Company have been prepared under the historical cost convention, modified to include revaluation of land and plantations and in accordance with applicable accounting standards.

(b) **Foreign currencies**

Transactions in foreign currencies are recorded in Ringgit Malaysia at rates ruling at the transaction dates. Assets and liabilities are reported at the rates prevailing at the balance sheet date except for share capital which remains at the historical rate. Exchange gains and losses are included in the profit and loss account.

(c) **Replanting expenditure**

Replanting expenditure is charged to the profit and loss account in the year in which the expenditure is incurred.

(d) **Replanting cess refunds**

Replanting cess receivable is included in the accounts on an accrual basis.

(e) ***Depreciation of tangible fixed assets***

No depreciation is provided on land and plantations as the cost of replanting is charged against profit. Depreciation of buildings, plant and motor vehicles is provided by writing off the cost of individual assets over their estimated useful lives by equal annual instalments.

Buildings	5%
Plant, furniture and motor vehicles	10%

(f) **Stocks and stores**

Rubber stocks are valued at the lower of cost of production and net realisable value. Cost comprises the weighted average ex-estate cost and includes manufacturing charges where applicable. Estate stores are valued at cost on a weighted average basis. Cost includes the actual cost of materials and incidentals in bringing the items into the store.

(g) **Retirement and service gratuity benefits**

The Company does not operate any retirement benefits scheme other than contributions to approved provident funds. Service gratuity benefits, which are unfunded, payable to eligible employees pursuant to Malayan Agricultural Producers Association and National Union of Plantation Workers Palm Oil Mill Employees' Agreement are accrued in the accounts for each completed year of service of eligible employees.

(h) **Deferred taxation**
Provision is made for taxation which is deferred as a result of differences in treatment of certain items for accounting and taxation purposes if such differences appear likely to cause any material amount of tax to become payable in the foreseeable future.

2. TURNOVER AND PROFIT

Turnover represents the invoiced value of crops sold during the year and proceeds from the manufacture of rubber.

All turnover and profit are derived in Malaysia from the production of natural rubber and oil palm fresh fruit bunches (FFB).

Analyses of turnover and profit by crops are as follows:-

	1999 RM	1998 RM
TURNOVER		
Rubber	930,258	809,670
FFB	904,518	578,897
	1,834,776	1,388,567

PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1999 RM	1998(restated) RM
Rubber	99,259	22,624
FFB	211,977	69,502
	311,236	92,126

RETAINED PROFIT FOR THE YEAR

	1999 RM	1998(restated) RM
Rubber	91,346	16,817
FFB	203,742	52,294
	295,088	69,111

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging the following items:-

	1999 RM	1998 RM
Depreciation of tangible fixed assets	45,201	51,768
Directors' remuneration		
Chew Sing Guan	1,529	1,337
Zambri Bin Haji Mahmud	1,274	1,114
Auditors' remuneration	20,000	7,000
Replanting expenditure	273,064	198,181

Directors' remuneration is in respect of directors' fees for duties performed outside the United Kingdom.

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 RM	1998 RM
Malaysian taxation based on the profit for the year	-	23,581
Under/(Over) provision in respect of prior year	16,148	(566)
	16,148	23,015

As gazetted, income tax would be waived on the income of the Company for the year ended 31st March, 1999.

5. EARNINGS PER 10P SHARE

This is based on the profit after taxation of RM295,088 (1998: RM69,111 - restated) and 1,713,334 shares (1998: 1,713,334 shares) in issue.

6. EFFECT OF CHANGE IN ACCOUNTING POLICY FOR SERVICE GRATUITY BENEFITS

	1999 RM	1998 RM
Profit and loss account		
Profit before tax on previous basis	288,286	71,721
Adjustment	6,802	(2,610)
	295,088	69,111
Balance sheet		
Increase in provision for liabilities and charges	152,438	159,240
Decrease in shareholders' funds	152,438	159,240

7. TANGIBLE FIXED ASSETS

	Land and plantations RM	Buildings RM	Plant, furniture & motor vehicles RM	Total RM
Cost or valuation				
At 1st April, 1998	6,310,000	636,377	522,239	7,468,616
Additions	-	31,228	17,404	48,632
Disposals	-	-	(3,120)	(3,120)
At 31st March, 1999	6,310,000	667,605	536,523	7,514,128
Depreciation				
At 1st April, 1998	-	509,747	372,232	881,979
Charge for the year	-	17,701	27,500	45,201
Disposals	-	-	(624)	(624)
At 31st March, 1999	-	527,448	399,108	926,556
Net book value at 31st March, 1999	6,310,000	140,157	137,415	6,587,572
Net book value at 31st March, 1998	6,310,000	126,630	150,007	6,586,637

Particulars relating to revalued assets are given below:

Land and Plantations:

The Company's land and plantations are held under agricultural grants in perpetuity and are shown above at directors' valuation based upon the advice of an independent professional valuer given in March 1984. On the historical cost basis, the book value of land and plantations amounted to:

	1999 RM	1998 RM
Historical cost	1,361,452	1,361,452
Accumulated depreciation based on historical costs	-	-
Historical cost net book value	1,361,452	1,361,452

8. STOCKS

	1999 RM	1998 RM
Stock of rubber	81,649	72,746
Estate stores	38,265	39,246
	119,914	111,992

9. DEBTORS

	1999 RM	1998 RM
Due within one year		
Trade debtors	20,218	108,593
Other debtors	256,494	188,427
	276,712	297,020

10. CREDITORS: Amounts falling due within one year

	1999 RM	1998 RM
Trade creditors	48,395	122,340
Other creditors	133,327	109,222
Taxation and social security	24,362	78,391
	206,084	309,953

11. PROVISION FOR LIABILITIES AND CHARGES

	Provision for service gratuity benefits RM	Deferred taxation RM	Total RM
At 1st April, 1998	-	37,000	37,000
Prior year adjustment (note 6)	159,240	-	159,240
At 1st April, 1998 (restated)	159,240	37,000	196,240
Utilised during the year	(19,811)	-	(19,811)
Charge for the year	13,009	-	13,009
At 31st March, 1999	152,438	37,000	189,438

The amounts provided for deferred taxation and the amounts not provided are set out below:

	1999		1998	
	Provided RM	Unprovided RM	Provided RM	Unprovided RM
Difference between accumulated depreciation and capital allowances	37,000	-	37,000	-
On revaluation of land and buildings	-	247,000	-	247,000
	37,000	247,000	37,000	247,000

12. SHARE CAPITAL

	1999 RM	1998 RM
Authorised		
2,000,000 shares of 10p each	1,493,610	1,493,610
Issued and fully paid up		
1,713,334 shares of 10p each	1,067,846	1,067,846

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999				1998
	Share capital RM	Land and plantations revaluation reserve RM	Profit and loss account RM	Total shareholders' funds RM	Total shareholders' funds RM
At 1st April	1,067,846	4,948,548	1,275,377	7,291,771	7,220,050
Prior year adjustment (note 6)	-	-	(159,240)	(159,240)	(156,630)
At 1st April (restated)	1,067,846	4,948,548	1,116,137	7,132,531	7,063,420
Retained profit	-	-	295,088	295,088	69,111
At 31st March	1,067,846	4,948,548	1,411,225	7,427,619	7,132,531

14. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1999 RM	1998(restated) RM
Operating profit	252,189	37,180
Depreciation charge	45,201	51,768
Increase in stocks	(7,922)	(42,442)
Decrease/(Increase) in debtors	20,308	(43,131)
(Decrease)/Increase in creditors	(54,831)	66,812
Net cash inflow from operating activities	254,945	70,187

15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	1999 RM	1998 RM
(Decrease)/Increase in cash in the year	(46,132)	41,220
Increase/(Decrease) in liquid resources	242,000	(132,000)
Movement in net funds in the year	195,868	(90,780)
Net funds at 1st April	643,075	733,855
Net funds at 31st March	838,943	643,075

16. ANALYSIS OF NET FUNDS

	At 1st April, 1998 RM	Cash flow RM	At 31st March, 1999 RM
Short term deposits	568,000	242,000	810,000
Cash at bank and in hand	75,075	(46,132)	28,943
	643,075	195,868	838,943

17. EMPLOYEES

	1999 RM	1998 RM
Costs during the year in respect of all employees were as follows:		
Wages and salaries	655,953	656,538
Social security costs	9,570	9,503

	1999	1998
Average number of persons employed during the year:		
Estate workers	119	123
Estate staff	5	5

18. *RELATED PARTY TRANSACTIONS*

	1999 RM	1998 RM
Agency fees paid to Plantation Agencies Sdn. Berhad, a company in which a director of the Company is also a director	50,863	44,393

19. CAPITAL COMMITMENTS

	1999 RM	1998 RM
Approved by the Board but no contracts placed	72,419	57,988

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

Area statement as at 31st March, 1999

		hectares
Mature rubber		
1970	25.1	
1971	40.5	
1975	56.3	
1976	48.6	
1977	26.3	
1981	16.2	
1989/90	33.0	
		246.0
Mature oil palm		
1979	23.1	
1980	28.4	
1981	26.4	
1984	38.4	
1987	12.3	
1990	6.1	
1992/93/94	52.3	
		187.0
Immature oil palm		
1997	49.6	
in course of replanting	63.7	
nursery	1.0	
		114.3
Plantable land		6.2
Building sites, roads etc		4.9
Wasteland and swamps		3.8
Area abandoned		44.8
		607.0

Comparative statistics

Year ended 31st March	1999	1998 (restated)	1997 (restated)	1996 (restated)	1995 (restated)
	RM	RM	RM	RM	RM
BALANCE SHEET ANALYSIS					
Called-up share capital	1,067,846	1,067,846	1,067,846	1,067,846	1,067,846
Reserves	6,359,773	6,064,685	5,995,574	5,854,654	5,673,937
Total shareholders' funds	7,427,619	7,132,531	7,063,420	6,922,500	6,741,783
Fixed assets	6,587,572	6,586,637	6,530,447	6,540,606	6,566,935
Net current assets	1,029,485	742,134	726,603	565,984	359,928
Provision for liabilities and charges	(189,438)	(196,240)	(193,630)	(184,090)	(185,080)
	7,427,619	7,132,531	7,063,420	6,922,500	6,741,783
PROFITS AND LOSS ACCOUNT ANALYSIS					
Profit before interest, replanting expenditure and taxation	525,045	234,749	336,349	404,205	776,825
Interest	59,255	55,558	42,357	15,266	413
Replanting expenditure	(273,064)	(198,181)	(157,025)	(157,040)	(124,316)
Taxation	(16,148)	(23,015)	(80,761)	(81,714)	(84,343)
Profit after taxation	295,088	69,111	140,920	180,717	568,579

Year ended 31st March	1999	1998	1997	1996	1995
RUBBER					
Average mature area-hectares	246	246	241	230	307
Production - kgs	394,200	352,600	335,500	318,200	370,800
Yield per hectare - kgs	1,602	1,433	1,392	1,383	1,208
Duty and research cess - sen/kg	3.85	3.85	3.85	3.85	3.85
Overall cost of production - sen/ kg (FOB) - restated	212	222	245	224	177
Average selling price-sen/kg(FOB)	238	245	299	345	318
OIL PALM					
Average mature area-hectares	187	180	145	135	135
Production - tonnes FFB	2,177	2,023	1,795	1,749	2,197
Yield per hectare - tonnes FFB	12	11	12	13	16
Cost of production - RM/ tonne FFB (del.mill) - restated	187	176	142	132	93
Average selling price - RM/ tonne FFB (del.mill)	415	286	227	259	252

Letter of nomination

(Annexure A)

Mr. Chew Sing Guan
c/o Malayan Securities Trust Sdn. Bhd.
Letter Box No. 57
32nd Floor C UBN Tower
No. 10 Jalan P Ramlee
50250 Kuala Lumpur

9 September, 1999

The Directors
Hidong Estate PLC
c/o Plantation Agencies Sdn. Berhad
Standard Chartered Bank Chambers
Beach Street
10300 Penang
Malaysia

Gentlemen

Appointment of KPMG Audit Plc as auditors

I hereby give special notice of my intention to propose the following resolution at the next annual general meeting of the Company.

Resolution

That KPMG Audit Plc be and is hereby appointed auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company, and that their remuneration be fixed by the Directors.

Yours faithfully

CHEW SING GUAN

Proxy Card

HIDONG ESTATE PLC

In block capitals

I/We ....

of ....

being (a) member(s) of HIDONG ESTATE PLC hereby-appoint # Mr. Chew Sing Guan or failing him Encik Zambri bin Haji Mahmud (directors of the Company) or failing him .... as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held on the 26th day of October, 1999 and at any adjournment thereof, and thereat to vote as indicated below:-

Please indicate with √ how you wish your vote to be cast

Resolution relating to :-	For	Against
1. The adoption of reports and accounts		
2. The re-election of a director : Mr. Chew Sing Guan		
3. The appointment of auditors and authorising the directors to fix their remuneration		

Dated this.......................day of............................1999.

Signature...

If it is desired to appoint another person as a proxy, these names should be deleted and the name of the proxy, who need not be a member of the Company, should be inserted in block capitals, and the alteration should be initialled.

This proxy to be valid, must be deposited at the head office of the Company, Standard Chartered Bank Chambers, Beach Street, 10300 Penang, Malaysia not less than 48 hours before the time appointed for holding the meeting.

In the case of a corporation, the proxy must be executed under its common seal, or under the hand of a duly authorised officer. If executed under the hand of a duly authorised officer, evidence of such authority must be produced with the proxy card.

In the case of joint holders, the signature of any one joint holder is sufficient.

If neither "FOR" nor "AGAINST" is indicated above, the proxy will vote or abstain as he thinks fit.

Fold

Fold

THE SECRETARIES,
HIDONG ESTATE PLC,
C/O PLANTATION AGENCIES SDN BERHAD,
STANDARD CHARTERED BANK CHAMBERS,
10300 PENANG, MALAYSIA.