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COMPANIES HOUSE

Annual Report 2014



Notice of meeting

NOTICE IS HEREBY GIVEN that the NINETY-FIRST ANNUAL GENERAL MEETING of the Company will be held at the head office of the Company, Third Floor, Standard Chartered Bank Chambers, Beach Street, 10300 Penang, Malaysia on Monday, 29 September 2014 at 10:30 a.m. for the following purposes:-

1. To receive and consider the audited financial statements and the reports of the directors and auditors thereon for the year ended 31 March 2014.
2. To re-elect Tuan Haji Zambri bin Haji Mahmud who retires in accordance with article 108 of the Company's Articles of Association, and being eligible, offers himself for re-election.
3. To re-appoint the auditors and to authorise the directors to fix their remuneration.

Ordinary Resolution:-

"THAT KPMG LLP 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 financial statements are laid before the Company, and that their remuneration be fixed by the directors."

4. To approve the Directors' Remuneration Report

Ordinary Resolution:-

"THAT the Directors' Remuneration Report for the year ended 31 March 2014 be and is hereby approved."

5. To approve the Directors' Remuneration Policy

Ordinary Resolution:-

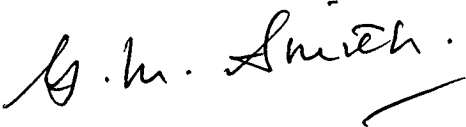
"THAT the Directors' Remuneration Policy be and is hereby approved"

6. To approve the following resolutions as Ordinary Resolutions :-

- (a) "THAT subject to the passing of Ordinary Resolution 2, authority be and is hereby given to Tuan Haji Zambri bin Haji Mahmud who has served as an independent non-executive director of the Company for a cumulative term of more than nine (9) years to continue to act as an independent non-executive director of the Company."
- (b) "THAT authority be and is hereby given to Mr Diong Chin Teck who has served as an independent non-executive director of the Company for a cumulative term of more than nine (9) years to continue to act as an independent non-executive director of the Company."
- (c) "THAT authority be and is hereby given to Mr Chew Beow Soon who has served as an independent non-executive director of the Company for a cumulative term of more than nine (9) years to continue to act as an independent non-executive director of the Company."

7. To transact any other business of which due notices shall have been given.

By order of the Board



GRACE SMITH
Secretary

25 July 2014

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.
3. Biographical details of the directors presenting themselves for re-election and re-appointment are set out on the following page. The Board has reviewed the performance of each individual director, including the directors presenting themselves for re-election and re-appointment, and concluded that each director has performed effectively and continues to demonstrate commitment to the role.

Corporate information

DIRECTORS

Chew Sing Guan (Chairman)

An executive director and chairman of the Company since 1983. A non-executive director of the managing agents and Malaysian registrars, Plantation Agencies Sdn. Berhad. Age 64.

Haji Zambri bin Haji Mahmud

A non-executive director of the Company since 1986. A director of several private limited companies involved in palm oil milling. Age 75.

Diong Chin Teck

A non-executive director of the Company since 2000. A director of several public limited companies, a few of which are quoted. Age 81.

Chew Beow Soon

A non-executive director of the Company since 2000. A director of several private limited companies. Age 65.

AUDIT COMMITTEE

Haji Zambri bin Haji Mahmud (Chairperson)

Chew Beow Soon (Member)

Diong Chin Teck (Member)

COMPANY SECRETARY

Grace Smith

HEAD OFFICE, MANAGING AGENTS AND MALAYSIAN REGISTRARS

Plantation Agencies Sdn. Berhad

Third Floor, Standard Chartered Bank Chambers,
Beach Street, 10300 Penang, Malaysia.

P.O.Box 706,
10790 Penang, Malaysia.

REGISTERED OFFICE

Neville Registrars Limited

Neville House

18 Laurel Lane

Halesowen

West Midlands

B63 3DA

U.K. REGISTRARS

Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
West Midlands
B63 3DA

AUDITORS

KPMG LLP
8 Salisbury Square
London, EC4Y 8BB

LISTING

London Stock Exchange

Chairman's statement

On behalf of the Board of Directors of Hidong Estate Plc, I am pleased to present to you our Company's Annual Report and Financial Statements for the financial year ended 31 March 2014.

The current year profit of RM321,338 (2013 : RM128,540) is mainly attributable to dividend and interest income. The overall increase in shareholders' funds of RM390,301 was attributed to current year profit of RM321,338 and increase in fair value reserve of RM68,963 as a result of stronger share prices as at year ended 31 March 2014.

The Board continues to seek out viable business ventures with the objective of maximising long term growth and enhancing shareholder value.

In the meantime, the Company's assets remain invested in liquid form and this strategy has allowed us to maintain a positive return for the past few years while preserving our cash and near cash resources to quickly respond to opportunities should they eventualise.

At the point of writing this statement, the overall world economy seems to be in neutral gear whilst the trajectory of the capital markets remains range bound and ever vigilant for signs of further tapering of the previous rounds of Quantitative Easing by the US Feds. In the past year, our Company has again studied several business overtures that may be suitable for our level of resources but there is yet no successful conclusion to report. The Company continues to actively look out for possibilities.

On behalf of the Board, once again I would like to express my sincere appreciation to the management and staff for their efforts and dedication to the Company. I would also like to take this opportunity to thank my fellow directors for their co-operation and stewardship, and shareholders for their faith and continued support.



CHEW SING GUAN
Chairman

Penang, Malaysia
25 July 2014

Strategic Report

The original principal activities of the Company which were the production of natural rubber and oil palm fresh fruit bunches ceased when the Company sold its land and plantations in 2006. Since then, the Board has been actively identifying suitable investments for the Company.

The Company's assets after the disposal of the plantation and its other plant and equipment comprise cash and bank deposits all of which earn interest and investments in listed equities.

PERFORMANCE INDICATORS

The Company's performance in its investment activities are highlighted as follows:

	2014 RM	2013 RM	
Income from investments	60,063	44,002	Improvement in income from investments in 2014.
Gain on disposal of investments	149,681	-	Significant gain on disposal of investments in equities in 2014.
Impairment of investments	-	(15,080)	No impairment in value of investments was required in 2014.
Interest receivable on short term bank deposits	334,178	322,571	Consistent returns from interest on short term bank deposits.

PRINCIPAL RISKS AND UNCERTAINTIES

As the Company's assets comprise cash and bank deposits and investments in listed equities, the financial risks involved are minimal. The principal risks and the steps the Company has taken to manage these risks are disclosed in Note 14 to the financial statements.

All of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no employees or internal operations. The Company has therefore not reported further in respect of these provisions in this annual report.



CHEW SING GUAN
Chairman



CHEW BEOW SOON
Director

Penang, Malaysia
25 July 2014

Report of the directors

The directors present their annual report and financial statements of the Company for the financial year ended 31 March 2014.

RESULTS AND DIVIDEND

The Company made a profit after tax of RM321,338 for the current financial year as compared to RM128,540 in the previous year. The directors do not recommend any final dividend to be paid for the current financial year (2013 : RM Nil).

DIRECTORATE

The names of the directors who held office during the year together with brief biographical details are shown on page 3. In accordance with article 108 of the Company's Articles of Association, Tuan Haji Zambri bin Haji Mahmud will retire by rotation at the forthcoming annual general meeting and, being eligible, offers himself for re-election.

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

SUBSTANTIAL SHAREHOLDINGS

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

	No. of ordinary shares of 10p each	%
Malayan Securities Trust Sdn. Berhad	798,986	46.63
Thomas William George Charlton	234,997	13.72
Flairshare Limited	132,000	7.70
The Temerloh Rubber Estates Berhad	88,442	5.16

Mr. Chew Sing Guan has notified an interest in the shares held by Malayan Securities Trust Sdn. Berhad. 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 does not follow any code or standard on payment practice. The Company's policy, in relation to all of its suppliers, is to make settlement according to the terms of payment agreed at the commencement of business with that supplier provided that the supplier has complied with the terms and conditions of the supply agreement.

TAXATION

The Company is tax resident in Malaysia.

CORPORATE GOVERNANCE

As at the date of this report the Company does not comply in all respects and the Company does not intend to comply in all respects with the UK Corporate Governance Code (2012).

Internal Audit

The need for an internal audit function has been reviewed by the directors. It was decided that the current size of the Company combined with the tight financial and management control exercised by the directors on a day-to-day basis negates such a need. The policy will be kept under review.

External Auditors

The Audit Committee assesses annually the effectiveness of the external audit process and has primary responsibility for making recommendation on the appointment, re-appointment or removal of the external auditors.

The current external auditor was appointed in 1999 and have been re-appointed annually since then. The Company last conducted a tender for external auditors in 1999. Due to the nature of the company it was not felt necessary to tender the audit in accordance with the Corporate Governance Code.

The external auditors did not provide any non audit services in this or the previous year.

Directors

The directors carry out their duties in a manner that will safeguard the shareholders' interests at all times. They are responsible for ensuring sound management of the Company and effective implementation and execution of its policies, decisions and business strategies towards ensuring a successful continuity of the business.

The Board ordinarily meets four times a year. During the year ended 31 March 2014 the Board met on three occasions. Details of the directors' attendance at Board meetings during the financial year are as follows:

	<u>Attendance</u>
Chew Sing Guan	3/3
Haji Zambri bin Haji Mahmud	3/3
Diong Chin Teck	3/3
Chew Beow Soon	3/3

The Board is guided by a formal schedule of matters specifically reserved to it for decision making which includes future strategy, key business policies, material acquisitions and disposals, approval of interim financial statements, annual reports and financial statements. Directors have full and timely access to information and Board papers and reports relevant to the issues of meetings are circulated to Board members in advance of the meetings. Procedures are in place for directors to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, all directors have direct access to the advice and services of the Company Secretary.

The Board consists of the executive Chairman, Mr. Chew Sing Guan and three independent non-executive directors namely Tuan Haji Zambri bin Haji Mahmud, Mr. Diong Chin Teck and Mr. Chew Beow Soon. Even though the entity is not in compliance with the Corporate Governance code as all three non-executive directors have been in post for more than six

Directors (Cont'd)

years, the Board is satisfied that they have continued to demonstrate independence in terms of character and judgement.

In non compliance with the Corporate Governance code it is the Board's view that for a Company of this size it is not deemed necessary to separate the posts of chairman and chief executive officer. Furthermore, the Board is of the opinion that there is a strong independent element within the Board in the form of the three independent non-executive directors who provide a check and balance in the Board on decision making. For the same reasons, even though this is not in compliance with the Corporate Governance code, the Board is also of the view that it is not deemed necessary to appoint a senior independent director or to form a Nomination Committee. The Board is assisted by professionals (Managing Agents) who report periodically to it. Important business matters are submitted to the Board for decision.

In addition, in non compliance with the Corporate Governance Code, Mr. Chew Sing Guan is a non-executive director of Plantation Agencies Sdn. Berhad who acted as the Malaysian Registrars and an agent to the Company in Malaysia.

In accordance with the Articles of Association of the Company, all directors are subject to election by shareholders at the first Annual General Meeting after their appointment and thereafter subject for re-election at least once every three years. The Board has always complied with this requirement. The Board has chosen not to adopt the additional provision in the Code that non-executive directors who have served for more than nine years should be subject to annual re-election since the existing practice, which complies with Company law and the Articles, works well.

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 has commenced a self-evaluation process for the performance evaluation of the Board, the Audit Committee and its individual directors. The assessment of the individual directors on the performance of the Board and the Audit Committee are collated for the Chairman's review and presented to the entire Board. Each director also assesses the individual performance of the other directors and the results are presented to the Chairman who then holds discussions with all the individual directors regarding their effectiveness. The performance of the Chairman is assessed collectively by the non-executive directors.

Relations with shareholders

The Board has through the years used the Annual Report and the Annual General Meeting to communicate with its shareholders. It is always ready to hold dialogues with interested investors to improve the Company's business activities.

Audit Committee

The Audit Committee comprises three independent non-executive directors, namely Tuan Haji Zambri bin Haji Mahmud (Chairperson), Mr. Diong Chin Teck and Mr. Chew Beow Soon.

The Audit Committee is responsible for reviewing the Company's risk management, internal control and audit processes. The Audit Committee assists the Board in seeking to ensure that the financial and non-financial information supplied to the Board and shareholders presents a

Audit Committee (Cont'd)

balanced assessment of the Company's position. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

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

During the financial year ended 31 March 2014, the Audit Committee met three times and the attendances of the members of the Committee are as follows:

	<u>Attendance</u>
Haji Zambri bin Haji Mahmud	3/3
Diong Chin Teck	3/3
Chew Beow Soon	3/3

During the year the Audit Committee assisted the Board in reviewing the periodic operational and financial reports submitted by the Managing Agents. As part of its function, the Audit Committee reviewed the half-yearly interim report to shareholders and annual financial statements and announcements before submitting the same to the Board for approval. The Audit Committee also assisted the Board to review the system of internal controls put in place by the Managing Agents to manage the operations of the Company.

Significant risk areas

The Company's assets mainly comprise cash and investments in listed equities and this portfolio of cash and listed investments is considered to be the key driver of operations and performance results of the Company. The Audit Committee considered cash and listed investments to be at low risk of significant misstatements or not to be subject to a significant level of judgement. However, due to their high materiality in the context of the financial statements as a whole, the Audit Committee agreed with the auditors' view that they are considered to be the area which had the greatest effect on the overall audit of the financial statements. The Audit Committee are satisfied that the risks surrounding cash and listed investments are adequately mitigated due to the fact that they are:

- comfortable with the processes and controls in place to record investment transactions and to value the portfolio;
- comfortable with the processes and controls in place surrounding the treasury function and the bank reconciliation process; and
- the valuation of listed investments can be agreed to externally quoted prices.

Internal Controls

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness, which it does on an annual basis. Such a system is designed to manage, rather than eliminate, the risk of failure of achieving business objectives and can provide only reasonable, but not absolute, assurance against material misstatement or loss. There is a continuous process for identifying, evaluating and managing the significant risks faced by the Company. This process was in place throughout the year under review and up to the date of approval of the annual report.

Audit Committee (Cont'd)

The key elements of the Company's internal controls are as follows:

- **Risk assessment**
The Board is responsible for the identification, evaluation and review of risks facing the business. Such risks are reviewed on a continuous basis and are carried out as part of the monthly reporting.
- **Control environment and control activities**
The day-to-day operation of the system of internal controls is delegated to the Managing Agents. The management and control procedures cover issues such as physical controls, segregation of duties, authorisation levels and comprehensive financial and operational reporting systems. Such procedures are documented for effective control and monitoring.
- **Information and communication**
The Board holds periodic formal and informal discussions on the Company's affairs where all important business decisions are formally discussed and documented. The Board holds periodic board meetings to formally approve the financial reports submitted by the Managing Agents.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

GOING CONCERN

Having undertaken all the appropriate procedures and assessing the financial position as at the year end, performance and results for the financial year, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

AUDITOR

As recommended by the Audit Committee, a resolution for the re-appointment of KPMG LLP as auditors to the Company will be proposed at the 2014 Annual General Meeting.



CHEW SING GUAN
Chairman



CHEW BEOW SOON
Director

Penang, Malaysia
25 July 2014

Directors' remuneration report

On behalf of the Board of Directors, I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2014.

This report has been prepared in accordance with the new legislation relating to the reporting of Directors' remuneration and complies with the sections 420 to 421 of the Companies Act 2006 and of Schedule 8 of SI 2008/410 Large and medium-sized companies and groups (Accounts and Directors' Report) Regulation 2008, as amended. The report also meets the relevant requirement of the Listing Rules of the Financial Conduct Authority. In accordance with the Act, this report is divided into a section on Directors' Remuneration Policy and a second section on the annual Report on Directors' Remuneration, which details the remuneration paid to the Directors during the financial year under review.

Shareholders will be asked to vote separately on the Directors' Remuneration Policy and the Report on Directors' Remuneration at the Annual General Meeting of the Company at which the financial statements will be approved.

The regulations require the auditors to report to the Company's members on the "auditable part" of the Directors' remuneration. The report has therefore been divided into 2 sections for audited and unaudited information.

Unaudited Information

Directors' Remuneration Policy

In accordance with the Company's Memorandum and Articles of Association, the directors received only a nominal fee for their services. The fees paid to the directors are not linked to performance and the Company has no intention to change the way the directors are remunerated in the future.

Share Options

As at 31 March 2014, no options were granted to the directors to subscribe for any shares in the Company.

Service contracts

There are no service contracts in existence with the directors and they received only a nominal fee for their services.

Audited information

Aggregate Directors' remuneration

The total amounts for Directors' remuneration are as follows:

	2014 RM	2013 RM
Emoluments	<u>4,350</u>	<u>4,064</u>
	2014 RM	2013 RM
Directors' emoluments – fee		
Executive Director		
Chew Sing Guan	1,242	1,160
Non – executive Directors		
Haji Zambri bin Haji Mahmud	1,036	968
Diong Chin Teck	1,036	968
Chew Beow Soon	<u>1,036</u>	<u>968</u>
	<u>4,350</u>	<u>4,064</u>

Approval

This report was approved by the Board of Directors on 25 July 2014 and signed on its behalf:



CHEW SING GUAN
Chairman

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Report of the Directors, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are responsible for confirming to the best of their knowledge that:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report and directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The directors consider that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Independent auditor's report to the members of Hidong Estate Plc only

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

We have audited the financial statements of Hidong Estate Plc for the year ended 31 March 2014 set out on pages 19 to 31. In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements the risk of material misstatement that had the greatest effect on our audit was as follows:

Carrying amount of Cash and Listed Investments £11,546,274

Refer to page 10 (Audit Committee section of Report of Directors), page 24 (accounting policy) and pages 19 to 31 (financial disclosures).

- *The risk* - The Company's portfolio of cash and listed investments makes up 99.7% of total assets (by value) and is considered to be the key driver of operations and performance results. We do not consider cash or listed investments to be at high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid and, in the case of the listed investments, quoted, investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.
- *Our response* - Our procedures over the existence, completeness and valuation of the Company's portfolio of cash and listed investments included, but were not limited to:
 - documenting and assessing the processes and controls in place to record investment transactions and to value the portfolio;
 - agreeing the valuation of 100 per cent of listed investments to externally quoted prices; and
 - agreeing 100 per cent of cash and listed investment holdings to independently received third party confirmations.

3 Our application of materiality and an overview of the scope of our audit

The materiality for the financial statements as a whole was set at RM 114,000. This has been determined with reference to a benchmark of total assets (of which it represents 1%), which we consider to be one of the principal considerations for members of the Company in assessing its financial performance.

We agreed with the Audit Committee to report to it all uncorrected misstatements with a value in excess of RM 6,000, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Audit work to support this opinion is directed by the UK senior statutory auditor, and in the light of the extent of the Company's activities in Malaysia, is undertaken primarily by an audit team in Malaysia and is reviewed by the UK audit team. The audit team in Malaysia is led by an audit partner who, together with the UK senior statutory auditor, participates in the audit committee meetings.

4 Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

5 We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; or
- the Audit Committee section of the Report of the Directors does not appropriately address matters communicated by us to the Audit Committee.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 6, in relation to going concern; and
- the part of the Corporate Governance Statement on page 8 relating to the Company's compliance with the nine provisions of the 2010 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2013a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Nicole Martin

Nicole Martin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

8 Salisbury Square

London

EC4Y 8BB

25 July 2014

Profit and loss account for the year ended 31 March 2014

	Note	2014 RM	2013 RM
Administrative expenses		(155,418)	(161,755)
Operating loss		(155,418)	(161,755)
Income from investments		60,063	44,002
Gain on disposal of investments		149,681	-
Amounts written off investments		-	(15,080)
Interest receivable on short term bank deposits		334,178	322,571
Profit on ordinary activities before taxation	2	388,504	189,738
Tax on profit on ordinary activities	3	(67,166)	(61,198)
Retained Profit for the year	9	<u>321,338</u>	<u>128,540</u>
Basic and diluted profit per 10p share	4	<u>18.76 sen</u>	<u>7.50 sen</u>

The results stated above are all derived from continuing operations.

A note on historical gains and losses has not been included as part of the financial statements as there are no material differences between the profit for the year stated above and the historical cost equivalents.

Company Number: 00188390



Balance sheet as at 31 March 2014

	Note	2014 RM	2013 RM
Fixed assets			
Investments	5	1,106,044	1,395,641
Current assets			
Debtors	6	35,729	47,546
Cash at bank and in hand	12	10,440,230	9,729,877
		<u>10,475,959</u>	<u>9,777,423</u>
Current liabilities			
Creditors	7	(473,212)	(454,574)
		<u>(473,212)</u>	<u>(454,574)</u>
Net current assets		10,002,747	9,322,849
Net assets		<u>11,108,791</u>	<u>10,718,490</u>
Capital and reserves			
Called up share capital	8	1,067,846	1,067,846
Fair value reserve	9	254,548	185,585
Profit and loss account	9	9,786,397	9,465,059
Shareholders' funds		<u>11,108,791</u>	<u>10,718,490</u>

These financial statements were approved by the Board of Directors on 25 July 2014.

CHEW SING GUAN

CHEW BEOW SOON


Directors


The notes on pages 23 to 31 form part of these financial statements.

Statement of total recognised gains and losses for the year ended 31 March 2014

	2014	2013
	RM	RM
Profit for the financial year	321,338	128,540
Unrealised gains/(losses) on investments	68,963	(40,850)
Total recognised gains for the year	390,301	87,690

Reconciliation of movements in shareholders' funds for the year ended 31 March 2014

	2014	2013
	RM	RM
Retained profit for the year	321,338	128,540
Other recognised gains/(losses) for the year	68,963	(40,850)
Net addition to shareholders' funds	390,301	87,690
Opening shareholders' funds	10,718,490	10,630,800
Closing shareholders' funds	11,108,791	10,718,490

The notes on pages 23 to 31 form part of these financial statements.

Cash flow statement for the year ended 31 March 2014

	Note	2014 RM	2013 RM
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	10	(148,283)	(170,945)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Dividend received		60,063	44,002
Interest received		333,480	323,143
TAXATION			
Overseas tax paid		(43,148)	(71,937)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS			
Purchase of investments		(31,367)	(115,606)
Sale of investments		<u>539,608</u>	<u>-</u>
NET CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES		710,353	8,657
MANAGEMENT OF LIQUID RESOURCES			
Increase in short term deposits		<u>(700,000)</u>	<u>(100,000)</u>
INCREASE/(DECREASE) IN CASH	11	<u>10,353</u>	<u>(91,343)</u>

The notes on pages 23 to 31 form part of these financial statements.

Notes to the financial statements

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements of the Company have been prepared under the historical cost convention, modified for the revaluation of fixed asset investments, and in accordance with applicable approved accounting standards (UK Generally Accepted Accounting Practices).

The Company is not part of a larger group and does not prepare consolidated financial statements, and accordingly has elected to prepare accounts under UK Generally Accepted Accounting Practices in accordance with article 395 of the Companies Act 2006.

Having undertaken all the appropriate procedures and assessing the financial position as at the year end, performance and results for the financial year, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(b) Foreign currencies

Transactions in foreign currencies are recorded in Ringgit Malaysia (RM) 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) Employee Benefits

Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences, such as paid annual leave, are recognised when services are rendered by employees that increases their entitlement to future compensated absences and short term non-accumulating compensated absences, such as sick leave, are recognised when the absences occur.

(d) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

1. ACCOUNTING POLICIES (Cont'd)

Taxation (Cont'd)

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(e) Loans, receivables and payables

Short term debtors are classified as loans and receivables, as defined in Financial Reporting Standard 26 Financial instruments: recognition and measurement, and are measured at amortised cost less any provision for impairment.

Payables are initially recognised at fair value, and subsequently, measured at amortised cost.

(f) Income

Interest income is recognised on an accrual basis.

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

(g) Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand less overdrafts payable on demand, if any. Liquid resources are current assets investments which are disposable without curtailing the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

(h) Investments

The Company's investments are quoted equity investments and are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment loss, are recognised directly in equity. All impairment losses are recognised in the profit and loss account.

When an investment is derecognised, the cumulative gain or loss previously recognised in equity is recognised in the profit and loss account.

2. NOTES TO THE PROFIT AND LOSS ACCOUNT

The profit on ordinary activities before taxation is stated :

	2014 RM	2013 RM
After charging:		
Directors' remuneration *		
- Chew Sing Guan	1,242	1,160
- Haji Zambri Bin Haji Mahmud	1,036	968
- Diong Chin Teck	1,036	968
- Chew Beow Soon	1,036	968
 Auditor's remuneration		
- Audit of these financial statements	40,045	50,456
Impairment of investments	-	15,080
 and after crediting:		
Interest income	334,178	322,571
Dividend income	60,063	44,002
Gain on disposal of investments	149,681	-

* Directors' remuneration totaling RM4,350 (2013 : RM4,064) is in respect of directors' fees for duties performed outside the United Kingdom.

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 RM	2013 RM
Foreign taxation		
- current year	67,166	63,486
- prior year	-	(2,288)
	67,166	61,198

3. TAX ON PROFIT ON ORDINARY ACTIVITIES (Cont'd)

The current tax charge for the year is lower than the standard rate of corporation tax in the UK of 23% (2013 : 24%). The differences are explained below.

Reconciliation of effective tax expense

	2014 RM	2013 RM
Profit before tax	<u>388,504</u>	<u>189,738</u>
Current tax at 23% (2013 : 24%)	89,356	45,537
Expenses not deductible for tax purposes	33,955	38,976
Income not subject to tax	(46,070)	(8,330)
Lower tax rates on overseas earnings	(10,075)	(12,697)
Over provided in prior years	-	(2,288)
	<u>67,166</u>	<u>61,198</u>

4. BASIC AND DILUTED PROFIT PER ORDINARY SHARE OF 10P EACH

This is based on the profit after tax of RM321,338 (2013 : RM128,540) and 1,713,334 shares (2013 : 1,713,334 shares), being the weighted average number of shares in issue. The basic profit per ordinary share is calculated using a numerator of the net profit for the year and a denominator of the weighted average number of ordinary shares in issue for the year. There is no difference in 2014 or 2013 between the basic and diluted profit per share as there are no potentially dilutive shares, including share options and warrants, to convert.

5. INVESTMENTS

	2014 RM	2013 RM
At beginning of year	1,395,641	1,335,965
Additions	31,367	115,606
Change in fair value	68,963	(40,850)
Impairment	-	(15,080)
Disposals	(389,927)	-
At end of year	<u>1,106,044</u>	<u>1,395,641</u>

6. DEBTORS

	2014 RM	2013 RM
- Other debtors	35,729	35,031
- Tax recoverable	-	12,515
	35,729	47,546

7. CREDITORS: Amounts falling due within one year

	2014 RM	2013 RM
- Other creditors	47,185	40,050
- Taxation and social security	426,027	414,524
	473,212	454,574

Included in taxation and social security is an amount of RM414,524 (2013 : RM414,524) representing a provision for the real property gain tax arising from the sale of the plantation in 2006.

8. SHARE CAPITAL

	2014 RM	2013 RM
Authorised 2,000,000 ordinary shares of 10p each	1,493,610	1,493,610
Issued and fully paid up 1,713,334 ordinary shares of 10p each	1,067,846	1,067,846

9. RESERVES

	Fair value reserve RM	Profit and loss account RM
At 1 April 2013	185,585	9,465,059
Profit for the year	-	321,338
Unrealised gains on investments	68,963	-
At 31 March 2014	254,548	9,786,397

10. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2014 RM	2013 RM
Operating loss	(155,418)	(161,755)
Increase/(decrease) in creditors	7,135	(9,190)
	<u> </u>	<u> </u>
Net cash outflow from operating activities	<u>(148,283)</u>	<u>(170,945)</u>

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

	2014 RM	2013 RM
Increase/(decrease) in cash in the year	10,353	(91,343)
Increase in liquid resources	700,000	100,000
	<u> </u>	<u> </u>
Movement in net funds in the year	710,353	8,657
Net funds at 1 April	9,729,877	9,721,220
	<u> </u>	<u> </u>
Net funds at 31 March	<u>10,440,230</u>	<u>9,729,877</u>

12. ANALYSIS OF NET FUNDS

	At 1 April 2013 RM	Cash flow RM	At 31 March 2014 RM
Short term deposits	9,600,000	700,000	10,300,000
Cash at bank and in hand	129,877	10,353	140,230
	<u> </u>	<u> </u>	<u> </u>
	<u>9,729,877</u>	<u>710,353</u>	<u>10,440,230</u>

13. EMPLOYEES

	2014 RM	2013 RM
Wages and salaries	1,242	1,160
Average number of staff employed during the year	1	1

14. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Company's business whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Company operates within clearly defined guidelines that are approved by the Board of directors and the Company's policy is not to engage in speculative transactions.

(b) Interest rate risk

The Company's primary interest rate risk relates to interest-earning assets as the Company had no long-term interest-bearing debts as at 31 March 2014. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits.

Financial Assets	Effective interest rate per annum %	Total RM	Within 1 year RM
2014			
Short term deposits	3.32	10,300,000	10,300,000
2013			
Short term deposits	3.35	9,600,000	9,600,000

(c) Foreign exchange risk

The Company operates in Malaysia and is only exposed to the sterling pound currency for payments made to UK companies for services rendered to the Company. This poses minimum risk as the level of these payments is not significant.

(d) Liquidity risk

The Company actively manages its operating cash flows and availability of funds so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash or readily convertible investments to meet its working capital requirements.

14. FINANCIAL INSTRUMENTS (Cont'd)

(e) Credit risk

The Company's maximum credit risk exposure is the fair value of its cash and cash equivalents, presented in note 12 of RM10,440,230 and RM9,729,877 at 31 March 2014 and 2013 respectively. Bank balances are held with reputable and established financial institutions.

The Company's principal financial asset is cash and short term deposits and credit risk arises from cash and short term deposits with banks and financial institutions.

It is the Company's policy to monitor the financial standing of these institutions on an on going basis.

(f) Fair values

The fair values of financial assets and financial liabilities reported in the balance sheet approximate to the carrying amounts of those assets and liabilities.

(g) Price risk

The Company is exposed to equity price risk in relation to its fixed asset investments, all of which are listed on the Malaysian Stock Exchange. A five percent increase in Malaysian equity prices at the reporting date would have increased equity by RM55,000 (2013 : RM70,000); an equal change in the opposite direction would have decreased equity by RM55,000 (2013: RM70,000).

(h) Cash flow risk

The Company's assets comprise of cash and short term deposits all of which earn interest. There is minimum risk on the cash flow. Cash flow monitoring is a high priority with the management.

(i) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management in the year.

15. RELATED PARTY TRANSACTIONS AND BALANCES

The related party transactions undertaken by the Company during the financial year are as follows:

	2014 RM	2013 RM
Agency fees and accounting fees paid to Plantation Agencies Sdn. Berhad, a company in which Chew Sing Guan, director, of the company is also a director	<u>27,984</u>	<u>27,984</u>

15. RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

Purchases and sales of quoted shares through Mercury Securities Sdn. Bhd. ("MSSB"), a company in which, Chew Sing Guan, director, has a substantial financial interest	2014 RM	2013 RM
- Purchases of quoted shares	<u>31,367</u>	<u>115,606</u>
- Sales of quoted shares	<u>539,608</u>	<u>-</u>

The terms and conditions for the above transactions are based on normal trade terms.

In the opinion of the directors there is no controlling or ultimate controlling party at the year end.