

Delivering Value Success Through Precision

PADIBERAS NASIONAL BERHAD (295514-U)

PADIBERAS NASIONAL BERHAD (295514-U)
Level 27, Menara HLA, No. 3, Jalan Kia Peng, 50450 Kuala Lumpur
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www.bernas.com.my

ANNUAL REPORT 2011 LAPORAN TAHUNAN



As the nation's leading partner in the domestic paddy and rice industry, BERNAS is steadfast and committed in delivering intrinsic value in all aspects of our business.

"Delivering Value. Success through Precision" conveys our unwavering commitment in maintaining our successful tradition and business performance by constantly delivering quality products and exemplary service whilst focusing on key strategic initiatives for better sustainability and future growth.

The imagery of the hand in stitching motion illustrates our hands-on approach, infinite passion and utmost dedication while possessing an eye for detail as we meticulously craft value and strive for excellence in all that we set out to do.

We at BERNAS, will constantly deliver value and attain success through precision.

Sebagai rakan utama dalam industri padi dan beras negara, BERNAS teguh dan komited dalam memberikan nilai-nilai intrinsik dalam semua aspek perniagaannya.

"Memberikan Nilai. Kejayaan Melalui Ketepatan" menyampaikan komitmen kami yang tidak berbelah bagi dalam mengekalkan kejayaan dan prestasi perniagaan dengan pengeluaran produk-produk dan perkhidmatan berkualiti untuk dicontohi, di samping terus fokus dalam melaksanakan inisiatif strategik utama demi pertumbuhan dan masa hadapan yang mapan.

Imej aksi jahitan menggambarkan pendekatan secara praktikal, hasrat yang tidak terbatas dan dedikasi yang tinggi, di samping pandangan yang tajam dalam membentuk nilai-nilai dengan penuh ketelitian, dan berusaha untuk mencapai kejayaan dalam semua perkara yang direncanakan.

Kami di BERNAS, akan sentiasa memberikan nilai dan meraih kejayaan melalui ketepatan dan penuh hemat.

**DELIVERING
VALUE** SUCCESS THROUGH
PRECISION





18th Annual General Meeting

Mahkota Ballroom
Ballroom Level
Hotel Istana Kuala Lumpur
73, Jalan Raja Chulan
50200 Kuala Lumpur
on Monday, 25th June 2012
at 10.00 am



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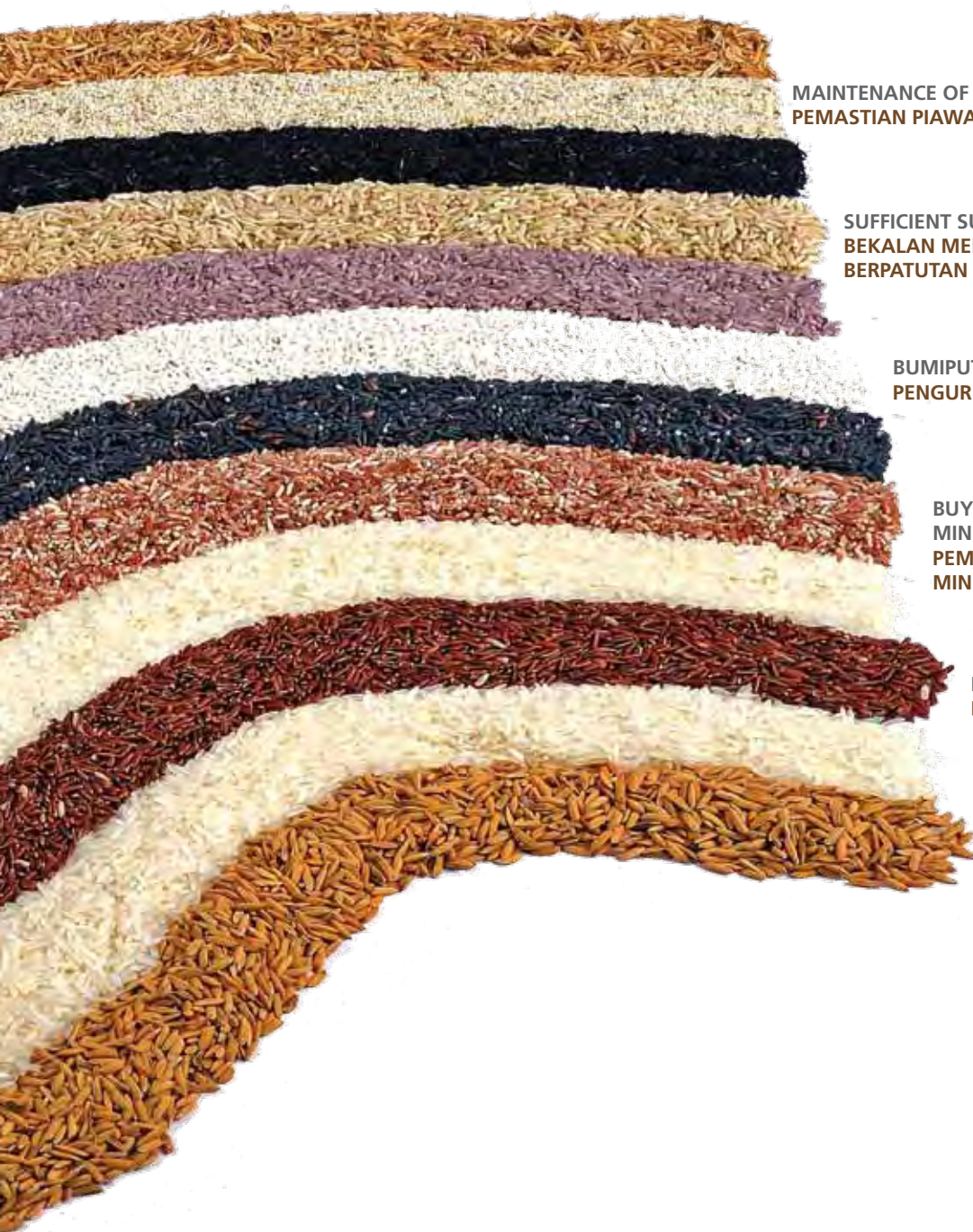
OVERVIEW OF BERNAS

IMBASAN BERNAS

Padiberas Nasional Berhad **Annual Report 2011**

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- INVESTMENT HOLDING
PEGANGAN PELABURAN
 - PADDY PROCUREMENT
PEMEROLEHAN PADI
 - RICE IMPORTATION
PENGIMPORTAN BERAS
 - RICE PROCESSING
PEMROSESAN PADI
 - RICE DISTRIBUTION & MARKETING
PENGEDARAN & PEMASARAN BERAS
 - SEED & FARMING
BIJI BENIH & PERLADANGAN



MAINTENANCE OF QUALITY & STANDARD OF RICE
PEMASTIAN PIAWAIAN & KUALITI BERAS

SUFFICIENT SUPPLY AT FAIR & STABLE PRICES
BEKALAN MENCIKUPI PADA HARGA
BERPATUTAN & STABIL

BUMIPUTRA RICE MILLERS SCHEME MANAGEMENT
PENGURUSAN SKIM PENGILANG PADI BUMIPUTERA

BUYER OF LAST RESORT AT GUARANTEED
MINIMUM PRICE
PEMBELI TERAKHIR PADI PADA HARGA
MINIMA TERJAMIN

PADDY PRICE SUBSIDIES MANAGEMENT
PENGURUSAN SUBSIDI HARGA PADI

NATIONAL STOCKPILE MANAGEMENT
PENGURUSAN STOKPAIL NEGARA

Our food products are consumed in every household in Malaysia. We are a company deeply committed to nourish the nation better. We do this by providing quality food products that create value for our company, our partners and our consumers.

Produk-produk makanan kami digunakan oleh setiap isi rumah di Malaysia. Kami adalah sebuah syarikat yang komited dalam memberikan kesejahteraan kepada negara. Kami melaksanakannya dengan mengedarkan produk-produk makanan berkualiti yang menambah nilai syarikat, rakan kongsi dan para pelanggan kami.

CORPORATE VALUES

Nilai-nilai Korporat

CHALLENGES

- Improving performances
- Renewing our understanding of our changing business

CONDUCT

- Integrity
- Ethics
- Probity
- Corporate governance/transparency

COMMITMENT

- Value for customers
- Leadership for community and environment
- Teamwork
- Shared purpose with regulators
- Value for shareholders

CABARAN

- Meningkatkan prestasi
- Meningkatkan pemahaman tentang perubahan dalam perniagaan

SAHSIAH

- Integriti
- Etika
- Kejujuran
- Pengurusan korporat/ketelusan

KOMITMEN

- Nilai untuk pelanggan
- Kepimpinan untuk masyarakat dan alam sekitar
- Kerja berpasukan
- Matlamat bersama dengan pihak berkuasa
- Nilai untuk pemegang saham



MISSION

Misi

Value creation by increasing market share, introducing new products and acquiring complementary products. It is our goal to be a market leader in Malaysia. We will be market driven focusing on the following areas:

Pertambahan nilai dengan meningkatkan penguasaan pasaran, memperkenalkan produk-produk baru dan menghasilkan produk-produk sampingan. Adalah menjadi matlamat kami untuk menjadi peneraju pasaran Malaysia. Kami akan berorientasikan pasaran dengan menumpukan kepada bidang-bidang berikut:



BRAND BUILDING
PEMBINAAN JENAMA



PRODUCT PERFORMANCE
PRESTASI PRODUK



CUSTOMER SERVICE
PERKHIDMATAN PELANGGAN

We will gain competitive advantage by leveraging existing strengths, resources and developing new competencies. We will be the best-cost producer and distributor.

Kami akan memperolehi kelebihan daya saing dengan menggunakan kekuatan dan sumber sedia ada serta mewujudkan kecekapan baru. Kami akan muncul sebagai pengeluar dan pengedar dengan kecekapan kos yang terbaik.

CORPORATE INFORMATION

Maklumat Korporat

CORPORATE OFFICE IBU PEJABAT KORPORAT

Level 27, Menara HLA
No. 3, Jalan Kia Peng
50450 Kuala Lumpur
Tel : 03-2174 9777
Fax : 03-2161 1887
Website : www.bernas.com.my

REGISTERED ADDRESS PEJABAT BERDAFTAR

Level 31, Menara HLA
No. 3, Jalan Kia Peng
50450 Kuala Lumpur
Tel : 03-2161 1972
Fax : 03-2161 1973

SHARE REGISTRAR PENDAFTAR SAHAM

Shareworks Sdn. Bhd. (229948-U)
No. 10-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Tel : 03-6201 1120
Fax : 03-6201 3121

PRINCIPAL BANKERS BANK-BANK UTAMA

Affin Bank Berhad
Alliance Bank Malaysia Berhad
Ambank (M) Berhad
Bank Islam (M) Berhad
Bank Muamalat (M) Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad
Standard Chartered Bank Malaysia Berhad
Deutsche Bank (Malaysia) Berhad
Citibank Berhad

COMPANY SECRETARY SETIAUSAHA SYARIKAT

Nasliza binti Mohd Nasir
(LS0008653)

AUDITORS JURUAUDIT

Messrs Hanafiah Raslan & Mohamad
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

STOCK EXCHANGE LISTING PENYENARAIAAN BURSA SAHAM

Main Market
Bursa Malaysia
Stock Name : BERNAS
Stock Code : 6866





CORPORATE STRUCTURE

Struktur Korporat



100%

Beras Corporation Sdn. Bhd.

100%

Dayabest Sdn. Bhd.

51% Haskarice Food Sdn. Bhd.

51% Hock Chiong Foodstuff Sdn. Bhd.

51% Ban Say Tong Sdn. Bhd.

100%

Sabarice Sdn. Bhd.

95%

Sazarice Sdn. Bhd.

60%

Liansin Trading Sdn. Bhd.

100% Liangtye Trading Sdn. Bhd.

100% Liansin Trading (Bintulu) Sdn. Bhd.

51% Tong Seng Huat Rice Trading Sdn. Bhd.

100%

Bernas Seed Pro Sdn. Bhd.

61%

Jasmine Food Corporation Sdn. Bhd.

100%

Jasmine Food (Ipoh) Sdn. Bhd.

100%

Jasmine Food (Alor Setar) Sdn. Bhd.

100% Jasmine Khidmat & Harta Sdn. Bhd.

100%

Jasmine Food (Johor Bahru) Sdn. Bhd.

100%

Jasmine Food (Seremban) Sdn. Bhd.

100%

Jasmine Food (Prai) Sdn. Bhd.

100%

Jasmine Food (Kuantan) Sdn. Bhd.

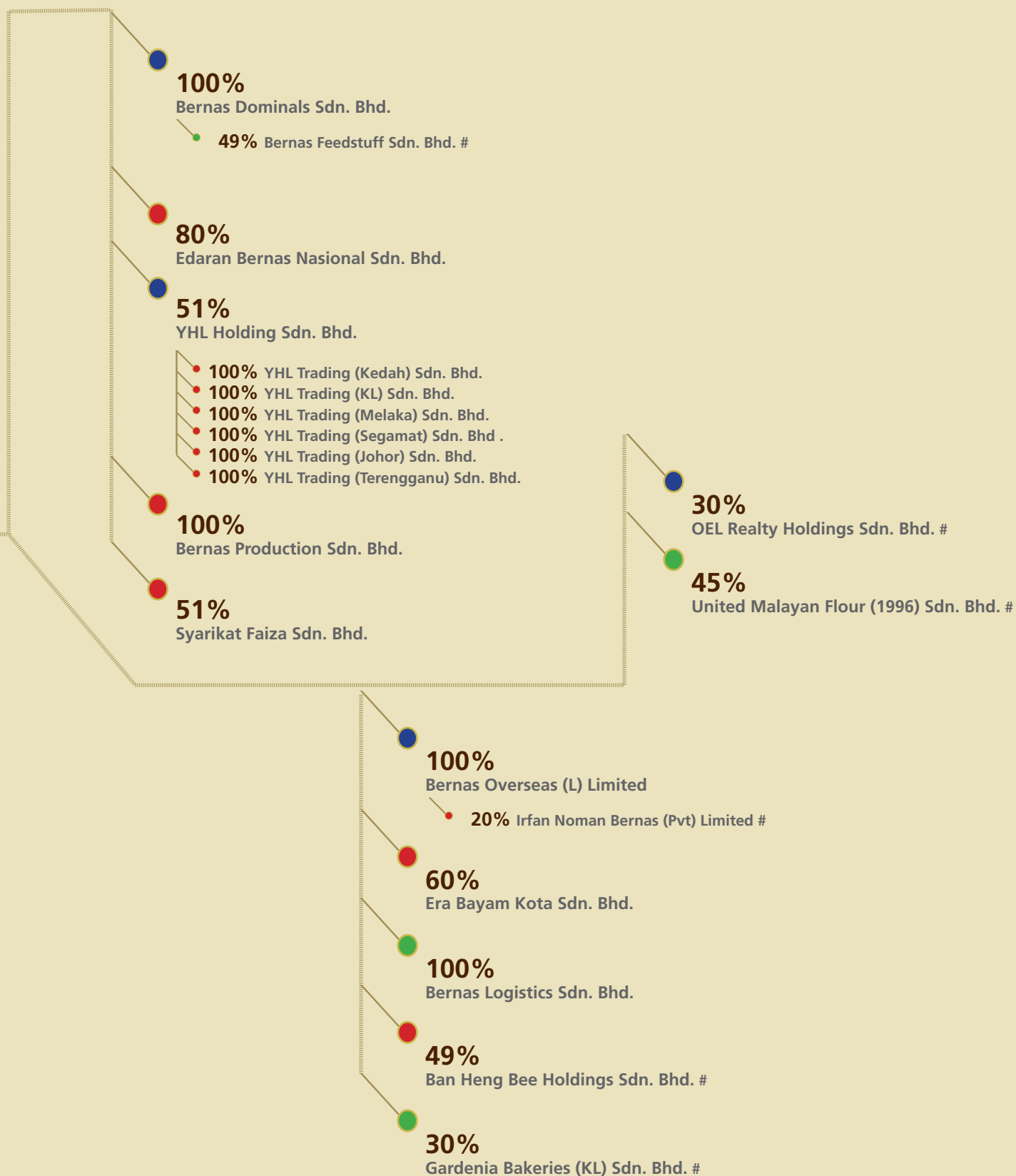
100%

Jasmine Rice Mill (Tunjang) Sdn. Bhd.

100% Jasmine Rice Products Sdn. Bhd.

51%

JS Jasmine Sdn. Bhd.



RICE BUSINESS



OTHER BUSINESS



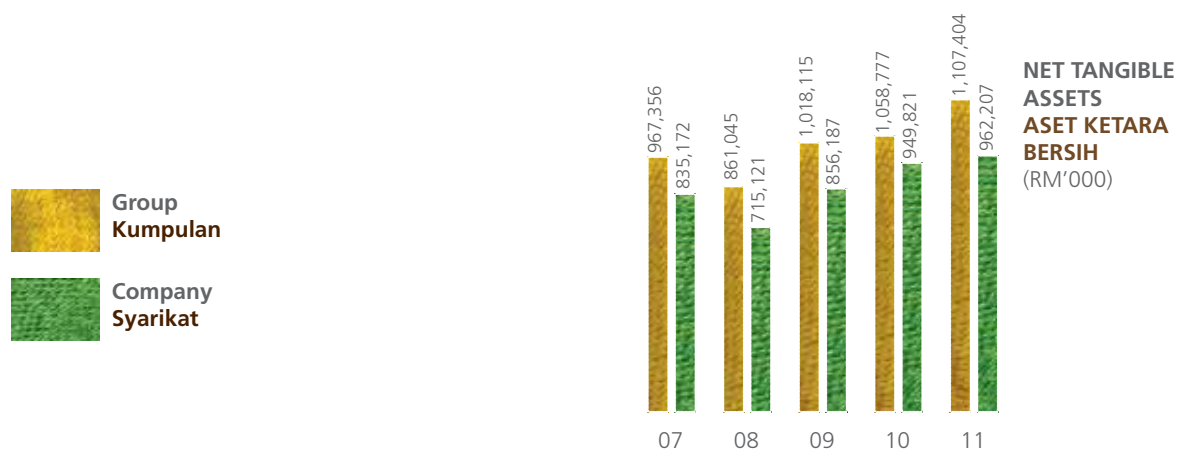
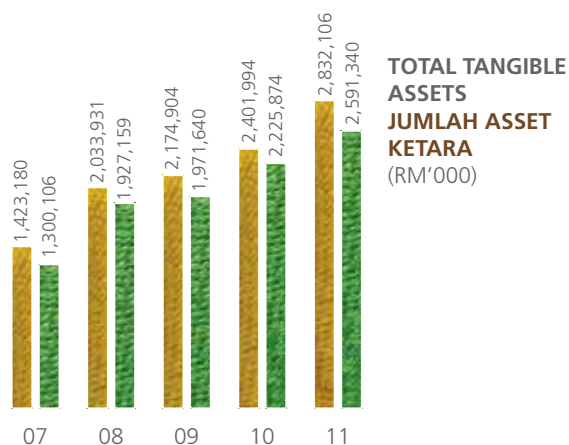
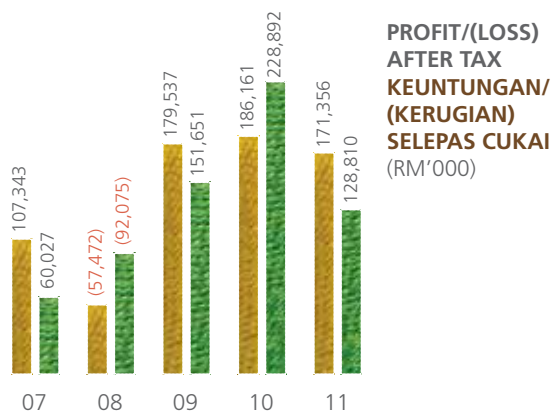
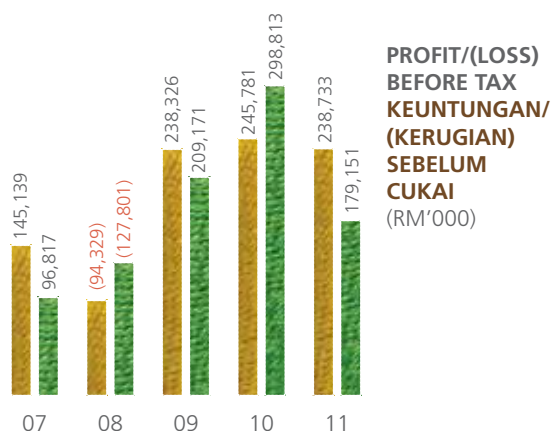
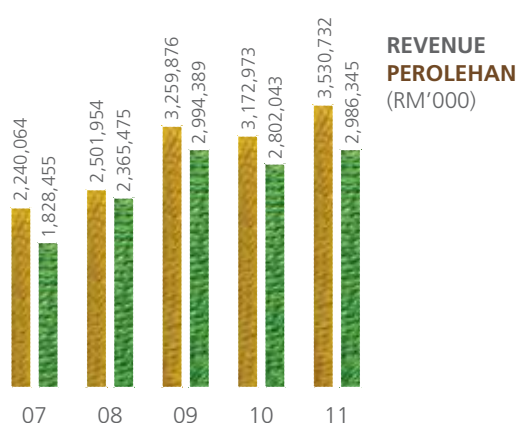
INVESTMENT HOLDINGS


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ASSOCIATES

FIVE-YEAR FINANCIAL HIGHLIGHTS

Maklumat Kewangan Lima-Tahun



 **Group
Kumpulan**

 **Company
Syarikat**

	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Revenue / Perolehan					
Group / Kumpulan	2,240,064	2,501,954	3,259,876	3,172,973	3,530,732
Company / Syarikat	1,828,455	2,365,475	2,994,389	2,802,043	2,986,345
Profit/(Loss) Before Tax					
Keuntungan/(Kerugian) Sebelum Cukai					
Group / Kumpulan	145,139	(94,329)	238,326	245,781	238,733
Company / Syarikat	96,817	(127,801)	209,171	298,813	179,151
Profit/(Loss) After Tax					
Keuntungan/(Kerugian) Selepas Cukai					
Group / Kumpulan	107,343	(57,472)	179,537	186,161	171,356
Company / Syarikat	60,027	(92,075)	151,651	228,892	128,810
Total Tangible Assets					
Jumlah Aset Ketara					
Group / Kumpulan	1,423,180	2,033,931	2,174,904	2,401,994	2,832,106
Company / Syarikat	1,300,106	1,927,159	1,971,640	2,225,874	2,591,340
Net Tangible Assets					
Aset Ketara Bersih					
Group / Kumpulan	967,356	861,045	1,018,115	1,058,777	1,107,404
Company / Syarikat	835,172	715,121	856,187	949,821	962,207
	2007 sen	2008 sen	2009 sen	2010 sen	2011 sen
Earning Per Share (EPS)					
Perolehan Sesaham					
Group / Kumpulan	22.00	(16.20)	36.00	37.70	35.00
Net Dividend Per Share					
Dividen Bersih Sesaham					
Group / Kumpulan	9.00	2.30	18.00	19.00	26.25

DELIVERING
EXPERTISE

INCREASING
PRODUCTIVITY
LEVELS



PROFILE OF DIRECTORS

Profil Lembaga Pengarah



DATO' WIRA SYED ABDUL JABBAR BIN SYED HASSAN
Independent, Non-Executive Chairman
Pengerusi Bebas, Bukan Eksekutif

Dato' Wira Syed Abdul Jabbar bin Syed Hassan, a Malaysian, age 72, was appointed as Director on 10 July 2006 and Chairman on 17 July 2006. He chairs the Executive, Nomination and Remuneration Committees of the Board.

He is also the Chairman of MMC Corporation Berhad, Tradewinds (M) Berhad, Tradewinds Plantation Berhad, Aliran Ihsan Resources Berhad, MARDEC Berhad and Malakoff Corporation Berhad. He sits on the Board of Star Publications (M) Berhad and KAF Discounts Berhad. Dato' Wira Syed Abdul Jabbar was the Chief Executive Officer of Kuala Lumpur Commodity Exchange from 1980 to 1996, the Executive Chairman of Malaysia Monetary Exchange from 1996 to 1998 and the Executive Chairman of the Commodity and Monetary Exchange of Malaysia from 1998 to 2000.

Dato' Wira Syed Abdul Jabbar holds a Bachelor of Economics degree from University of Western Australia and a Masters of Science degree in Marketing from University of Newcastle-Upon Tyne, United Kingdom. He has a direct share holding of 40,000 ordinary shares of RM1.00 each in BERNAS. He attended all of the eight Board Meetings held during the financial year.

Dato' Wira Syed Abdul Jabbar bin Syed Hassan, warganegara Malaysia, 72 tahun, dilantik sebagai Pengarah pada 10 Julai 2006 dan kemudiannya dilantik sebagai Pengerusi pada 17 Julai 2006. Beliau mempengerusikan Jawatankuasa Eksekutif, Penamaan dan Imbuhan Lembaga Pengarah.

Dato' Wira Syed Abdul Jabbar adalah Pengerusi MMC Corporation Berhad, Tradewinds (M) Berhad, Tradewinds Plantation Berhad, Aliran Ihsan Resources Berhad, MARDEC Berhad dan Malakoff Corporation Berhad. Beliau juga ialah ahli Lembaga Pengarah Star Publications (M) Berhad dan KAF Discounts Berhad. Beliau pernah memegang jawatan Ketua Pegawai Eksekutif di Kuala Lumpur Commodity Exchange dari tahun 1980 hingga 1996, Pengerusi Eksekutif Malaysia Monetary Exchange dari tahun 1996 hingga 1998 dan Pengerusi Eksekutif Commodity and Monetary Exchange of Malaysia dari tahun 1998 hingga 2000.

Dato' Wira Syed Abdul Jabbar memegang Ijazah Sarjana Muda Ekonomi dari University of Western Australia dan Sarjana Sains dalam Pemasaran dari University of Newcastle-Upon Tyne, United Kingdom. Beliau mempunyai pegangan saham secara langsung sebanyak 40,000 saham-saham biasa BERNAS bernilai RM1.00 setiap satu. Beliau menghadiri kesemua lapan mesyuarat Lembaga Pengarah yang diadakan dalam tahun kewangan.



Encik Bakry bin Hamzah, a Malaysian, age 54, joined the Board on 14 September 2005 and became Managing Director of the Company on 9 April 2007. He is a member of Executive and Tender Committees of the Board.

Encik Bakry holds a Bachelor of Arts (Hons) degree from Universiti Malaya. He is also the Group Managing Director of Tradewinds (M) Berhad and sits on the Board of Tradewinds Plantation Berhad. He had held prominent positions in various companies including as the Chief Executive Officer of Tradewinds (M) Berhad, the Managing Director of Central Sugars Refinery Sdn. Bhd., the Director of MARDEC Berhad, the Director of Oriental Food Industries Berhad, the Executive Director of Latitude Tree Holding Berhad, the Head of Business Development in Aero Mutiara Sdn. Bhd., the Operation Manager in Bukhary Holdings Sdn. Bhd. and Assistant Director of Marketing in Lembaga Padi dan Beras Negara. Encik Bakry has no securities holdings in BERNAS or its subsidiaries. He attended seven out of eight Board Meetings held during the financial year.

BAKRY BIN HAMZAH
Managing Director / Pengarah Urusan
Non-Independent, Executive Director
Pengarah Eksekutif, Tidak Bebas

Encik Bakry bin Hamzah, warganegara Malaysia, 54 tahun, dilantik sebagai Pengarah pada 14 September 2005. Beliau dilantik sebagai Pengarah Urusan pada 9 April 2007. Beliau adalah ahli Jawatankuasa Eksekutif dan Jawatankuasa Tender.

Encik Bakry berkelulusan Ijazah Sarjana Muda Sastera (Kepujian) dari Universiti Malaya. Beliau juga adalah Pengarah Urusan Kumpulan Tradewinds (M) Berhad dan ahli Lembaga Pengarah Tradewinds Plantation Berhad. Beliau pernah memegang pelbagai jawatan utama di beberapa syarikat, antaranya Ketua Pegawai Eksekutif Tradewinds (M) Berhad, Pengarah Urusan Central Sugars Refinery Sdn. Bhd., Pengarah MARDEC Berhad, Pengarah Oriental Food Industries Berhad, Pengarah Eksekutif Latitude Tree Holding Berhad, Ketua Pembangunan Perniagaan di Aero Mutiara Sdn. Bhd., Pengurus Operasi Bukhary Holdings Sdn. Bhd. dan Penolong Pengarah Pemasaran, Lembaga Padi dan Beras Negara. Encik Bakry tidak mempunyai sebarang pegangan saham dalam BERNAS atau mana-mana syarikat subsidiarinya. Beliau menghadiri tujuh daripada lapan mesyuarat Lembaga Pengarah yang diadakan dalam tahun kewangan.



DATO' MOHD HASHIM BIN ABDULLAH
Non-Independent, Non-Executive Director
Pengarah Tidak Bebas, Bukan Eksekutif

Dato' Mohd Hashim bin Abdullah, a Malaysian, 57, was appointed to the Board on 16 February 2011. He is the Secretary General of Ministry of Agriculture and Agro-based Industry. He holds a Bachelor of Arts (Hons) degree from Universiti Malaya and a Masters degree in Political Science from Universiti Kebangsaan Malaysia (UKM). He started his career as an Administrative and Diplomatic Officer, Dewan Bandaraya Kuala Lumpur and subsequently served in various government agencies including Ministry of Primary Industries, Ministry of Sports and Youth, and Ministry of Entrepreneur and Co-operative Development. Dato' Mohd Hashim has no securities holdings in BERNAS or its subsidiaries. He attended seven out of eight Board Meetings held during the financial year.

Dato' Mohd Hashim bin Abdullah, warganegara Malaysia, 57 tahun, dilantik sebagai Pengarah pada 16 Februari 2011. Beliau kini bertugas sebagai Ketua Setiausaha, Kementerian Pertanian dan Industri Asas Tani. Beliau berkelulusan Ijazah Sarjana Muda Sastera (Kepujian) dari Universiti Malaya dan Sarjana Sains Politik dari Universiti Kebangsaan Malaysia (UKM). Beliau memulakan kerjaya sebagai Pegawai Tadbir Diplomatik di Dewan Bandaraya Kuala Lumpur dan pernah berkhidmat di pelbagai Jabatan Kerajaan termasuk Kementerian Perusahaan Awam, Kementerian Belia dan Sukan, serta Kementerian Pembangunan Usahawan dan Koperasi. Dato' Mohd Hashim tidak mempunyai sebarang pegangan saham dalam BERNAS atau mana-mana syarikat subsidiarinya. Beliau menghadiri tujuh daripada lapan mesyuarat Lembaga Pengarah yang diadakan dalam tahun kewangan.

Dato' Dr. Mohd Irwan Serigar bin Abdullah, a Malaysian, 55, was appointed to the Board on 26 August 2011. He is currently the Deputy Secretary General of Treasury (Policy), Ministry of Finance. He holds a PhD in Economics from International Islamic University Malaysia, Masters of Science in Energy, Management and Policy from University of Pennsylvania, USA, and Bachelors Degree with Honours in Population Studies from Universiti Malaya. He also attended the Advanced Management Program at Harvard Business School, Harvard University, USA. Dato' Dr. Mohd Irwan Serigar has an extensive experience working in the Economic Planning Unit of the Prime Minister's Department from 1984 until 2003. He was involved in the preparation of the Fifth Malaysia Plan, Action Plan of the First Industrial Master Plan, and setting up of the Energy Division. In 2003, he joined the Ministry of Finance and held various positions, including Principal Assistant Secretary in the Economics and International Division, Head of Econometrics Section, Head of Multi Lateral Relations, Deputy Under Secretary (Macro) of the Economics and International Division, and Under Secretary of Economics and International Division, before being appointed to his current position in 2011. He currently sits on the board of Employees Provident Fund (EPF), Retirement Fund Incorporated (KWAP), Suruhanjaya Koperasi Malaysia (SKM), International Islamic University Malaysia (IIUM), Kumpulan Wang Amanah Negara (KWAN), Lembaga Tabung Haji (TH), Malaysian Foundation for Innovation (YIM), GovCo Holdings Limited, Capital Market Development Fund (CMDf), Malaysian Venture Capital Development Council (MVCDC) and Malaysian Holding Sdn Bhd (MHSB). Dato' Dr. Mohd Irwan has no securities holdings in BERNAS or its subsidiaries. He attended two Board Meetings during the financial year.



DATO' DR. MOHD IRWAN SERIGAR BIN ABDULLAH
Non-Independent, Non-Executive Director
Pengarah Tidak Bebas, Bukan Eksekutif

Dato' Dr. Mohd Irwan Serigar bin Abdullah, warganegara Malaysia, 55 tahun, dilantik sebagai Pengarah pada 26 Ogos 2011. Beliau ialah Timbalan Ketua Setiausaha Perbendaharaan (Dasar), Kementerian Kewangan. Beliau memegang Ijazah Doktor Falsafah (PhD) dalam bidang Ekonomi dari Universiti Islam Antarabangsa Malaysia, Sarjana Sains dalam bidang Pengurusan dan Polisi Tenaga dari University of Pennsylvania, USA dan Sarjana Muda (Kepujian) dalam Pengajian Penduduk dari Universiti Malaya. Beliau turut menghadiri Program Pengurusan Lanjutan di Harvard Business School, USA. Beliau mempunyai pengalaman yang luas bertugas di Unit Perancang Ekonomi Jabatan Perdana Menteri dan terlibat dalam penyediaan Rancangan Malaysia Kelima, Pelan Induk Industri yang Pertama, dan penubuhan Jabatan Tenaga. Mulai tahun 2003, beliau memegang pelbagai jawatan penting di Kementerian Kewangan sebelum menyandang jawatan sekarang. Beliau adalah Ahli Lembaga Pengarah Kumpulan Wang Simpanan Pekerja (KWSP), Kumpulan Wang Persaraan (KWAP), Suruhanjaya Koperasi Malaysia (SKM), Universiti Islam Antarabangsa Malaysia (UIAM), Kumpulan Wang Amanah Negara (KWAN), Lembaga Tabung Haji (TH), Yayasan Inovasi Malaysia (YIM), GovCo Holdings Limited, Dana Pembangunan Pasaran Modal (CMDf), Majlis Pembangunan Modal Malaysia (MVCDC) dan Malaysian Holding Sdn Bhd (MHSB). Beliau menghadiri dua mesyuarat Lembaga Pengarah yang diadakan dalam tahun kewangan.

**DATUK AZIZAN BIN AYOB****Non-Independent, Non-Executive Director****Pengarah Tidak Bebas, Bukan Eksekutif**

Datuk Azizan bin Ayob, a Malaysian, 65, joined the Board on 30 September 2003. He is the Chairman of Tender Committee and a member of Audit, Executive, and Nomination and Remuneration Committees of the Board. Datuk Azizan holds a Bachelor of Arts (Hons) degree in Economics from Universiti Malaya and a Masters degree in Public Administration from University of Southern California, USA. He is the Executive Director of Puncak Tegap Sdn. Bhd., Director of Commerce Access Sdn. Bhd. and Director/Advisor of Commerce Dot.Com Sdn. Bhd. A former public servant, his last position in public service was as the Director General of the National Registration Department of Malaysia. Datuk Azizan has a direct share holding of 10,000 ordinary shares of RM1.00 each in BERNAS. He attended all of the eight Board Meetings held during the financial year.

Datuk Azizan bin Ayob, warganegara Malaysia, 65 tahun, dilantik sebagai Pengarah pada 30 September 2003. Beliau adalah Pengerusi Jawatankuasa Tender dan ahli Jawatankuasa Audit, Jawatankuasa Eksekutif dan Jawatankuasa Penamaan dan Imbuhan. Datuk Azizan berkelulusan Ijazah Sarjana Muda Sastera (Kepujian) dalam Ekonomi dari Universiti Malaya dan Ijazah Sarjana Pentadbiran Awam dari University of Southern California, USA. Beliau merupakan Pengarah Eksekutif di Puncak Tegap Sdn. Bhd., Pengarah Commerce Access Sdn. Bhd. dan Pengarah/Penasihat Commerce Dot.Com Sdn. Bhd. Beliau pernah berkhidmat di pelbagai Jabatan Kerajaan dan jawatan terakhir beliau dalam perkhidmatan awam adalah sebagai Ketua Pengarah, Jabatan Pendaftaran Negara, Malaysia. Beliau mempunyai pegangan saham secara langsung sebanyak 10,000 saham-saham biasa BERNAS bernilai RM1.00 setiap satu. Beliau menghadiri kesemua lapan mesyuarat Lembaga Pengarah yang diadakan dalam tahun kewangan.



Tuan Syed Abu Bakar bin S Mohsin Almohdzar, a Malaysian, 61, joined the Board on 22 November 2005. He is the Chairman of Audit Committee and a member of Tender and Nomination and Remuneration Committees of the Board. Tuan Syed Abu Bakar is a fellow member of the Association of Chartered Certified Accountants (FCCA, UK) and Malaysian Institute of Accountants (MIA). Currently, he is the Managing Director of World Islamic Economic Forum Foundation. He was the Managing Director of Tradewinds (M) Berhad from 1996 to 2004. He has no securities holding in BERNAS or its subsidiaries. He attended seven out of eight Board Meetings held during the financial year.

SYED ABU BAKAR BIN S MOHSIN ALMOHDZAR
Independent, Non-Executive Director
Pengarah Bebas, Bukan Eksekutif

Tuan Syed Abu Bakar, warganegara Malaysia, 61 tahun, dilantik sebagai Pengarah pada 22 November 2005. Beliau adalah Pengerusi Jawatankuasa Audit, ahli Jawatankuasa Tender serta ahli Jawatankuasa Penamaan dan Imbuhan. Tuan Syed Abu Bakar adalah ahli Association of Chartered Certified Accountants (FCCA, UK) dan Malaysian Institute of Accountants (MIA). Beliau juga adalah Pengarah Urusan Yayasan Forum Ekonomi Islam Dunia. Beliau pernah memegang jawatan Pengarah Urusan Tradewinds (M) Berhad dari tahun 1996 hingga 2004. Beliau tidak mempunyai sebarang pegangan saham dalam BERNAS atau mana-mana syarikat subsidiarinya. Beliau menghadiri tujuh daripada lapan mesyuarat Lembaga Pengarah yang diadakan dalam tahun kewangan.



YB DATO' ABDUL RAHMAN BIN DATUK HAJI DAHLAN
Independent, Non-Executive Director
Pengarah Bebas, Bukan Eksekutif

YB Dato' Abdul Rahman, a Malaysian, 46, joined the Board on 15 October 2002. He is a member of Audit and Nomination and Remuneration Committees of the Board. Currently, he is the Member of Parliament for Kota Belud, Sabah and the Managing Director of H.R.P.M Consulting (M) Sdn. Bhd. YB Dato' Abdul Rahman holds a Bachelor degree in Economics and Management from Sonoma State University, California State University System, Rohnert Park, California, USA. YB Dato' Abdul Rahman has no securities holdings in BERNAS or its subsidiaries. He attended five out of eight Board Meetings held during the financial year.

YB Dato' Abdul Rahman, warganegara Malaysia, 46 tahun, dilantik sebagai Pengarah pada 15 Oktober 2002. Beliau adalah ahli Jawatankuasa Audit dan Jawatankuasa Penamaan dan Imbuhan. Beliau adalah Ahli Parlimen Kota Belud, Sabah dan merupakan Pengarah Urusan H.R.P.M Consulting (M) Sdn Bhd. YB Dato' Abdul Rahman berkelulusan Ijazah Sarjana Muda Ekonomi dan Pengurusan dari Sonoma State University, California State University System, Rohnert Park, California, USA. Beliau tidak mempunyai sebarang pegangan saham dalam BERNAS atau mana-mana syarikat subsidiarinya. Beliau menghadiri lima daripada lapan mesyuarat Lembaga Pengarah yang diadakan dalam tahun kewangan.

DATIN NAIMAH BINTI RAMLI**Alternate Director to Dato' Mohd Hashim bin Abdullah****Pengarah Gantian kepada Dato' Mohd Hashim bin Abdullah**

Datin Naimah binti Ramli, a Malaysian, 53, was appointed as Alternate Director to Dato' Mohd Hashim bin Abdullah on 20 December 2011. She is the Under Secretary of Paddy and Rice Industry Division, Ministry of Agriculture and Agro-based Industry. She holds a Masters of Business Administration from University of Hull, Bachelor of Science Degree in Agricultural Education from Universiti Pertanian Malaysia and Diploma in Public Administration from National Institute of Public Administration (INTAN). Datin Naimah was on the Board of Licensing of Penang Development Corporation from 2008 to 2009, Board of Sarawak Commercial Vehicles Licensing from 2007 to 2010, Board of Sabah Commercial Vehicles Licensing in 2010 and Board of Semenanjung Malaysia Commercial Vehicles Licensing from 2007 to 2011. Datin Naimah has no securities holdings in BERNAS or its subsidiaries. She attended one Board Meeting held during the financial year.

Datin Naimah binti Ramli, warganegara Malaysia, 53 tahun, telah dilantik sebagai Pengarah Gantian kepada Dato' Mohd Hashim bin Abdullah pada 20 Disember 2011. Beliau adalah Setiausaha Bahagian Industri Padi dan Beras, Kementerian Pertanian dan Industri Asas Tani. Datin Naimah memiliki Ijazah Sarjana Pentadbiran Perniagaan dari University of Hull, Ijazah Sarjana Muda Pendidikan (Sains Pertanian) dari Universiti Pertanian Malaysia dan Diploma Pentadbiran Awam dari Institut Tadbiran Awam Negara (INTAN). Datin Naimah pernah menjadi Pengarah di Lembaga Perlesenan Perbadanan Pembangunan Pulau Pinang dari 2008 hingga 2009, Pengarah di Lembaga Perlesenan Kenderaan Perdagangan Sarawak dari 2007 hingga 2010, Pengarah di Lembaga Perlesenan Kenderaan Perdagangan Sabah pada tahun 2010 dan Pengarah di Lembaga Perlesenan Kenderaan Perdagangan Semenanjung Malaysia dari 2007 hingga 2011. Datin Naimah tidak mempunyai sebarang pegangan saham dalam BERNAS atau mana-mana syarikat subsidiarinya. Beliau menghadiri satu mesyuarat Lembaga Pengarah yang diadakan dalam tahun kewangan.

Note:-

Save as disclosed herein, none of the Directors has:-

1. Any family relationship with any other Directors and/or Major Shareholders of the Company;
2. Any conflict of interest with the Company; and
3. Any conviction for offences within the past ten (10) years other than traffic offences, if any.

Nota:-

Kecuali yang dinyatakan, semua Pengarah tidak mempunyai:-

1. Sebarang hubungan kekeluargaan dengan mana-mana Pengarah atau Pemegang Saham Utama Syarikat;
2. Sebarang konflik kepentingan dengan Syarikat; dan
3. Sebarang penyabitkan kesalahan dalam tempoh sepuluh (10) tahun kecuali kesalahan trafik, sekiranya ada.



MANAGEMENT TEAM

Kumpulan Pengurusan

From Left to Right / Dari Kiri ke Kanan:

Bakry bin Hamzah
Managing Director / Pengarah Urusan

Ahmad Tarmizi bin Mohamed Hariri
Chief Financial Officer / Ketua Pegawai Kewangan

Zurkarnain bin Mohd Yusoff
Senior General Manager, International Business Sector
Pengurus Besar Kanan, Sektor Perniagaan Antarabangsa

Abdul Rahman bin Mohd Nasri
Senior General Manager, Local Rice Business Sector
Pengurus Besar Kanan, Sektor Perniagaan Beras Tempatan

Wan Razif bin Wan Musa
Senior General Manager, Domestic Business Sector
Pengurus Besar Kanan, Sektor Perniagaan Domestik



Azhar bin Abdullah
Senior General Manager, Managing Director's Office
Pengurus Besar Kanan, Pejabat Pengarah Urusan

Zainudin bin Hashim
Senior General Manager, Corporate Planning &
Business Development Division
Pengurus Besar Kanan, Bahagian Perancangan
Korporat & Pembangunan Perniagaan

Mohd Azmy bin Abu Samah
Senior General Manager, Finance Division
Pengurus Besar Kanan, Bahagian Kewangan

Mohd Redha bin Talib
Senior General Manager, Engineering & Facility Division
Pengurus Besar Kanan, Bahagian Kejuruteraan & Fasiliti

Mohamad Nazuir bin Ahmad Toee
Senior General Manager, Human Capital &
Administration Division
Pengurus Besar Kanan, Bahagian Modal Insan &
Pentadbiran



MANAGEMENT TEAM

Kumpulan Pengurusan

From Left to Right / Dari Kiri ke Kanan:

Mohammad Kamaluddin bin Mohammed Effendie
Chief Executive Officer / Ketua Pegawai Eksekutif
Beras Corporation Sdn. Bhd.

Amiruddin bin Ahmad Tajuddin
General Manager, Local Rice Business Sector
Pengurus Besar, Sektor Perniagaan Beras Tempatan

Normala binti Hassan
General Manager, Compliance Management Division
Pengurus Besar, Bahagian Pengurusan Pematuhan

Mohd Khusaini bin Harumaini
General Manager, Managing Director's Office
Pengurus Besar, Pejabat Pengarah Urusan

Nasliza binti Mohd Nasir
General Manager, Legal & Secretarial Division
(Company Secretary)
Pengurus Besar, Bahagian Undang-Undang &
Kesetiausahaan (Setiausaha Syarikat)



Sabrina binti Yon
General Manager, Corporate Affairs Division
Pengurus Besar, Bahagian Perhubungan Korporat

Mohamad Bahari bin Aluan
General Manager, Change Management Department
Pengurus Besar, Jabatan Pengurusan Perubahan

Shahri Abu Mansul @ Abu Mansor
General Manager, Security Division
Pengurus Besar, Bahagian Keselamatan

Ir Mohamad Ridzuan bin Idris
General Manager, Engineering & Facility Division
Pengurus Besar, Bahagian Kejuruteraan & Fasiliti

DELIVERING
COMMITMENT

CULTIVATING
STRONGER
GROWTH





On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report and the Audited Financial Statements of Padiberas Nasional Berhad (BERNAS) for the financial year ended 31 December 2011.

Bagi pihak Lembaga Pengarah, dengan sukacitanya dibentangkan Laporan Tahunan dan Penyata Kewangan Padiberas Nasional Berhad (BERNAS) yang telah diaudit bagi tahun kewangan berakhir 31 Disember 2011.



CHAIRMAN'S LETTER TO SHAREHOLDERS

Perutusan Pengerusi kepada Pemegang Saham

CHAIRMAN'S LETTER TO SHAREHOLDERS

Perutusan Pengerusi kepada
Pemegang Saham



For the year 2011, the ongoing transformation of Padiberas Nasional Berhad (BERNAS) into a nimble and commercial-oriented entity continued to progress at a deliberate and measured pace. Whilst exploring paths to new growth and profitability, BERNAS remains committed to fulfilling its mandated role as custodian of the nation's paddy and rice industry.

Having established the momentum, we will unlock the potential of BERNAS and the prerequisites for future success are being stitched together. As we look further afield, we weave our value, stitch by stitch, in everything that we do. With confidence and vigour, we move forward to embrace a challenging but exciting future.

On that note, it is my pleasure to present to you BERNAS Annual Report and the Audited Financial Statements of the Company and its subsidiaries and associated companies (Group) for the financial year ended 31 December 2011 (FYE 2011).

Untuk tahun kewangan 31 Disember 2011, Padiberas Nasional Berhad (BERNAS) meneruskan proses transformasi ke arah pembentukan entiti yang lebih cergas dan berorientasi komersil dengan langkah yang diatur. Sambil menerokai laluan pertumbuhan dan keuntungan, BERNAS kekal komited dalam memenuhi peranan yang telah dimandatkan kepadanya sebagai pihak yang bertanggungjawab kepada industri padi dan beras negara.

Momentum yang telah terhasil ini mula mempamerkan potensi sebenar BERNAS dan menyediakannya untuk menempa kejayaan masa hadapan. Langkah kami disulami nilai, lembar demi lembar, dalam semua perkara yang kami lakukan. Dengan keyakinan dan penuh semangat, kami bersedia untuk mara dan menguasai masa hadapan yang penuh cabaran namun cukup menarik.

Dengan nada yang positif, sukacita dibentangkan Laporan Tahunan dan Penyata Kewangan yang telah diaudit bagi Syarikat dan Kumpulan untuk tahun kewangan berakhir 31 Disember 2011.

revenue
RM3.53 billion
 + 11%.

FINANCIAL PERFORMANCE

BERNAS closed the financial year ended 31 December 2011 with a revenue of RM3.53 billion, 11% higher than the RM3.17 billion achieved in the preceding financial year. The rice segment of the Group's business accounted for 84% of the revenue, while the non-rice segment made up the remaining 16% which is 34.4% higher than that recorded last year.

However, profit before tax for FYE 2011 decreased by 2.9% to RM238.73 million from RM245.78 million in the previous year. This was attributed mainly to the higher cost of raw materials, closure of the Group's 'Save More' retail operations and increase in finance costs and operating expenditure. As a consequence, earnings per share declined to 35.0 sen from 37.7 sen recorded a year ago.

DIVIDENDS

Notwithstanding the above, the Board of Directors is pleased to recommend a final dividend of 5% less income tax of 25% amounting to RM17.6 million, subject to your approval at the forthcoming Annual General Meeting. This is an additional payment to the first interim dividend of 15% less income tax of 25% amounting to RM52.9 million paid on October 21, 2011 and second interim dividend of 15% less 25% tax amounting to RM52.9 million paid on June 1, 2012.

The total payout represents 72.1% of profit after tax for FYE 2011 and it is the highest payout in the history of BERNAS.

Central Packaging Plant, KBB Bukit Raya, Pendang, Kedah



PRESTASI KEWANGAN

Tahun kewangan yang berakhir pada 31 Disember 2011 ditutup dengan catatan pemerolehan sebanyak RM3.53 bilion, 11% lebih tinggi daripada RM3.17 bilion yang dicatat pada tahun kewangan sebelumnya. Segmen perniagaan beras Kumpulan menyumbangkan sebanyak 84% daripada jumlah keseluruhan, manakala segmen perniagaan bukan beras menyumbangkan 16% hasil pemerolehan, iaitu 34.4% lebih tinggi daripada yang dicatatkan pada tahun sebelumnya.

Walau bagaimanapun, keuntungan sebelum cukai untuk tahun kewangan 2011 berkurangan sebanyak 2.9% kepada RM238.73 juta, daripada RM245.78 juta yang dicatatkan pada tahun 2010. Ini adalah disebabkan oleh kos bahan mentah yang meningkat, penutupan operasi peruncitan 'Save More' dan peningkatan dalam kos kewangan serta perbelanjaan operasi. Oleh itu, pendapatan setiap saham menurun kepada 35.0 sen daripada 37.7 sen yang dicatatkan setahun lalu.

DIVIDEN

Lembaga Pengarah mencadangkan dividen akhir sebanyak 5% ditolak cukai 25% berjumlah RM17.6 juta, tertakluk kepada kelulusan para pemegang saham pada Mesyuarat Agung Tahunan akan datang. Ini merupakan pembayaran tambahan kepada dividen interim pertama sebanyak 15% kurang 25% cukai, berjumlah RM52.9 juta yang telah dibayar pada 21 Oktober 2011, dan dividen interim kedua sebanyak 15% kurang 25% cukai berjumlah RM52.9 juta yang dibayar pada 1 Jun 2012.

Jumlah pembayaran keseluruhan adalah bersamaan dengan 72.1% daripada keuntungan selepas cukai bagi tahun kewangan 2011 dan merupakan pembayaran tertinggi setakat ini.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Perutusan Pengerusi kepada Pemegang Saham

CORPORATE DEVELOPMENTS

In FYE 2011, several key developments on the corporate front underpinned the Group's strategy to build a stronger presence in the nation's paddy and rice industry.

The BERNAS concession agreement to manage the importation, stockpile and distribution of rice as well as being the buyer of last resort of paddy, has been extended by the Government of Malaysia for another 10 years, commencing January 11, 2011.

To further expand our business in the production and distribution of local paddy and rice, BERNAS has taken the following initiatives and ventures:-

- Through its subsidiary, Subur Majubumi Sdn. Bhd., BERNAS entered into a joint venture agreement with KNC Mashyur Sdn. Bhd. on January 10, 2011 to form Berkat Beringin Sdn. Bhd. to purchase and mill paddy and pack rice. BERNAS has 100% equity interest in Berkat Beringin Sdn. Bhd.
- On November 11, 2011, BERNAS acquired an additional 29% share in Ban Heng Bee Holdings Sdn. Bhd. (BHBH) to increase it to 49%. This will take the partnership to a new level of collaborative effort and is in line with BERNAS' strategic long-term plan to strengthen its involvement in the downstream activities of the rice business.
- On March 8, 2011, BERNAS signed an MoU with Muda Agricultural Development Authority (MADA) to jointly undertake the commercial activities of EPP10: Scaling up and Strengthening Productivity of Paddy Farming. This EPP will transform small-scale paddy farming activities into larger scale operations using the sustainable practices, intensification of irrigation facilities and applying high yielding MR219 and MR229 varieties to move farmers up the value chain. Operationally, BERNAS and MADA have successfully completed the first 5,000 hectares of planting and harvesting.

PERKEMBANGAN KORPORAT

Dalam tahun kewangan 2011, beberapa perkembangan penting telah berlangsung untuk memperkukuhkan kedudukan Kumpulan dalam industri padi dan beras negara.

Perjanjian BERNAS bagi pengurusan import, stokpail beras negara dan pengagihan beras, serta peranan sebagai pembeli terakhir padi daripada petani, telah dilanjutkan oleh Kerajaan Malaysia untuk tempoh 10 tahun lagi, bermula 11 Januari 2011.

Untuk meluaskan penglibatan dalam operasi pengeluaran dan pengagihan padi dan beras tempatan, BERNAS telah mengambil inisiatif dan langkah-langkah berikut:-

- Melalui anak syarikatnya, Subur Majubumi Sdn. Bhd., BERNAS telah menandatangani perjanjian usahasama dengan KNC Mashyur Sdn. Bhd. pada 10 Januari 2011, untuk bekerjasama dalam operasi Berkat Beringin Sdn. Bhd. bagi aktiviti pembelian dan pengilangan padi serta pengampitan beras. BERNAS mempunyai pegangan ekuiti sebanyak 100% dalam Berkat Beringin Sdn. Bhd.
- Pada 11 November 2011, BERNAS memperolehi 29% syer tambahan dalam Ban Heng Bee Holdings Sdn. Bhd. (BHBH) menjadikan pegangannya bertambah kepada 49%. Ini akan membawa perkongsian ini ke tahap yang baru, selari dengan rancangan jangka panjang BERNAS untuk memperkukuhkan penglibatannya dalam aktiviti-aktiviti hiliran perniagaan beras.
- Pada 8 Mac 2011, BERNAS menandatangani Perjanjian Persefahaman dengan Lembaga Kemajuan Pertanian Muda (MADA) untuk bekerjasama membangunkan aktiviti komersil Projek EPP10: Mengukuh dan Meningkatkan Produktiviti Penanaman Padi. Projek EPP ini akan mengubah aktiviti penanaman padi berskala kecil kepada operasi berskala besar menerusi amalan pertanian yang lebih mampan, memperbaiki sistem pengairan sedia ada dan memperluaskan penanaman padi MR219 dan MR229 yang memberikan hasil tuaian yang lebih tinggi, sekaligus melonjakkan taraf hidup petani. Penanaman dan penuaian 5,000 hektar pertama telahpun disempurnakan oleh BERNAS dan MADA.

- BERNAS has been invited by the Government under the EPP 11 to be one of the few agencies to develop 5,100 hectares of paddy land in Batang Lupar, Sri Aman, Sarawak. For a start, BERNAS has initiated a pilot scheme involving an area of 70 hectares in collaboration with local farmers with the cooperation of the Federal Government and State Government agencies. The results of this pilot study will determine the viability as well as provide key inputs as to how the implementation of the larger project should proceed.
- BERNAS turut diundang oleh Kerajaan untuk menyertai beberapa agensi lain dalam membangunkan Projek EPP 11 yang melibatkan tanah padi seluas 5,100 hektar di Batang Lupar, Sri Aman, Sarawak. Sebagai permulaan, BERNAS telah memulakan projek perintis di atas tanah seluas 70 hektar dengan kerjasama kerajaan pusat, agensi-agensi kerajaan negeri dan petani setempat. Hasil kajian projek perintis ini akan menentukan daya maju dan pendekatan yang bakal digunakan untuk melaksanakan projek sepenuhnya.

OPERATIONAL HIGHLIGHTS

BERNAS continued to make a significant headway on the operational front which is covered in greater detail by the Managing Director in his review of operations.

- Our *Program Rakan Ladang (PRL)* has achieved much success in enhancing productivity and crop quality through adoption of good agricultural practices, supplemented by the availability of loan for planting costs. 28,458 farmers have benefitted from PRL programme which saw yield increase of between 10% - 20% in the few areas in Perlis, Krian, Selangor and Kedah in the last harvesting season.
- With our trading stock of 200,000 MT and National Rice Stockpile of 292,000 MT, we were able to address concerns of food security in Malaysia following the devastating floods in the rice growing area of Southeast Asia. BERNAS too signed an MoU with Vietnamese authorities in October last year for the supply of 800,000 MT of rice as and when the need arises. As such, there was no supply disruption in 2011.

SOROTAN OPERASI

BERNAS terus mencatat kemajuan dalam bahagian operasi seperti yang dibincangkan secara terperinci oleh Pengarah Urusan dalam tinjauan operasi Laporan Tahunan ini.

- Program Rakan Ladang (PRL) telah mencapai kejayaan dalam meningkatkan produktiviti dan kualiti hasil tuaian, kesan daripada amalan pertanian yang baik serta penyediaan pembiayaan kos penanaman. Seramai 28,458 orang petani telah mendapat manfaat program PRL ini dengan peningkatan hasil sekitar 10% - 20% di beberapa kawasan di Perlis, Krian, Selangor dan Kedah pada musim yang lalu.
- Dengan stok penimbal sebanyak 200,000 tan metrik dan Stokpail Negara sebanyak 292,000 tan metrik, kita berupaya menangani kebimbangan kekurangan bekalan makanan akibat daripada bencana banjir yang melanda Asia Tenggara. BERNAS turut menandatangani Perjanjian Persefahaman dengan Vietnam pada bulan Oktober tahun lalu untuk mendapatkan bekalan sehingga 800,000 tan metrik beras bila ianya diperlukan. Oleh itu, tiada sebarang gangguan bekalan berlaku di sepanjang tahun 2011.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Perutusan Pengerusi kepada Pemegang Saham

- One of the year's highlights was undoubtedly the launch of our 'Bowls for Humanity' campaign by the Deputy Prime Minister, YAB Tan Sri Dato' Hj. Muhyiddin bin Hj. Mohd Yassin, on July 28, 2011. This is our latest initiative under our Corporate Social Responsibility programme to reach out to the marginalised and those in need. The concept is simple: for every 10 kg pack of BERNAS rice purchased by Malaysians, 25 grammes (in value) will be channeled towards feeding orphans in Malaysia. Up until December 2011, BERNAS donated around RM1.25 million or 500,000 kg of rice to orphanages throughout the country. For FYE 2012, BERNAS has set a target of the equivalent of 1,200 MT of rice to be donated to orphanages nation-wide.
- Pelancaran kempen 'Secupak Budi Sepenuh Hati' oleh YAB Tan Sri Dato' Hj. Muhyiddin bin Hj. Mohd Yassin, Timbalan Perdana Menteri Malaysia pada 28 Julai 2011 merupakan salah satu peristiwa penting yang berlaku pada tahun yang ditinjau. Ia merupakan inisiatif Tanggungjawab Sosial Korporat terbaru BERNAS untuk mendekati mereka yang memerlukan dan serba kekurangan. Konsepnya mudah: bagi setiap pembelian beras BERNAS kimpit 10 kg, nilai 25 gram akan disalurkan kepada rumah-rumah anak yatim di seluruh Malaysia. Sehingga bulan Disember 2011, BERNAS telah menyumbangkan sejumlah RM1.25 juta atau 500,000 kg beras kepada rumah-rumah anak yatim di seluruh negara. Untuk tahun kewangan 2012, BERNAS mensasarkan sejumlah 1,200 tan metrik beras disumbangkan kepada golongan yang sama di seluruh negara.

INDUSTRY TRENDS

According to the Organisation for Economic Cooperation and Development (OECD) and the Food and Agriculture Organisation of the United Nations (FAO) in their OECD-FAO Agricultural Outlook 2011-2020, rice trade is expected to grow at 2.2% per annum for the next decade. By 2020, it is projected at 41 million MT, up from 31 million MT in 2010. Trade expansion will likely be fuelled by rising demand from African countries.

Because of its high price policies through paddy pledging scheme and rising costs, Thailand has lost its competitiveness in the export market. The country is expected to lose its share from 30% in 2010 to 23% in 2020. On the other hand, sustained export growth may turn Vietnam into the world's largest exporter. Vietnam and India are becoming powerhouses in international market, replacing Thailand as market leader.

Other Asian countries, in particular Myanmar and Cambodia, are expected to make major inroads in the international rice market, with exports growing by 10% per annum to 2020. This projection, however, is subject to these countries getting their act together politically, in addition to modernizing their rice sector and reforming their policies.

TREND INDUSTRI

Menurut Organisation for Economic Cooperation and Development (OECD) dan Food and Agriculture Organisation (FAO) Bangsa-Bangsa Bersatu, dalam laporan OECD-FAO Agricultural Outlook 2011-2020, dagangan beras dijangka meningkat sebanyak 2.2% setahun untuk dekad yang akan datang. Pada tahun 2020, ia diunjurkan berjumlah 41 juta tan metrik berbanding 31 juta tan metrik pada tahun 2010. Permintaan yang semakin meningkat dari negara-negara Afrika dijangka melonjakkan perkembangan dagangan.

Negara Thailand telah kehilangan daya saing pasaran eksport akibat polisi harganya yang tinggi melalui skim cagaran padi dan peningkatan kos. Syer pasaran negara tersebut dijangka menurun daripada 30% pada tahun 2010 kepada 23% pada tahun 2020. Vietnam pula dijangka muncul sebagai pengeksport terbesar dunia, hasil kemampuannya mengekalkan pertumbuhan eksport. Peranan Vietnam dan India dalam menerajui pasaran antarabangsa semakin menyerlah, menggantikan Thailand.

Negara-negara Asia yang lain, seperti Myanmar dan Kemboja, dijangka memainkan peranan yang lebih besar dalam pasaran antarabangsa dengan jumlah eksport yang bertambah pada kadar 10% setiap tahun. Walau bagaimanapun, unjuran ini tertakluk kepada keadaan politik di negara masing-masing serta pemodenan sektor padi dan pembaharuan polisi mereka.

Prices of rice are expected to remain firm and on the increasing trend in view of rising production cost and competition for land usage, but we do not expect drastic shortage leading to severe price spike in the near future, owing to the factors above.

OUR VALUE PROPOSITION

As we stand today, BERNAS is a much stronger entity than it was just two years ago. Our value proposition rests on the unique position that BERNAS occupies in the socio-economic fabric of the nation as well as the following considerations:

- BERNAS is tapping inherent synergies of coming under the corporate umbrella of the Tradewinds (M) Berhad Group (TWM), one of the largest food-based groups listed on the Main Market of Bursa Malaysia Securities Berhad. The strategic concentration of our respective strengths will contribute positively to the overall productivity, efficiency and profitability of BERNAS.
- With the extension of the Concession Agreement for the next 10 years, we will commit more funds for capital expenditure to improve facilities and introduce state of art technologies across the entire supply chain.
- The Group has strong and recognisable brands that we will exploit to further strengthen our position in the market.
- With the latest corporate exercise and our continuing programme with the farmers through PRL as well as our corporate social activities, we will strive to unlock the values in both upstream and downstream activities.

Harga beras antarabangsa dijangka kekal kukuh dengan trend peningkatan harga sejajar dengan peningkatan kos pengeluaran dan persaingan penggunaan tanah. Namun, kami menjangkakan tidak akan berlaku sebarang masalah bekalan untuk mengakibatkan lonjakan harga secara mendadak dalam jangka waktu terdekat.

PERNYATAAN NILAI

BERNAS berdiri pada hari ini, lebih teguh berbanding dua tahun yang lalu. Kelebihan nilai BERNAS terletak pada kedudukannya yang unik dalam struktur sosial dan ekonomi masyarakat negara ini, serta dalam perkara-perkara berikut:

- BERNAS memanfaatkan peluang-peluang sinergi yang wujud di bawah naungan korporat Kumpulan Tradewinds (M) Berhad yang merupakan di antara kumpulan-kumpulan perniagaan berasaskan makanan yang terbesar dan tersenarai di bawah Pasaran Utama Bursa Malaysia Securities Berhad. Penumpuan strategik setiap syarikat di bawah Kumpulan ini merupakan kekuatan yang akan menyumbang ke arah produktiviti, kecekapan dan keuntungan keseluruhan BERNAS.
- Dengan lanjutan Perjanjian BERNAS selama 10 tahun lagi, BERNAS akan memperuntukkan lebih banyak perbelanjaan modal untuk menambahbaik fasiliti dan menggunakan teknologi terkini di semua peringkat rantai bekalan.
- Kumpulan BERNAS mempunyai kekuatan jenama yang membolehkan BERNAS mengukuhkan lagi kedudukannya dalam pasaran.
- Melalui pelaksanaan rancangan korporat terkini, program-program pertanian menerusi PRL, serta aktiviti-aktiviti sosial korporat, kami akan berusaha untuk merealisasikan nilai-nilai dalam kedua-dua aktiviti hulu dan hilir.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Perutusan Pengerusi kepada Pemegang Saham

APPRECIATION

At the end of the day, it is the human factor that will determine the success of a company and its ultimate destiny. Our prime assets are the intellectual and creative capabilities of our people, the 1,700 men and women who together make up a formidable force. They are truly the heart and soul of BERNAS and I thank all of you for contributing so effectively to our success.

We are also fortunate to have had the understanding and support of the Malaysian Government, Ministry of Agriculture and Agro-based Industry and other agencies. Your guidance and help have always made the difference in a challenging business.

To our valuable support group, namely our customers, business associates, financiers and partners, you are the *raison d'être* of our existence and we hope to continue meeting your expectations as we journey together to bring BERNAS to even greater heights of achievement.

And to you our loyal shareholders, thank you for your understanding and support as we strive in all our efforts to grow and create more value.

Finally, I owe my fellow members on the Board a special note of thanks. This is a cohesive team of people who are committed to the continuing progress of the Group. There were several changes to the Board's composition during the year. Dato' Azman bin Umar resigned from the board on August 26, 2011 upon his retirement from civil service. His professionalism and contributions during his tenure will be missed and we wish him every success.

PENGHARGAAN

Faktor kemanusiaan merupakan penentu kejayaan dan matlamat akhir sesebuah syarikat. Keupayaan intelek dan kreatif modal insan kami yang terdiri daripada 1,700 orang kakitangan lelaki dan wanita merupakan aset terpenting dalam membentuk sebuah organisasi yang disegani. Mereka adalah rohani dan jasmani yang membentuk BERNAS dan sumbangan efektif mereka terhadap kejayaan Syarikat amatlah dihargai.

Kami juga bertuah kerana mendapat kepercayaan dan sokongan dari Kerajaan Malaysia, Kementerian Pertanian dan Industri Asas Tani serta agensi-agensi yang lain. Segala panduan dan bantuan yang diberikan telah memberikan impak yang bermakna dalam kami mengharungi cabaran peniagaan.

Kepada para pelanggan, rakan perniagaan, pembiaya kewangan dan rakan kongsi yang sentiasa memberi sokongan, anda adalah rasional kewujudan kami. Kami berharap dapat terus memenuhi harapan dan jangkaan di sepanjang perjalanan bersama untuk membawa BERNAS ke peringkat yang lebih tinggi.

Kepada para pemegang saham yang budiman, setinggi-tinggi terima kasih diucapkan di atas persefahaman dan sokongan di sepanjang kami berusaha untuk berkembang dan melahirkan lebih nilai.

Akhir sekali, saya ingin mengucapkan setinggi-tinggi penghargaan kepada rakan Ahli Lembaga Pengarah yang terdiri daripada satu pasukan yang padu dan komited untuk menentukan kemajuan Kumpulan secara berterusan. Terdapat sedikit perubahan dalam komposisi Lembaga Pengarah pada tahun yang ditinjau. Dato'Azman bin Umar meletak jawatan sebagai Pengarah pada 26 Ogos 2011 berikutan persaraan beliau dari perkhidmatan awam. Sumbangan beliau sepanjang tempoh perkhidmatan amatlah kami hargai dan kami ingin mengucapkan selamat maju jaya.

We wish also to record our sincere appreciation to Mr Chua Seong Tat who resigned from the Board on March 15, 2012 for his valuable contribution.

The two new members on the Board are Dato' Dr. Mohd Irwan Serigar bin Abdullah, who is the Deputy Secretary General of Treasury (Policy) in the Ministry of Finance and Datin Naimah binti Ramli, who will serve as the Alternate Director to Dato' Mohd Hashim bin Abdullah. We welcome you to the Board and look forward to benefiting from your experience and fresh insights.

I thank all of you.

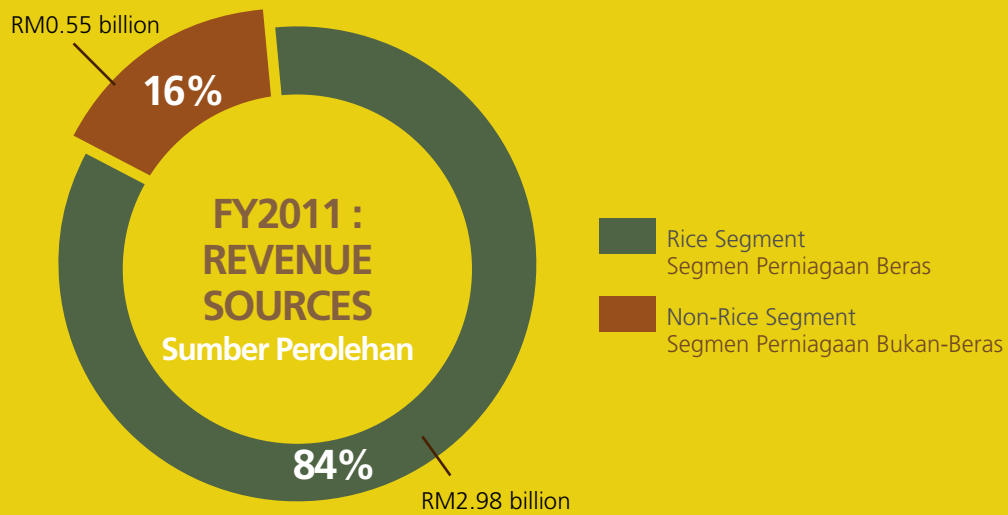
DATO' WIRA SYED ABDUL JABBAR BIN SYED HASSAN
CHAIRMAN

Kami juga ingin merakamkan ucapan setinggi-tinggi penghargaan kepada Encik Chua Seong Tat di atas segala sumbangan beliau yang tidak ternilai sebagai Ahli Lembaga Pengarah. Beliau telah bersara pada 15 Mac 2012.

Kami mengalu-alukan dua orang ahli baru dalam Lembaga Pengarah. Mereka ialah Dato' Dr. Mohd Irwan Serigar bin Abdullah, Timbalan Ketua Setiausaha Perbendaharaan (Dasar), Kementerian Kewangan, serta Datin Naimah binti Ramli, yang akan berkhidmat sebagai Pengarah Gantian kepada Dato' Mohd Hashim bin Abdullah. Semoga pengalaman luas dan buah fikiran mereka dapat menyuntik semangat baru kepada BERNAS.

Sekian, terima kasih.

DATO' WIRA SYED ABDUL JABBAR BIN SYED HASSAN
PENGURUS



REVENUE GROWTH Pertumbuhan Perolehan



Combined harvester at work in Tg Karang, Selangor



"WHILST EXPLORING PATHS TO NEW GROWTH AND PROFITABILITY, BERNAS REMAINS COMMITTED TO FULFILLING ITS MANDATED ROLE AS CUSTODIAN OF THE NATION'S PADDY AND RICE INDUSTRY."

"SAMBIL MENEROKAI LALUAN PERTUMBUHAN DAN KEUNTUNGAN, BERNAS KEKAL KOMITED DALAM MEMENUHI PERANAN YANG TELAH DIMANDATKAN KEPADANYA SEBAGAI PIHAK YANG BERTANGGUNGJAWAB KEPADA INDUSTRI PADI DAN BERAS NEGARA."

DATO' WIRA SYED ABDUL JABBAR BIN SYED HASSAN
CHAIRMAN / PENERUS

DELIVERING
RESPONSIBILITY

COMMITTED
TO THE
NATION



BERNAS can look back on the financial year ended 31 December 2011 (FYE 2011) with a sense of accomplishment and satisfaction. Despite a myriad of challenges, BERNAS was able to maintain its growth momentum to produce satisfactory results on all fronts. For FYE 2011, BERNAS recorded profit before taxation of RM238.73 million which is a commendable achievement despite being lower than RM245.78 million recorded in 2010. Volume of rice sold grew by 3.1 % in 2011 as reflected in the turnover of RM3.53 billion, which surpassed the previous year's results by 11%.

BERNAS boleh meninjau kembali tahun kewangan 2011 dengan menarik nafas lega dan rasa syukur. Walaupun berhadapan dengan pelbagai cabaran, BERNAS berjaya mengekalkan momentum pertumbuhannya dan menghasilkan keputusan yang memuaskan dalam semua bahagian. Bagi tahun kewangan 2011, keuntungan sebelum cukai direkodkan sebanyak RM238.73 juta, iaitu keputusan yang boleh dibanggakan walaupun sedikit merosot berbanding

RM245.78 juta yang dicatatkan pada tahun 2010. Jumlah dagangan beras meningkat sebanyak 3.1% pada tahun 2011, sekaligus menyumbang kepada perolehan sebanyak RM3.53 bilion, mengatasi catatan perolehan tahun sebelumnya sebanyak 11%.



MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Tinjauan Operasi Pengarah Urusan



MANAGING DIRECTOR'S REVIEW OF OPERATIONS

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total rice sales
1.41 million MT
+3.1%.

EPP II Pilot Project in Batang Lupar, Sri Aman,
Sarawak

OPERATIONAL HIGHLIGHTS OF 2011

By leveraging on the gains of the previous year, real progress was also made in the ongoing transformation of BERNAS into a dynamic, highly competitive and cost-efficient company poised for a new phase of growth and profitability. In a year of aggressive consolidation, we grew to capitalise on our momentum to achieve the following highlights:

- BERNAS' share of the local paddy market improved to 33.3% in 2011 from 32.2% in 2010. The increase was achieved largely through the success of our 'Skim Upah Mengering dan Kisar' (SUMK) and 'Program Rakan Ladang' (PRL).
- BERNAS also managed to minimise its paddy stock losses from 3.6% in 2010 to only 1.8% in 2011 due to improvements in the paddy deduction process at all its mills. As a result, Graded Rice Recovery (GRR) rate has also improved from 56.5% in 2010 to 57.4% in 2011.
- In 2011 BERNAS committed a total sum of RM64.13 million to execute 481 projects as part of its facilities and infrastructure improvement programme, focused on delivering both increased milling capacity and improved operating systems. Along with the improvements in paddy deduction process, this has contributed in milling operations to improve by 30% during the year in review.

SOROTAN OPERASI TAHUN 2011

Dengan memanfaatkan keuntungan yang diperolehi pada tahun sebelumnya, perkembangan sebenar dapat dicapai dalam meneruskan usaha transformasi BERNAS ke arah pembentukan sebuah organisasi yang dinamik, berdaya saing dan berkesan dari sudut kos – sedia untuk menuju fasa baru pertumbuhan dan keuntungan. Dalam tempoh pengukuhan syarikat secara agresif, kami memanfaatkan momentum pertumbuhan untuk mencapai perkara-perkara berikut:

- Syer pasaran padi tempatan BERNAS meningkat kepada 33.3% dalam tahun 2011 daripada 32.2% dalam tahun 2010. Peningkatan ini adalah hasil perlaksanaan 'Skim Upah Mengering dan Kisar' (SUMK) dan 'Program Rakan Ladang' (PRL).
- BERNAS turut berupaya meminimalkan kerugian stok padi daripada 3.6% pada tahun 2010 kepada hanya 1.8% pada tahun 2011, berikutan perbaikan proses pemotongan pemutuan padi di semua kilang. Hasil Perolehan Beras yang diproses juga berjaya ditingkatkan daripada 56.5% pada tahun 2010 kepada 57.4% pada tahun 2011.
- Dalam tahun 2011, BERNAS memperuntukkan sejumlah RM64.13 juta untuk menjalankan 481 projek menaik taraf fasiliti dan infrastruktur yang berfokuskan peningkatan kapasiti pengilangan dan penambahbaikan sistem operasi. Digabungkan dengan penambahbaikan proses pemotongan pemutuan padi, ia telah berupaya meningkatkan hasil operasi pengilangan sebanyak 30% dalam tahun yang ditinjau.

- BERNAS also successfully secured preferred-buyer contracts with key suppliers in Thailand and Vietnam, which is a major coup as the rice market tended to be traded on a consignment basis or at best, a 3-month forward period.
- As part of an exercise to rationalise our operations and focus on the more profitable segments of our business, a decision was taken in September 2011 to cease the operations of BERNAS' 30 'Save More' retail outlets.
- BERNAS has been requested to participate in two Entry Point Projects (EPPs) identified under the National Key Economic Areas (NKEAs) of the Economic Transformation Programme (ETP).
- The BERNAS-UPM Laboratory has been upgraded from an analytical food technology laboratory to a full-fledged research and development (R&D) laboratory. Renamed the UPM-BERNAS Research Laboratory, it will focus on efficiency and innovation in both upstream and downstream activities, as well as researching into rice by products which can be commercialised in the future.
- BERNAS juga berjaya mengikat kontrak pembekalan sebagai pembeli yang diutamakan dengan Thailand dan Vietnam. Ini merupakan suatu pencapaian kerana lazimnya beras diperdagangkan secara konsainan atau dalam tempoh paling lama secara pembelian tiga bulan ke hadapan.
- Sebagai sebahagian daripada usaha menyusun semula operasi perniagaan dengan menumpukan fokus ke arah segmen perniagaan yang lebih menguntungkan, keputusan untuk menutup operasi peruncitan 30 buah kedai komuniti Save More telah diambil pada September 2011.
- BERNAS turut diminta untuk menyertai dua Projek EPP di bawah Bidang Ekonomi Utama Negara (NKEA) Program Transformasi Ekonomi (ETP).
- Makmal BERNAS-UPM dinaik taraf daripada makmal analisa teknologi makanan kepada makmal Penyelidikan dan Pembangunan (R&D) sepenuhnya. Kini ia dikenali sebagai Makmal Penyelidikan UPM-BERNAS yang lebih fokus kepada keberkesanan penggunaan sumber dan inovasi dalam aktiviti hulu dan hiliran, serta penyelidikan produk sampingan beras yang boleh dikomersilkan di masa hadapan.



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INDUSTRY OVERVIEW

Global Review

The Food and Agriculture Organisation (FAO) of the United Nations reported that global rice production for 2011 reached a new record. Global production has been raised by 21.4 million MT to 721 million MT, a 3% increase from the previous record of 700 million MT set in 2010. Milled rice production has increased by 1.6 million MT to 480.5 million MT over the same period.

Rice is mostly self consumed in the country that it is produced, and only 4% of global production is traded internationally. The international rice trade (milled basis) in 2011 is projected to increase by about one million MT to an unprecedented level of 34.3 million MT. Expansion in the trading volume was fuelled by strong import demand from Asia as well as Africa.

International rice export prices remained relatively firm in the first half of 2011, after which prices began to rise, weighed in heavily by reports of flood-related crop losses, speculation and price support policy developments in Thailand and India. For the year as a whole, according to the FAO Rice Market Monitor, price volatility had considerably lessened in 2011. The massive floods that ravaged vast rice producing areas in Southeast Asia had less of an impact than initially feared. Despite trending downwards towards the end of 2011, rice prices in 2011 remained on average, 10% above 2010.

TINJAUAN INDUSTRI

Tinjauan Dunia

Pertubuhan Makanan dan Pertanian (FAO), sebuah agensi khusus Pertubuhan Bangsa-Bangsa Bersatu melaporkan, pengeluaran beras dunia tahun 2011 telah mencatat satu rekod baru. Pengeluaran dunia meningkat sebanyak 21.4 juta tan metrik kepada 721 juta tan metrik, atau peningkatan 3% berbanding 700 juta tan metrik yang dicatatkan pada tahun 2010. Pengeluaran beras yang dikilang juga meningkat sebanyak 1.6 juta tan metrik kepada 480.5 juta tan metrik dalam tempoh yang sama.

Secara umum, negara-negara pengeluar menghasilkan beras untuk kegunaan tempatan. Hanya 4% sahaja hasil keluaran beras dunia diperdagangkan di pasaran antarabangsa. Dalam tahun 2011, dagangan beras antarabangsa (kadar yang dikilang) diunjurkan meningkat sebanyak satu juta tan metrik kepada 34.3 juta tan metrik. Pertambahan jumlah dagangan adalah akibat daripada permintaan yang tinggi daripada negara-negara di Asia dan Afrika.

Harga beras eksport antarabangsa kekal kukuh pada separuh tahun pertama 2011, dan mula melonjak selepas tempoh tersebut kerana dipengaruhi oleh laporan kerugian tanaman akibat banjir, spekulasi serta perkembangan polisi sokongan harga di Thailand dan India. Menurut badan Pengawasan Harga Beras, Pertubuhan Makanan dan Pertanian (FAO), naik turun harga menyusut secara keseluruhannya pada tahun 2011. Bencana banjir yang melanda Asia Tenggara tidak membawa impak sebesar yang dijangkakan. Walaupun aliran harga cenderung menurun di penghujung tahun 2011, harga pasaran kekal di paras purata iaitu 10% melebihi paras harga tahun 2010.



REVIEW OF OPERATIONS

Procurement, Sales and Distribution

Malaysia's rice fields were spared from the calamities of the monsoon floods that affected the Asian Rice Belt in Indo-China. National paddy production rose by 1.3% to 1.80 million MT in 2011, from 1.78 million MT recorded in the previous year.

For the year, total rice sales increased by 3.1% to 1.41 million MT, against 1.37 million MT recorded in 2010. However, sales of local rice declined by 9.5% to 537,771 MT in 2011 from the previous level of 593,944 MT.

Throughout the year, the price of local paddy has remained relatively stable at around RM1,050 per MT in the Northern Region; RM1,220 per MT in Selangor and RM1,000 per MT in the Eastern Region. BERNAS continued to purchase local paddy at the prevalent market price, which is much higher than the Guaranteed Minimum Price (GMP) fixed by the Government at RM750 per MT.

BERNAS' share of the local paddy market improved to 33.3% in 2011, compared to 32.2% achieved in the preceding year. The Group purchases paddy from farmers at 32 BERNAS Rice Mills (Kilang Beras BERNAS or KBBs) and 48 purchasing centres (Skim Pusat Belian) nationwide. Through this network and our participation in the 'Skim Upah Mengering dan Kisar' (SUMK), BERNAS was able to purchase 600,000 MT of paddy from local farmers in 2011, a 1.1% increase over 2010.

TINJAUAN OPERASI

Pemerolehan, Jualan dan Pengedaran

Jelapang padi negara terselamat daripada bencana banjir monsun yang melanda kawasan penanaman padi Indo-China. Pengeluaran padi negara meningkat sebanyak 1.3% kepada 1.80 juta tan metrik pada tahun 2011, daripada 1.78 juta tan metrik yang dicatatkan pada tahun sebelumnya.

Jumlah jualan beras meningkat sebanyak 3.1% kepada 1.41 juta tan metrik, berbanding 1.37 juta tan metrik yang dicatatkan pada tahun 2010. Walau bagaimanapun, jualan beras tempatan merosot sebanyak 9.5% kepada 537,771 tan metrik pada tahun 2011, daripada 593,944 tan metrik pada tahun sebelumnya.

Harga padi tempatan kekal stabil di sepanjang tahun, iaitu di sekitar RM1,050 setiap tan metrik di Wilayah Utara; RM1,220 setiap tan metrik di Selangor dan RM1,000 setiap tan metrik di Wilayah Timur. BERNAS berterusan membeli padi tempatan pada harga pasaran yang jauh lebih tinggi daripada Harga Minima Terjamin RM750 setiap tan metrik yang ditetapkan oleh Kerajaan.

Syer pasaran padi tempatan BERNAS meningkat kepada 33.3% untuk tahun 2011, berbanding 32.2% yang dicatatkan pada tahun sebelumnya. Padi tersebut dibeli melalui 32 Kilang Beras BERNAS (KBB) dan 48 pusat belian (Skim Pusat Belian) di seluruh negara. Melalui rangkaian ini serta penglibatan 'Skim Upah Mengering dan Kisar' (SUMK), BERNAS berjaya membeli 600,000 tan metrik padi daripada petani tempatan pada tahun 2011: peningkatan 1.1% berbanding tahun 2010.



**IN 2011, BERNAS' RICE IMPORT
VOLUME INCREASED BY 14.2%
TO 1,068,224 MT.**

**PADA TAHUN 2011, JUMLAH IMPORT
BERAS BERNAS MENINGKAT SEBANYAK
14.2% KEPADA 1,068,224 TAN METRIK.**



MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Tinjauan Operasi Pengarah Urusan

The success of the 'Program Rakan Ladang' (PRL) is another contributing factor to BERNAS' increased market share. Launched in 2009, PRL is a strategic pact between BERNAS, government agencies and farmers to promote good agriculture practices and effective farm management techniques. A total of about 28,548 farmers involving 54,637 hectares of farmland have benefited from the PRL programme nationwide and are currently reaping the benefits of improved yields and quality, which in turn has contributed to an improvement in BERNAS' market share.

BERNAS has adopted a multi-sourcing and long-term purchasing strategy to cushion the impact of sudden increases in international prices or weather-related disruptions. In 2011, BERNAS' rice import volume increased by 14.2% to 1,068,224 MT, compared to 935,244 MT a year ago. The bulk of the imports were from Vietnam, Thailand and Pakistan.

National Rice Stockpile

As a national policy, the Government regards food security as being synonymous with rice security. BERNAS has been entrusted to secure and manage the government rice stockpile which serves as an emergency food security as well as a mechanism to stabilise supply and rice prices in the country.

The bulk of imported rice for the local market in FYE 2011 came from Vietnam (49%), followed by Thailand (33%), Pakistan (16%) and other countries (2%). However, with Thailand bracing for the worst floods in decades and amidst fears of a tightening global rice supply, BERNAS signed a Memorandum of Understanding with the Vietnam Government in October 2011 for the supply of up to 800,000 MT of rice a year to Malaysia as and when needed over the next 10 years.

There was also no disruption in the supply of other grades of rice consumed in Malaysia, such as the glutinous, fragrant and basmati varieties, which were readily available throughout the year.

Kejayaan Program Rakan Ladang (PRL) juga adalah di antara faktor yang menyumbang ke arah peningkatan syer pasaran BERNAS. Dilancarkan pada tahun 2009, PRL merupakan satu pakatan strategik di antara BERNAS, agensi-agensi Kerajaan dan para pesawah dalam menggalakkan amalan pertanian yang baik dan teknik pengurusan ladang yang berkesan. Sekitar 28,548 orang pesawah yang melibatkan 54,637 hektar tanah sawah seluruh negara telah mendapat manfaat daripada program ini dengan meraih hasil dan kualiti yang lebih baik, seterusnya menyumbang kepada peningkatan syer pasaran BERNAS.

BERNAS telah menggunakan strategi pemerolehan daripada pelbagai sumber dan strategi pembelian jangka panjang untuk mengurangkan impak kenaikan harga antarabangsa secara mendadak atau kemungkinan gangguan bekalan akibat cuaca. Pada tahun 2011, jumlah import beras BERNAS meningkat sebanyak 14.2% kepada 1,068,224 tan metrik, berbanding 935,244 tan metrik pada tahun sebelumnya. Sebahagian besar daripadanya diimport daripada Vietnam, Thailand dan Pakistan.

Stokpail Beras Negara

Kerajaan beranggapan jaminan keselamatan beras adalah sinonim dengan keselamatan makanan negara. BERNAS telah diamanahkan untuk melindungi dan menguruskan stokpail beras negara, yang berfungsi sebagai penimbal di waktu kecemasan serta sebagai mekanisma untuk menstabilkan bekalan dan harga beras di negara ini.

Sebahagian besar daripada beras yang diimport untuk pasaran tempatan adalah daripada Vietnam (49%), Thailand (33%), Pakistan (16%) dan lain-lain negara (2%). Melihat keadaan Thailand yang sedang menghadapi banjir terburuk sejak beberapa dekad yang lalu, dan kekhuatiran bekalan beras dunia mungkin terjejas, pada Oktober 2011 BERNAS telah menandatangani Memorandum Persefahaman dengan Kerajaan Vietnam untuk membekalkan sebanyak 800,000 tan metrik beras setahun, apabila negara memerlukan, untuk tempoh 10 tahun akan datang.

Tiada sebarang gangguan bekalan didapati berlaku ke atas beras gred-gred utama yang lain seperti beras pulut, wangi dan basmati pada sepanjang tahun yang ditinjau.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Tinjauan Operasi Pengarah Urusan

Facilities & Infrastructure Improvements

In fulfilling its mandated role as the Buyer of Last Resort, BERNAS is obligated to buy all paddy delivered by farmers to its KBBs nationwide, regardless of quality. To maintain quality and consistency of milled rice, BERNAS has placed greater emphasis on its milling and grading processes to improve recovery output and minimise stock loss.

To this end, BERNAS incurred significant capital expenditure to carry out 481 upgrading and improvement projects, focusing on the installation of new machinery and mill infrastructure upgrades.

Among others, these projects included the installation of rice milling machinery in 24 KBBs at a cost of RM2.77 million; installation of Hot Water Generator for dryer at KBB Sungai Limau for RM1.62 million; new fire fighting systems in 21 KBBs; installation of digital weighbridges in 17 KBBs and two warehouse costing RM2.65 million. Several Hot Water Generator and upgrading works estimated to cost RM8.29 million are still in progress at four KBBs.

Closure of 'Save More' Retail Outlets

In line with the Group's evolving business model and in light of the changing business environment, the last of the Group's 30 'Save More' community stores ceased operations in September 2011. To lend some perspective to our decision, when BERNAS entered the retail market in 2008/09, the reasons to establish a retail presence were manifold:

- To establish brand visibility in the retail market, whilst promoting close ties with the community
- To deliver a stable supply of top quality rice at fair prices
- To set a high benchmark for rice quality, whilst showcasing top quality rice of our own brands
- To ensure supply of the Government subsidised rice, namely the ST15% grade of rice to consumers
- To mitigate supply and price instability in the event of a crisis

Milled rice is packaged and stacked inside the warehouse



Penambahbaikan Fasiliti dan Infrastruktur

Dalam melaksanakan mandat sebagai 'Pembeli Terakhir Padi dari Petani', BERNAS bertanggungjawab untuk menerima kesemua padi yang dihantar ke Kilang-Kilang Beras BERNAS (KBB) tanpa mengira kualiti. Untuk menangani masalah kepelbagaian mutu dan penghasilan yang tidak konsisten, BERNAS memberikan perhatian yang lebih ke atas proses penggredan dan pemprosesan untuk meningkatkan Hasil Perolehan Beras yang diproses di samping mengurangkan kerugian stok padi.

Untuk tujuan ini, perbelanjaan modal yang agak besar digunakan untuk melaksanakan 481 projek-projek naik taraf dan pembaikan, dengan memberikan tumpuan terhadap pemasangan jentera baru dan menaik taraf infrastruktur kilang.

Antara lain, projek pemasangan jentera pengilangan padi di 24 buah KBB dengan kos RM2.77 juta; pemasangan Penjana Air Panas untuk proses mengering padi di KBB Sungai Limau dengan kos RM1.62 juta; sistem pencegah kebakaran baru di 21 buah KBB; serta pemasangan jambatan timbang digital di 17 KBB dan dua gudang berjumlah RM2.65 juta. Beberapa Penjana Air Panas dan kerja-kerja menaik taraf yang dianggarkan menelan belanja RM8.29 juta sedang dijalankan di empat buah KBB.

Penutupan Kedai Komuniti 'Save More'

Sejajar dengan perkembangan model perniagaan Kumpulan dan perubahan persekitaran perniagaan, operasi 30 buah kedai komuniti 'Save More' dihentikan pada September 2011. Keputusan yang diambil pada tahun 2008/09 untuk melibatkan diri secara langsung dalam pasaran runcit adalah berlandaskan perkara-perkara berikut:

- Untuk mewujudkan kehadiran jenama di pasaran runcit, di samping mewujudkan hubungan rapat dengan masyarakat
- Untuk menyediakan bekalan beras bermutu tinggi yang stabil pada harga yang saksama
- Untuk mewujudkan tanda aras yang tinggi bagi kualiti beras negara ini, di samping mempamerkan beras-beras berkualiti tinggi di bawah jenama kami sendiri
- Untuk memastikan bekalan beras subsidi Kerajaan, iaitu gred ST15% sampai kepada pengguna
- Untuk mengurangkan ketidakstabilan bekalan dan harga sekiranya berlaku krisis



Since then, the mushrooming of convenient stores and hyper-markets in almost every residential area especially the Government-sponsored Kedai Rakyat 1Malaysia (KR1M) has made our retail outlets redundant and unprofitable. Going forward, we can still maintain a foot-hold in the retail segment and establish brand presence through strategic co-branding options with our partners like Jasmine Food Corporation, Serba Wangi, Era Bayam Kota in Peninsular Malaysia; Sazarice and Sabarice in Sabah and Liansin Trading in Sarawak. These are already brand leaders in the rice business, sharing the same high values espoused by BERNAS and they will continue to uphold the high benchmarks we have set for our rice products.

Ensuring Rice Quality

We owe it to ourselves to move towards a culture of excellence and over the years, BERNAS has striven to build a brand that resonates in the market-place, one that is synonymous with quality to meet the approval of a more discerning public. BERNAS' quest for quality excellence is underscored by the setting up of its own Quality Management Division, represented by a team of qualified and experienced inspectors. The team undertakes rice inspection and carries out analysis to ensure compliance with the sampling and analysis methodology stipulated under the internationally recognised ISO 13690 and ISO 7301 standards. Developed by the International Organisation for Standardisation (ISO), the ISO 13690 standard specifies the general conditions relating to sampling for the assessment of the quality of cereals, pulses and milled products. ISO 7301 gives the minimum specifications for rice which is subjected to international trade.

During the year, the team conducted consignment inspections and analyses on almost one million MT of rice, comprising 838,300 MT of imported rice at nine ports of loading across Malaysia as well as 150,000 MT of local rice at 24 KBBs. Inspections were also conducted on a quarterly basis to ensure that the safety and quality of stocks stored in our warehouses have not been compromised. Attributes inspected include milling quality, damaged grains, yellow grains, caked rice, presence of pests and moisture content.

Sejak dari itu, kemunculan pesat pelbagai kedai runcit dan pasaraya di setiap kawasan perumahan, serta pengenalan Kedai Rakyat 1Malaysia (KR1M) oleh Kerajaan, telah menjadikan kedai komuniti kami tidak begitu diperlukan mahupun mampu memberi saingan. Melangkah ke hadapan, kami masih boleh mewujudkan kehadiran jenama kami di pasaran runcit dengan mewujudkan pilihan jenama bersama dengan rakan-rakan kongsi seperti Jasmine Food Corporation, Serba Wangi, dan Era Bayam Kota di Semenanjung; Sazarice dan Sabarice di Sabah dan Liansin Trading di Sarawak. Jenama-jenama mereka sudahpun menempa nama dalam industri beras negara dan mereka turut mendukung nilai yang tinggi seiring dengan BERNAS dalam meletakkan tanda aras kualiti yang tinggi untuk setiap produk beras yang dikeluarkan.

Jaminan Kualiti Beras

Kami bertanggungjawab dalam memastikan pergerakan kami menuju ke arah budaya kecemerlangan. Sehingga kini, BERNAS gigih berusaha untuk membina jenama yang sinonim dengan kualiti demi memenuhi kehendak masyarakat yang semakin teliti. Usaha ke arah kecemerlangan ini diperkukuhkan oleh kewujudan Bahagian Pengurusan Kualiti kami sendiri, yang terdiri daripada para penyelia yang berkeelayakan dan berpengalaman. Mereka menjalankan pemeriksaan dan analisa dengan mematuhi metodologi persampelan dan analisa yang termaktub dalam ISO 13690 dan ISO 7301 yang diiktiraf di peringkat antarabangsa. Piawaian ISO 13690 menetapkan syarat-syarat umum berkaitan persampelan bagi penilaian kualiti bijirin, kacang dan produk kisar, manakala ISO 7301 menggariskan spesifikasi minimum bagi beras yang tertakluk di bawah dagangan antarabangsa.

Pada tahun yang ditinjau, pasukan penyelia kami menjalankan pemeriksaan konsainan dan analisis kepada hampir satu juta tan metrik beras, yang terdiri daripada 838,000 tan metrik beras import di sembilan pelabuhan seluruh Malaysia serta 150,000 tan metrik beras tempatan dari 24 buah KBB. Pemeriksaan turut dijalankan pada setiap suku tahun untuk memastikan keselamatan dan kualiti stok yang disimpan di gudang-gudang kami tidak terjejas. Antara yang diperiksa termasuk kualiti pengilangan, kerosakan bijirin, bijirin kuning, beras keredak, kehadiran perosak dan kandungan lembapan.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Tinjauan Operasi Pengarah Urusan

Research & Development Activities

Our research and development (R&D) programme play a key role in the enhancement of the Malaysian rice industry. Under a Memorandum of Understanding signed with Universiti Putra Malaysia (UPM), the following projects are underway and are expected to be completed by mid-2012:

- Clinical trials of germinated brown rice (GBR) on anti-diabetic and cardio-protective effects.
- Skincare supplements and products derived from GBR and rice bran extracts
- Development of anti-diabetic products from GBR and rice bran extracts.

Meanwhile, what was basically an analytical food technology laboratory has been upgraded and renamed the UPM-BERNAS Research Laboratory. In line with BERNAS' business plan and direction, our future collaborative efforts with UPM will focus on improving efficiency levels and the development of research products across the entire value chain of BERNAS' paddy and rice business.

UPM-BERNAS Research Laboratory's efforts to be accredited to ISO 17025 are still underway, with only one part of the stringent process of certification yet to be fulfilled. ISO 17025 is one of the most internationally recognised quality standards governing laboratories and controls all aspects of how they conduct their business.

FORWARD THRUST

According to the US-based Economic Research Service, assuming normal weather conditions prevail globally and a continuation of current policies, FYE 2012 holds the promise of another bumper crop. However, global trading prices of long-grain rice are expected to be higher, driven by Thailand's Paddy Mortgage Scheme and a carry-over of the impact of floods in Southeast Asia. Prices are also expected to be affected by continued buying by Indonesia and the expected recovery in the Western economy.

By taking cognisance of our inherent strengths and leveraging on the gains of the previous year, we intend to accelerate our growth momentum by pursuing the following strategic priorities:

- Exploiting the value-adding potential at every level of the entire supply chain from 'seed to plate' to enhance quality, efficiency, productivity and improve on margins.

Aktiviti-Aktiviti Penyelidikan & Pembangunan

Di bawah Memorandum Persefahaman yang ditandatangani bersama Universiti Putra Malaysia (UPM), projek-projek berikut sedang dijalankan dan bakal siap menjelang pertengahan tahun 2012:

- Ujian klinikal beras perang yang dicambahkan (GBR) ke atas kesan anti-diabetik dan perlindungan kardio.
- Produk penjagaan dan makanan tambahan untuk kecantikan kulit yang diekstrak daripada GBR dan bran beras.
- Pembangunan produk anti-diabetik daripada ekstrak GBR dan bran beras.

Sementara itu, makmal yang sebelumnya hanyalah sebuah makmal analisa teknologi makanan, kini telah dinaik taraf dan diberi nama baru, iaitu Makmal Penyelidikan UPM-BERNAS. Selari dengan pelan perancangan dan halatuju BERNAS, usahasama dengan pihak UPM ini akan memfokuskan peningkatan tahap kecekapan dan pembangunan hasil penyelidikan merentasi keseluruhan rantaian perniagaan padi dan beras BERNAS.

Usaha Makmal Penyelidikan UPM-BERNAS untuk mendapatkan pengiktirafan ISO 17025 masih diteruskan, dengan hanya satu sahaja bahagian persijilan yang perlu dipenuhi. ISO 17025 adalah di antara standard kualiti yang paling diiktiraf di peringkat antarabangsa, yang mengawal serta mentadbir semua aspek pengendalian makmal.

MELANGKAH KE HADAPAN

Menurut pakar Perkhidmatan Penyelidikan Ekonomi Amerika Syarikat, sekiranya cuaca dunia dan polisi sekarang kekal seperti sedia ada, hasil tanaman yang luar biasa akan sekali lagi dinikmati pada tahun kewangan 2012. Walau bagaimanapun, harga dagangan dunia untuk beras panjang dijangka meningkat disebabkan oleh Skim Cagaran Padi Thailand dan kesan banjir besar Asia Tenggara. Harga akan turut dipengaruhi oleh pembelian berterusan daripada Indonesia dan jangkaan pemulihan ekonomi negara-negara Barat.

Dengan memanfaatkan kekuatan dalaman serta keuntungan yang diperolehi, kami merancang untuk mempercepatkan pertumbuhan dengan mengutamakan strategi berikut:

- Mengambil kesempatan ke atas potensi nilai-tambah setiap peringkat rantaian bekalan, iaitu dari peringkat benih ke peringkat pengguna, untuk menambah kualiti, kecekapan, produktiviti dan margin keuntungan.

- Accelerating business growth through strategic investments in promising ventures to provide a more comprehensive range of services as well as to strengthen brand and market presence.
- Continually reviewing our working practices and systems with the aim of reducing costs, whilst improving productivity and efficiency.
- Emphasising on R&D and injection of new technology to gain break-away advantages in the business.
- Portfolio optimisation with the aim of reducing costs.

BERNAS is unique in that while operating strictly as a private entity, we also have to discharge our social and national obligations. As far as I know, there is no other company like ours in Malaysia. In retrospect, I believe BERNAS has always maintained a fine and delicate balance between its primary roles, acting as a centrifugal force in fulfilling the expectations of its shareholders and the nation at large, commercially and socially.

Going forth, we will continue to shape the Group's future with entrepreneurial farsightedness and wisdom to unlock the considerable potentials of BERNAS and the Malaysian rice industry in achieving greater heights. In short, you can expect more from us.

APPRECIATION

The contribution of our management and staff has been vital to BERNAS' success. They have shown that they are agile, adaptable and responsive whilst remaining always professional and committed to making BERNAS a much stronger entity. But our transformation is by no means completed. We will continue to depend on their diversity of talents and energy to achieve our goals.

BERNAS is also fortunate to have the support and cooperation of various government agencies, business associates, customers and you, our shareholders. We will need the continuing support from all of you as we enter a new and more dynamic phase of growth.

BAKRY BIN HAMZAH
Managing Director

- Mempercepatkan pertumbuhan perniagaan melalui pelaburan strategik dalam bidang-bidang perniagaan yang berpotensi tinggi, untuk kami menyediakan perkhidmatan yang lebih komprehensif di samping mengukuhkan kewujudan jenama dan pasaran.
- Berterusan dalam mengkaji sistem dan amalan-amalan kerja dengan tujuan untuk mengurangkan kos, di samping meningkatkan produktiviti dan tahap kecekapan.
- Menekankan Penyelidikan dan Pembangunan teknologi baru bagi mencapai lebih banyak peluang dalam perniagaan.
- Mengoptimumkan portfolio bagi tujuan mengurangkan kos.

BERNAS merupakan sebuah entiti swasta yang unik kerana ia turut diamanahkan untuk melaksanakan tanggungjawab sosial dan kewajipan nasional. Tiada sebuah syarikat seumpamanya di Malaysia. Apabila ditinjau kembali, saya yakin BERNAS telah melaksanakan tanggungjawabnya dengan sentiasa mengekalkan keseimbangan komersil dan sosial dalam memenuhi jangkaan para pemegang saham khususnya, dan negara amnya.

Melangkah seterusnya, kami akan terus membentuk masa hadapan Kumpulan dengan kemahiran keusahawanan dan berpandangan jauh ke hadapan bagi merungkai potensi sebenar BERNAS dan industri padi dan beras negara ke arah kecemerlangan.

PENGHARGAAN

Sumbangan para pengurusan kanan dan warga kerja adalah amat penting kepada kejayaan BERNAS. Mereka telah menunjukkan kemampuan untuk bergerak pantas, berubah mengikut kesesuaian dan bertindak balas dengan baik, di samping sentiasa bersikap profesional dan komited untuk mengukuhkan Syarikat. Namun, transformasi yang dilalui ini masih belum sempurna. Kami akan terus memerlukan kepelbagaian sumber dan kamahiran mereka untuk mencapai matlamat yang diimpikan.

BERNAS turut bernasib baik kerana mendapat kerjasama dan sokongan penuh dari pelbagai agensi kerajaan, rakan-rakan usahasama, para pelanggan dan anda, para pemegang saham yang budiman. Kami amat memerlukan sokongan berterusan dari anda semua untuk kami melangkah lebih jauh ke arah pertumbuhan fasa baru yang lebih dinamik.

BAKRY BIN HAMZAH
Pengarah Urusan

BERNAS anjur bimbingan untuk anak lakitangan dengan kerjasama Berita Harian

REKREASI Kira-kira apa saja kegiatan rekreasi yang banyak dilakukan masyarakat?

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la melakukan analisis kritis yang menunjukkan bahwa kedua lembaga tersebut, pemerintah (dan Presiden) dan Mahkamah Konstitusi (MK), telah melakukan pelanggaran terhadap hak asasi manusia (HAM) dan hak kebebasan pers. Menurut laporan tersebut, pemerintah dan Mahkamah Konstitusi telah melakukan pelanggaran terhadap hak asasi manusia (HAM) dan hak kebebasan pers. Menurut laporan tersebut, pemerintah dan Mahkamah Konstitusi telah melakukan pelanggaran terhadap hak asasi manusia (HAM) dan hak kebebasan pers.

Journal of Interpersonal Violence 26(12) 3031-3047

Thomas Duggan is spending \$100 million in organic fiber investments in the United States, says a spokesman for the company's Lenoire, Tennessee, headquarters. The investments are in partnership with the federal government, but the federal money is for research for this program. The private investment allows Lenoire to build a total of 100,000 bales of wool annually, according to Duggan. The wool is used in a variety of ways, including in home furnishings, apparel and so on.

According to Duggan, the wool is used in a variety of ways, including in home furnishings, apparel and so on.

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The Lenoire district, a subsidiary of the program, is a wool processing and marketing organization.

[illegible]

FOR THE 2007 EDITION:

1998



It is a well-known fact that the world is a very diverse place, and that there are many different cultures and languages. This is why it is so important to learn about other cultures and languages, and to respect the differences between them.

Perlu diketahui bahwa penelitian ini
tidak hanya bertujuan semata
untuk menambah nilai riilnya saja.

[illegible]

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STUDY SUMMARY: The authors report that the results of the study suggest that the use of a computer-based system for the management of patient care can improve the quality of care and reduce the risk of error.

James M. Smith, 47, is a senior vice president of the American Medical Association. He has been with the association since 1982 and has been a member of the AMA since 1968. He is a member of the AMA Council on Health Care Delivery and the AMA Council on Health Care Financing. He is also a member of the AMA Council on Health Care Quality and the AMA Council on Health Care Access. He is a member of the AMA Council on Health Care Ethics and the AMA Council on Health Care Research. He is a member of the AMA Council on Health Care Policy and the AMA Council on Health Care Law. He is a member of the AMA Council on Health Care Education and the AMA Council on Health Care Communication. He is a member of the AMA Council on Health Care Information and the AMA Council on Health Care Management. He is a member of the AMA Council on Health Care Organization and the AMA Council on Health Care Practice. He is a member of the AMA Council on Health Care Regulation and the AMA Council on Health Care Standards. He is a member of the AMA Council on Health Care Training and the AMA Council on Health Care Workforce. He is a member of the AMA Council on Health Care Research and the AMA Council on Health Care Innovation. He is a member of the AMA Council on Health Care Policy and the AMA Council on Health Care Law. He is a member of the AMA Council on Health Care Education and the AMA Council on Health Care Communication. He is a member of the AMA Council on Health Care Information and the AMA Council on Health Care Management. He is a member of the AMA Council on Health Care Organization and the AMA Council on Health Care Practice. He is a member of the AMA Council on Health Care Regulation and the AMA Council on Health Care Standards. He is a member of the AMA Council on Health Care Training and the AMA Council on Health Care Workforce. He is a member of the AMA Council on Health Care Research and the AMA Council on Health Care Innovation.

MARK A. LERBERER began his career in the insurance industry in 1978. He is currently president of the American Insurance Association, a Washington, D.C., based industry group.

[illegible]

THE NEW AMERICAN ALPHABET was the calligrapher John Borge, whose

[illegible][illegible]

THE OCCASION

A panel proposed to set up a forest law center that would help develop

1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

A papi project in Sultan Lupoi, Sarawak, is set to turn the state into the new rice bowl of Malaysia.



15 January 2011

Entrepreneur Development & Research Department, BERNAS, conducted a Financial Management Seminar for Bumiputra rice wholesalers and entrepreneurs.

15 February 2011

BERNAS employees took part in the Maal Hijrah National Parade held at Putrajaya International Conventional Centre to commemorate the Islamic new year.



CORPORATE RELATIONS

Perhubungan Korporat

7 April 2011

BERNAS-Sabah media luncheon to enhance understanding and foster closer relationship with the local media.



8 April 2011

Beras Corporation Sdn Bhd (BCSB) Sarawak participated in a mini agricultural exhibition organised by the Ministry of Agriculture & Agro-Based Industry Malaysia (MOA) in Samarahan, Sarawak.

6 May 2011

An Umrah Sponsorship Programme - another incentive funded by BERNAS to dedicated farmers under "Program Rakan Ladang" (PRL).



26 May 2011

BERNAS and national unity. 45 employees under the National Intergration Visitation Programme from Peninsular Malaysia and Sarawak visited Sabah.

31 May 2011

BERNAS – Berita Harian Score 'A' Programme. A school holiday educational camp cum motivational programme for farmers and employees' children.



20 June 2011

Vice Chancellor of Albukhary International University, Professor Pieter Kachelhoffer and his delegation paid a friendly visit to BERNAS.



17 July 2011

BERNAS handed over RM5 million in business tithe payments to 14 eligible states. BERNAS' Chairman, Dato' Wira Syed Abdul Jabbar Syed Hassan presented the tithe, in a simple ceremony witnessed by YB Dato' Seri Noh Hj Omar, Minister of Agriculture and Agro-based Industry at Kelab Tasik Putrajaya.



18 June 2011

'Program Mesra Tani PRL' - Management and employees of BERNAS in a "gotong-royong" programme and monetary incentives to the farmers under the BERNAS PRL agenda.



28 July 2011

BERNAS' CSR campaign 'Bowls for Humanity' was rolled out by the Deputy Prime Minister, YAB Tan Sri Dato' Hj. Muhyiddin bin Hj Mohd Yassin at Bukit Kiara Equestrian & Country Resort, Kuala Lumpur.

8 August 2011

The much awaited "Bubur Lambuk Kg. Baru", a savoury porridge popular during the fasting month was being distributed to the public.



17 August 2011

Underprivileged children of "Rumah Anak-Anak Yatim Darul Aitam" were never forgotten during the special month of Ramadhan.



8 September 2011

BERNAS celebrated Hari Raya Aidilfitri in a family spirit at Istana Hotel, Kuala Lumpur with other members of the Tradewinds (M) Berhad Group.

20 September 2011

The Racing "Rats"...BERNAS, under Tradewinds (M) Berhad Group, once again joined the KL Rat Race 2011 – an annual sports-cum-charity event jointly organised by The Edge and Bursa Malaysia.



27 September 2011

We Care ...BERNAS' staff donating blood during a campaign hosted by BERNAS and the National Blood Bank at Menara HLA, Kuala Lumpur.

29 September 2011

BERNAS SGA Convention, a yearly event to encourage creativity, innovation and new ideas to flourish among technical staff.



1 October 2011

10 teams battled for the YDP Challenge Trophy during the Paintball tournament organised by Kelab BERNAS Headquarters at Padang Astaka, Petaling Jaya.



8 November 2011

Korban Perdana at KBB Bukit Besar, Alor Setar, Kedah in conjunction with Hari Raya Aidiladha 1432H.

8 November 2011

BERNAS makes its first "Bowls for Humanity" donation to orphanages throughout Perlis, Kedah and Penang at the Rumah Kanak-Kanak Darul Aitam in Alor Setar, Kedah.



4 December 2011

BERNAS with the Ministry of Agriculture & Agro-based Industry dispensed the "Insentif Peningkatan Hasil Padi" (IPH) to farmers who achieved outstanding yields.

11 December 2011

Honouring 48 retirees at "Malam JasaMu DiKenang 2011", Istana Hotel, Kuala Lumpur.



21 December 2011

Kelab BERNAS Malaysia (KBM) celebrated staff's children who have excelled in public examinations, and Year One students of primary schools.

17 February 2012

BERNAS implemented a pilot paddy planting project involving an area of 70 hectares in Stumbin-Bijat and Lingga-Banting in Batang Lupar, Sarawak under the Entry Point Project (EPP) 11.



20 February 2012

BERNAS - Jabatan Pertahanan Awam Malaysia (JPAM) Taskforce. BERNAS personnel across Malaysia volunteered in forming a taskforce under the leadership of JPAM, ready to provide a timely and efficient response to disasters and emergencies.

Being successful in business imposes an obligation as well. There was a time when Corporate Social Responsibility (CSR) meant little more than corporate philanthropy or simply doing good deeds. But in the increasingly conscience-focused marketplaces of the 21st Century, there is a surging demand for corporations to conduct business in a sustainable manner. CSR has taken on a broader meaning to embrace the deliberate inclusion of public interest into corporate decision-making and the honouring of the triple 'P' bottom-line : People, Planet and Profit. In the Malaysian context, CSR also takes into consideration the nation's social aspirations and socio-economic objectives.

At BERNAS, CSR is an essential part of our business strategy, premised on growth with equity. While we strive to achieve our vision for the Company and corporate goals, we also ensure that our success is inclusive. We take a holistic approach to CSR and our programmes and activities underpin our responsibility to the workplace, marketplace, community and the environment.

WORKPLACE DEVELOPMENT

At the end of the day, how a company relates to its people will determine its future success. We believe that if we treat our people with respect, they will return the favour to the Company in terms of better productivity. In cultivating a relationship with our employees, we want our people to feel a sense of family aligned with the Company's vision and corporate goals.

Kejayaan sesebuah perniagaan turut merangkumi pelaksanaan kewajipan dan tanggungjawab sosial terhadap masyarakat. Tidak lama dahulu, Tanggungjawab Sosial Korporat (CSR) dianggap tidak lebih daripada sumbangan dermawan korporat atau pelaksanaan kegiatan amal. Kini, CSR merangkumi makna yang lebih luas, dengan mengambil kira kepentingan awam sebelum sebarang keputusan dibuat dengan mengutamakan tiga perkara asas iaitu masyarakat, persekitaran dan keuntungan. Dalam konteks Malaysia, pelaksanaan CSR turut mengambil kira aspirasi sosial serta objektif sosio-ekonomi negara.

Di BERNAS, CSR merupakan sebahagian daripada asas strategi perniagaan kami yang bersandarkan kepada prinsip kesaksamaan dalam mencapai pertumbuhan. Dalam usaha mencapai visi dan matlamat syarikat, kami sentiasa memastikan bahawa kejayaan yang dicapai adalah bersifat menyeluruh. Kami mengambil pendekatan yang lebih holistik dalam melaksanakan CSR di mana program serta aktiviti yang diatur memberikan penekanan terhadap tanggungjawab di tempat kerja, persekitaran pasaran, masyarakat dan alam sekitar.

PEMBANGUNAN PERSEKITARAN KERJA

Perhubungan baik di antara sesebuah syarikat dengan kakitangannya akan menentukan kejayaan syarikat di masa hadapan. Kami percaya bahawa setiap kakitangan berhak dilayan dengan hormat dan hasilnya akan dapat dilihat menerusi peningkatan produktiviti. Di dalam menyemai hubungan baik dengan kakitangan, kami berusaha memupuk semangat kekeluargaan selaras dengan visi dan matlamat Syarikat.

CORPORATE SOCIAL RESPONSIBILITY

Tanggungjawab Sosial Korporat



Ascending the Learning Curve. Many corporations claim that their staff is the most important asset, but at BERNAS, we demonstrate this through our actions and deeds. We believe that a qualified and contented workforce is vital to our becoming a high-performance organisation. As we aspire towards a culture of excellence, learning new skills and acquiring new knowledge are an essential part of working at BERNAS and stems from our conviction that every individual has talents and potential that can be nurtured.

Each year, we invest a significant sum of money in a comprehensive range of training and manpower development programmes catering to all levels of staff. In 2011, on average, each executive employee benefited from 52.2 hours of training, while non-executive employees received 15 hours. As can be expected in a Company with a diverse range of activities, our training programmes are broad-based ranging from induction programmes, courses to enhance functional technical skills and rice management workshops for those at entry and mid-level positions to change management and leadership programmes for those at the managerial level.



Peningkatan Melalui Pembelajaran. Banyak syarikat menyatakan bahawa kakitangan merupakan aset utama mereka tetapi di BERNAS kami membuktikannya melalui tindakan dan amalan. Kami percaya bahawa barisan kakitangan yang berkelayakan dan berpuas hati adalah penting dalam membentuk sebuah organisasi yang berprestasi tinggi. Dalam membentuk budaya kerja yang cemerlang, pembelajaran serta pemerolehan kemahiran dan pengetahuan baru merupakan aspek utama pekerjaan di BERNAS dengan berpegangkan prinsip bahawa setiap individu mempunyai kebolehan dan potensi untuk dipupuk.

Setiap tahun, kami menyediakan sejumlah peruntukan yang besar untuk pelbagai jenis latihan dan program pembangunan tenaga kerja yang komprehensif bagi memenuhi keperluan kakitangan di semua peringkat. Pada tahun 2011, setiap kakitangan peringkat eksekutif memperoleh manfaat daripada 52.2 jam latihan yang diterima secara purata, manakala kakitangan bukan-eksekutif menerima 15 jam latihan. Program-program latihan kami meliputi skop yang luas merangkumi program induksi, kursus-kursus kemahiran teknikal dan bengkel-bengkel pengurusan bagi kakitangan peringkat awal dan pertengahan. Program-program kepimpinan dan pengurusan perubahan pula disediakan untuk kakitangan peringkat pengurusan.



A Conducive Work Environment. Kelab BERNAS Malaysia (KBM), which is the Group's sports and recreation club, has its affiliates in every region where we operate. Programmes organised by KBM in 2011 included futsal matches, inter-club bowling and badminton tournaments, subsidised trips to China and Cambodia and a Treasure Hunt, which saw the participation of BERNAS employees nationwide. Through events like these, staff have the opportunity to socialise with colleagues from other locations at the end of formal business.

BERNAS' headquarters at Menara HLA in Kuala Lumpur houses a fully-equipped gymnasium alongside a recreation area for pool and board games and a spacious music room for staff to chill out and recover from work demands. By facilitating employee social interaction within the enlarged Tradewinds group presently housed under roof, a sense of camaraderie is forged. Other facilities provided include a surau that can accommodate up to 200 jemaahs for prayers, talks or religious classes at any one time as well as three well-equipped training rooms.

We also empower employees to gauge their performance and competency goals. Performance reviews are conducted twice annually and since 2009, employees have been able to review and manage their annual objectives and performance online before the year-end appraisal.



Persekitaran Kerja yang Kondusif. Kelab BERNAS Malaysia (KBM) merupakan kelab sukan dan rekreasi yang mempunyai cawangan di setiap wilayah. Program-program yang dianjurkan oleh KBM pada tahun 2011 merangkumi perlawanan futsal, perlawanan bowling dan badminton antara kelab, lawatan ke negara China dan Kemboja serta program Pencarian Khazanah yang melibatkan penyertaan kakitangan BERNAS dari seluruh Malaysia. Menerusi program-program tersebut, kakitangan berpeluang untuk mengenali dan beramah mesra dengan rakan-rakan sekerja dari pelbagai lokasi.

Ibu pejabat BERNAS di Menara HLA, Kuala Lumpur turut dilengkapi dengan gimnasium dan ruang istirehat yang menyediakan pelbagai peralatan riadah, bilik muzik serta ruang rehat yang luas untuk warga kerja berkumpul pada waktu rehat atau menjalankan aktiviti-aktiviti sosial selepas waktu kerja. Dengan menggalakkan interaksi sosial sesama kakitangan Kumpulan Tradewinds yang kini ditempatkan di bawah satu bumbung, kami percaya bahawa semangat setiakawan yang lebih erat mampu dipupuk. Kemudahan lain yang turut disediakan ialah surau yang mampu menampung sehingga 200 jemaah pada satu-satu masa, serta tiga buah bilik latihan yang serba lengkap.

Kami turut menyediakan peluang kepada kakitangan untuk mengukur prestasi kerja dan matlamat pencapaian mereka sendiri. Penilaian prestasi dilakukan dua kali setahun bermula tahun 2009 di mana kakitangan berpeluang untuk menyemak dan menguruskan objektif tahunan serta pencapaian mereka secara dalam talian sebelum penilaian akhir ke atas mereka dilakukan.





Occupational Safety and Health. The health and safety of our employees and those we come into contact with remains a paramount concern. We are committed to creating a safe and healthy work environment where people can develop, improve and excel. During the year, our Employee Occupational Safety and Health Division continued with a safety campaign to raise awareness on occupational safety and health (OSH) risks and their prevention throughout the Group's KBBs. The campaign has effectively reduced the number of workplace accidents by 71%, with only two cases reported in 2011 compared to seven cases the previous year. BERNAS is now working towards achieving a Zero Accident target by establishing a rigorous set of operational controls to manage risks more effectively.

MARKETPLACE DEVELOPMENT

Our primary CSR objective in respect of the marketplace is to ensure that its business is conducted in all respects to the highest standards of openness and accountability. Throughout the years, BERNAS has taken steps in strengthening corporate governance standards to protect its stakeholders and to secure market confidence. As part of our commitment to prudent risk management, the Management has ensured the implementation of risk management and internal controls are within a robust risk management framework.

In discharging its responsibilities to the marketplace, BERNAS wears two hats. As a public listed company, we have met the expectations of our shareholders who have enjoyed good returns on their investments. On the other hand, having taken over the torch as the nation's de facto food-grain management agency, we have discharged this responsibility by ensuring the security of rice supplies at all times.

Keselamatan dan Kesihatan Pekerjaan. Keselamatan dan kesihatan kakitangan serta mereka yang berurusan dengan kami sentiasa diutamakan. Kami komited untuk mewujudkan persekitaran kerja yang selamat dan sihat untuk membolehkan kakitangan kami mencapai peningkatan prestasi dan kecemerlangan. Pada tahun 2011, Bahagian Keselamatan dan Kesihatan Pekerjaan BERNAS terus menjalankan kempen keselamatan bagi meningkatkan kesedaran terhadap risiko Keselamatan dan Kesihatan Pekerjaan (OSH) dan langkah-langkah mengatasinya di KBB seluruh negara. Kempen tersebut telah berjaya mengurangkan kadar kemalangan di tempat kerja sebanyak 71% dengan hanya dua kes dilaporkan bagi tahun yang ditinjau berbanding tujuh kes pada tahun 2010. BERNAS kini sedang berusaha ke arah pencapaian sasaran Kemalangan Sifar dengan mewujudkan garis panduan pengawasan operasi yang ketat bagi menguruskan risiko secara lebih berkesan.

PEMBANGUNAN PERSEKITARAN PASARAN

Objektif utama CSR kami terhadap persekitaran pasaran ialah untuk memastikan bahawa perniagaan kami dijalankan mengikut prinsip keterbukaan dan tanggungjawab yang tinggi. BERNAS telah mengambil pelbagai langkah untuk memperkukuhkan standard tadbir urus korporat bagi mengekalkan keyakinan pasaran dan melindungi pihak yang berkepentingan. Sebagai sebahagian daripada komitmen untuk menguruskan risiko secara berhemat, pihak pengurusan telah memastikan pelaksanaan pengurusan risiko dan kawalan dalaman adalah termasuk dalam rangka kerja pengurusan risiko yang mantap.

BERNAS memainkan dua peranan utama dalam melaksanakan tanggungjawabnya terhadap persekitaran pasaran. Sebagai sebuah syarikat tersenarai awam, BERNAS memenuhi harapan para pemegang sahamnya melalui pulangan pelaburan yang memuaskan. Dalam melaksanakan peranan sebagai agensi nasional yang mengurus bekalan beras negara, BERNAS telah melaksanakan tugas tersebut dengan memastikan bekalan beras sentiasa mencukupi pada setiap masa.

During the year under review, BERNAS has taken on the responsibility of implementing two of the 16 Entry Point Projects (EPP) identified under the National Key Economic Areas for the Agriculture Sector. With its three-fold objectives of increasing paddy production, boosting the income of farmers and achieving national food security, EPP 10 was launched in October 2011. Under EPP 10, BERNAS will collaborate with the Muda Agricultural Development Authority (MADA) to transform small-scale paddy farming activities into larger scale operations using the sustainable practices, intensification of irrigation facilities and high yield MR219 and MR229 varieties to move farmers up the value chain. In EPP 11, BERNAS will be the anchor company to develop 5,100 hectares of paddy farms in Batang Lupa, Sri Aman, Sarawak. A pilot study to ascertain the viability and approach to be taken in implementing this project is underway.

Another contribution to marketplace development is through the R&D programmes of the recently upgraded BERNAS-UPM Laboratory. The primary focus of the laboratory is the development of new and improved rice varieties, improving efficiency levels throughout the supply chain and commercialisation of research products to penetrate new markets.

BERNAS also has a qualified and experienced team of inspectors to conduct audits on all rice supplies to ensure they meet stringent quality requirements stipulated in the Rice (Grade and Price Control) (Amendment) Order 2008. Our laboratory also conducts analysis on rice samples to ensure they meet the standards of ISO 13690 and ISO 7301.

In January 2012, BERNAS launched a television commercial and print advertisement campaign to coincide with the Chinese New Year celebrations. A first for BERNAS, the campaign aimed at highlighting the importance of rice in Malaysian society, carrying a message that was both relevant and inspiring.



BERNAS is committed in delivering the best quality of rice. Every variety of rice goes through a series of tests by professional quality officers.

Di sepanjang tahun yang ditinjau, BERNAS telah dipertanggungjawabkan untuk melaksanakan dua daripada 16 Projek Permulaan (EPP) yang dikenalpasti di bawah Bidang Ekonomi Utama Negara (NKEA) bagi Sektor Pertanian. Berteraskan tiga objektif utama iaitu meningkatkan jumlah pengeluaran padi, mempertingkatkan pendapatan golongan petani dan menjamin bekalan makanan negara, Program EPP 10 telah dilancarkan pada Oktober 2011. Di bawah program ini, BERNAS menjalin kerjasama dengan Lembaga Kemajuan Pertanian Muda (MADA) bagi mengubah aktiviti penanaman padi berskala kecil kepada operasi berskala besar menerusi aplikasi amalan pertanian yang lebih mampan, memperbaiki sistem pengairan sedia ada dan memperluaskan penanaman padi MR219 dan MR229 yang memberikan hasil tuaian yang lebih tinggi, sekaligus melonjakkan taraf hidup petani. Di bawah Program EPP 11 pula, BERNAS adalah di antara syarikat utama yang dipilih untuk membangunkan projek penanaman padi yang melibatkan tanah seluas 5,100 hektar di Batang Lupa, Sri Aman, Sarawak. Satu kajian perintis sedang dijalankan bagi memastikan keberkesanan serta pendekatan yang bakal digunakan dalam melaksanakan projek tersebut.

Selain itu, sumbangan BERNAS terhadap pembangunan persekitaran pasaran turut dapat dilihat menerusi program-program Penyelidikan & Pembangunan yang dijalankan oleh Makmal BERNAS-UPM yang baru sahaja dinaiktaraf. Fokus utama makmal ini merangkumi pembangunan varieti padi baru yang lebih baik, mempertingkatkan tahap kecekapan di sepanjang rantaian bekalan dan pengkomersilan hasil penyelidikan bagi menembusi pasaran baru.

BERNAS turut mempunyai kumpulan pegawai pemeriksa yang berkelayakan dan berpengalaman untuk mengaudit kualiti bekalan beras yang diperolehi agar ianya menepati syarat kualiti yang ketat seperti yang termaktub dalam Perintah Beras (Gred dan Kawalan Harga) (Pindaan) 2008. Analisis ke atas sampel-sampel beras turut dijalankan di makmal beras BERNAS untuk memastikan piawaian ISO 13690 dan ISO 7301 ditepati.

Dalam bulan Januari 2012, buat pertama kalinya, kempen melalui media cetak dan iklan komersil televisyen sempena sambutan Tahun Baru Cina dilancarkan. Ia adalah sebahagian daripada program tanggungjawab sosial korporat BERNAS yang menekankan kefahaman terhadap kepentingan beras dalam kehidupan seharian melalui mesej kemasyarakatan yang relevan.

COMMUNITY DEVELOPMENT

Bowls for Humanity Campaign. From its early days, BERNAS has always supported the needy, underprivileged, marginalised and other worthy causes such as contributions for the upgrading of orphanages, mosques and public facilities. Not all our contributions are made in cash. In 2011, we also donated food and rice to various local communities, non-government organisations, single-mother associations and other charitable organisations.

During the year in review, BERNAS has taken its CSR efforts in reaching out to the community a step further. One of the most important CSR initiatives that BERNAS has embarked on was its 'Bowls for Humanity' campaign launched by the Deputy Prime Minister, YAB Tan Sri Dato' Hj. Muhyiddin bin Hj. Mohd Yassin, on 28 July 2011.

The concept behind the campaign, which will run for three to four years, is simple but effective. For every 10 kg pack of rice purchased at any retail outlet, 25 grammes in value will go towards orphanages in Malaysia. In November 2011, the first disbursement of RM150,000 or the equivalent of 60,000 kg of rice was shared out among 27 orphanages in Kedah, Perlis and Penang. Another RM750,000 was collected between November 2011 and January 2012 and this has been channeled to 107 orphanages throughout the country. BERNAS has set a target of donating the equivalent of 1,200 MT of rice for the year 2012.

While the Bowls for Humanity campaign may not be BERNAS' largest CSR effort, it is indeed the most important when it comes to engaging the public. Since its launch, the campaign has touched Malaysians at every level of society and the response has been very positive.

Program Rakan Ladang. Even though the agriculture sector plays an important role in Malaysia's economic development, it has traditionally been labeled the poor man's sector. Paddy farming in Malaysia is plagued by a host of problems, including the uneconomic size of farms averaging only two hectares, low yields, rising cost of production and decreasing profitability. BERNAS has stepped since 2008 to redress some of these problems through its Program Rakan Ladang (PRL)

PEMBANGUNAN MASYARAKAT

Kempen "Secupak Budi Sepenuh Hati". Semenjak dari awal penubuhannya, BERNAS sentiasa mengutamakan kebajikan golongan yang memerlukan, mereka yang kurang bernasib baik dan mereka yang terpinggir, melalui sumbangan kebajikan untuk menaiktaraf rumah-rumah anak yatim, masjid, surau dan kemudahan-kemudahan awam yang lain. Pada tahun 2011, kami turut menyumbangkan barangan makanan termasuk beras kepada komuniti tempatan, badan-badan bukan kerajaan, persatuan-persatuan ibu tunggal dan organisasi-organisasi kebajikan yang lain.

Dalam tahun 2011 juga, BERNAS terus mara dalam usaha untuk mendekati masyarakat menerusi aktiviti CSR yang diperkenalkannya. Kempen "Secupak Budi, Sepenuh Hati" yang telah dilancarkan oleh Timbalan Perdana Menteri, YAB Tan Sri Dato' Hj. Muhyiddin bin Hj. Mohd Yassin pada 28 Julai 2011, merupakan salah satu inisiatif CSR terbesar yang diperkenalkan oleh Syarikat setakat ini.

Kempen yang dijangka akan berjalan selama tiga hingga empat tahun ini adalah berasaskan konsep yang mudah namun berkesan. Dengan setiap pembelian beras kimpit 10kg keluaran BERNAS, nilai 25 gram akan didermakan kepada rumah anak-anak yatim di seluruh Malaysia. Bagi tahun 2011, BERNAS memulakan pengagihan sumbangan bagi tempoh suku pertama kempen ini kepada 27 buah rumah anak-anak yatim dari Kedah, Perlis dan Pulau Pinang yang keseluruhannya berjumlah RM150,000, atau bersamaan dengan 60,000 kg beras. Sejumlah RM750,000 lagi telah dikumpul dan diagihkan kepada 107 buah rumah anak-anak yatim di seluruh negara di antara bulan November 2011 hingga Januari 2012. Untuk tahun 2012, BERNAS mensasarkan sumbangan bernilai 1,200 tan metrik beras kepada rumah-rumah anak yatim di seluruh negara.

Walaupun kempen "Secupak Budi Sepenuh Hati" mungkin bukan merupakan inisiatif CSR BERNAS yang terbesar, namun ianya amat penting terutama bila dilihat dari aspek penglibatan awam. Sejak pelancarannya, kempen ini telah menyentuh hati rakyat Malaysia dari pelbagai lapisan masyarakat dan sambutan terhadapnya setakat ini adalah amat menggalakkan.

Program Rakan Ladang. Walaupun sektor pertanian telah memainkan peranan yang penting dalam pembangunan ekonomi negara namun ianya sering dilabelkan sebagai sektor golongan berpendapatan rendah. Penanaman padi di Malaysia masih dibayangi pelbagai masalah, termasuk purata keluasan tanah sekitar dua hektar yang tidak berkeuntungan dari sudut ekonomi, hasil tuaian yang rendah, kos pengeluaran yang meningkat serta penurunan kadar keuntungan. Justeru, sejak tahun 2008, BERNAS telah mengatur perancangan menerusi Program Rakan Ladang (PRL) untuk mencari penyelesaian kepada beberapa permasalahan ini.

The PRL is a strategic pact between BERNAS, Government Agencies and farmers working together to improve yields and the quality of the paddy produced to achieve the twin goals of raising the income of farmers and bringing the nation a step closer towards achieving a higher self sufficiency level in rice production. Since its launch, BERNAS has played an important role in educating paddy farmers on the deployment of good agriculture practices, environmental protection and management techniques.

More than 55% of local paddy come from the granary areas in Kedah and Perlis, where farmers are confronted with many challenges, which include limited funding and infrastructure, poverty and old age. Through coordinated efforts, BERNAS is using the PRL as a platform to promote greater efficiency in the supply chain and to enhance productivity and crop quality. Farmers are also introduced to the latest technology and are given financing assistance of up to 100% without interest to cover planting costs. To date, some 28,548 farmers have benefited from the PRL programme.

Educational Programmes. Education has always been one of the main pillars of our CSR programmes. It is through education that we sow the seeds for a brighter future, nurturing a new generation of Malaysians who may well turn out to be tomorrow's leaders or captains and kings of industry.

For this reason, we continued to lend our support for the development of the Albukhary International University (AIU) in Alor Star, Kedah. The AIU was set up as a charitable university catering for the poor and under-privileged who wish to pursue a tertiary education. Unlike other universities, the AIU does not target the academic high achievers. Instead, priority is given to those who come from poor, disadvantaged or marginalised backgrounds. All students are required to undertake planned welfare and community service activities throughout their period of study. The AIU opened its doors to its first intake of students in January 2011.

Last year, BERNAS also organised a workshop to prepare students sitting for the UPSR, PMR and SPM examinations. The workshop benefited a total of 800 students, comprising children of BERNAS' employees, orphans from the Rumah Anak-anak Yatim Yayasan Albukhary as well as children of farmers participating in PRL programme.

PRL merupakan satu perkongsian strategik di antara BERNAS, agensi-agensi kerajaan dan para petani yang bekerjasama untuk meningkatkan jumlah dan kualiti padi yang dihasilkan, sekaligus mencapai matlamat serampang dua mata iaitu meningkatkan pendapatan para petani dan membawa negara ke arah peningkatan tahap sara diri pengeluaran beras tempatan. Sejak pelancarannya, BERNAS telah memainkan peranan yang penting dalam melatih para petani menggunakan kaedah amalan pertanian baik, perlindungan alam sekitar serta teknik-teknik pengurusan.

Lebih 55% daripada keluaran padi tempatan dihasilkan di kawasan jelapang padi di Kedah dan Perlis di mana para petani berhadapan dengan pelbagai cabaran seperti dana dan infrastruktur yang terhad, kemiskinan serta faktor peningkatan usia. Menerusi usaha terselaras, BERNAS menggunakan PRL sebagai landasan untuk menambahkan kecekapan dalam pengurusan rantai bekalan, seterusnya meningkatkan produktiviti dan hasil tuaian. Para petani turut diperkenalkan dengan teknologi terkini di samping diberikan pembiayaan kewangan sehingga 100% tanpa faedah untuk menampung kos penanaman. Sehingga kini, sekitar 28,548 orang petani telah mendapat manfaat daripada program PRL.

Program Pendidikan. Pendidikan sentiasa menjadi salah satu tonggak utama dalam program CSR kami. Ia merupakan asas kepada pembentukan masa depan yang lebih cerah; memupuk generasi baru Malaysia yang bakal menjadi pemimpin, pengemudi atau pelopor industri di masa hadapan.

Bagi tujuan ini, kami terus memberikan sokongan kepada pembangunan Universiti Antarabangsa Albukhary (AIU) di Alor Star, Kedah. AIU merupakan sebuah universiti bersifat kebajikan yang bertujuan untuk membantu golongan yang miskin dan kurang berkemampuan untuk melanjutkan pengajian ke peringkat yang lebih tinggi. Berbeza daripada institusi-institusi pengajian tinggi yang lain, AIU tidak hanya mensasarkan para pelajar yang memiliki pencapaian akademik yang tinggi. Keutamaan diberikan kepada mereka yang mempunyai latar belakang keluarga yang miskin, terpinggir atau kurang bernasib baik. Di sepanjang tempoh pengajian, semua pelajar dikehendaki mengikuti program kebajikan dan khidmat masyarakat yang telah dirancang. Pengambilan pertama para pelajar AIU telah dijalankan pada bulan Januari 2011.

Pada tahun lalu, BERNAS turut menganjurkan bengkel persediaan bagi para pelajar yang bakal menduduki peperiksaan UPSR, PMR dan SPM. Seramai 800 orang pelajar yang terdiri daripada anak-anak kakitangan BERNAS, anak-anak yatim dari Rumah Anak-anak Yatim Yayasan Albukhary dan anak-anak petani yang menyertai program PRL telah memperolehi manfaat daripada bengkel tersebut.

ENVIRONMENTAL PRESERVATION

The world we live in is threatened by a variety of environmental problems. From global warming, ozone depletion, air and water pollution to species extinction, we are all affected in one way or another. The global environment, with its finite resources, has to be a common concern of all and people all over the world are coming together to create a positive future for the planet. Fortunately, for every environmental problem there are causes, and more importantly, a solution. BERNAS recognises its corporate responsibilities towards the preservation of the environment and taps deep into our desire to set things right.

In our efforts to create a better world, we believe that the pursuit of best environmental practices and management makes sound business sense. We look upon environmental sustainability as a prerequisite for long-term development and growth. Agriculture, like many other sectors, has ecological and environment foot-prints, but the question is how big the foot-print can be and what is accepted.

At this point, we cannot claim to have reached our goal of environmental stewardship but we have been working towards that objective by taking the following measures:

- Adopting best practices across our value chain to reduce our carbon foot-print.
- Increasing overall energy consumption efficiencies in our milling operations.
- Reducing wastage across the organisation.
- Recycling operational by-products wherever possible. BERNAS has been using rice husks as an environmentally-friendly alternative to diesel for paddy drying activities.
- Applying advanced seed-treatment technology to reduce the use of agro-chemicals for crop cultivation in our PRL programme.

BERNAS is committed to strengthening its green credentials. Each year, significant capital expenditure is invested in upgrading our mill infrastructure and improving production processes. Through these and other measures, we are working towards a greener and healthier environment for the benefit of all stakeholders.

PEMELIHARAAN ALAM SEKITAR

Dunia pada hari ini diancam oleh pelbagai masalah alam sekitar. Pemanasan global, penipisan lapisan ozon, pencemaran air dan udara serta kepupusan hidupan, pastinya mempunyai kesan kepada kita dari pelbagai aspek. Sumber alam yang semakin terhad sepatutnya membangkitkan kesedaran masyarakat dunia untuk sama-sama berusaha membentuk masa depan persekitaran yang lebih terjamin. Setiap permasalahan alam sekitar pasti ada punca dan jalan penyelesaiannya. BERNAS sedar terhadap tanggungjawab korporat untuk memelihara persekitaran, justeru berusaha gigih untuk memperbaikinya.

Kami percaya bahawa usaha ke arah amalan pengurusan persekitaran dengan cara yang terbaik perlu diserapkan sebagai amalan perniagaan. Persekitaran yang mampan perlu dijadikan syarat utama untuk mencapai perkembangan dan pembangunan jangka panjang. Pertanian, sama seperti sektor industri yang lain, mempunyai jejak ekologi dan meninggalkan kesan ke atas alam sekitar. Persoalannya, sebesar manakah kesan yang ditinggalkan dan apakah batasannya.

Setakat ini, kami tidak boleh mendakwa telah mencapai matlamat pemeliharaan dan pemuliharaan alam sekitar yang diinginkan. Kami sedang berusaha ke arah pencapaian matlamat tersebut menerusi pelaksanaan langkah-langkah berikut:

- Penetapan amalan-amalan terbaik di sepanjang rantai nilai kami untuk memastikan pengurangan jejak karbon.
- Meningkatkan kecekapan penggunaan tenaga secara menyeluruh dalam operasi pengilangan.
- Mengurangkan kadar pembaziran di setiap peringkat organisasi.
- Mengitar semula produk sampingan di setiap peluang. BERNAS telah menggunakan sekam padi sebagai alternatif yang lebih mesra alam bagi menggantikan disel dalam proses pengeringan padi.
- Menggunakan teknologi rawatan benih yang terkini bagi mengurangkan penggunaan bahan kimia sewaktu proses penanaman padi untuk program PRL.

BERNAS komited untuk mengukuhkan amalan hijau dalam operasi perniagaannya. Setiap tahun, perbelanjaan modal yang ketara dilaburkan untuk menaiktaraf infrastruktur kilang dan menambahbaik proses pengeluaran. Menerusi pelbagai inisiatif berterusan sebegini, kami terus berusaha ke arah pencapaian kualiti persekitaran yang lebih hijau dan sihat demi kesejahteraan semua pihak yang berkepentingan.

**DELIVERING
EXCELLENCE**

**CONSTANTLY
EXCEEDING
EXPECTATIONS**



STATEMENT ON CORPORATE GOVERNANCE

Penyata Tadbir Urus Korporat

The Board of Directors of Padiberas Nasional Berhad ("the Board") remains committed in upholding and continuously improving good corporate governance in conducting the Group affairs with full transparency, integrity and professionalism towards enhancing business prosperity and corporate accountability with the ultimate objective to safeguard the interests of all stakeholders.

The Board is pleased to provide the following Statement which outlines the main corporate governance practices that were in place during the financial year ended 31 December 2011 up to the date of this Statement.

A. BOARD OF DIRECTORS

Board Composition

The Board retains effective control of the Company. This includes determining the Group's overall strategic plans, performing periodic reviews of business and financial performance, adopting practical risk management and internal controls.

The Board currently consists of seven (7) members, one (1) Executive Director and six (6) Non-Executive Directors with three (3) of them (including the Chairman) being Independent Directors.

The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director, in consultation with the Executive Committee, is responsible with the overall operation of business on a day-to-day basis assisted by the Chief Financial Officer and the Senior Management Committee.

The profile of each Director is as presented herein.

Lembaga Pengarah Padiberas Nasional Berhad ("Lembaga Pengarah") kekal komited dalam memastikan Kumpulan melaksanakan tadbir urus korporat yang terbaik dalam mengendalikan hal ehwal Kumpulan dengan telus, jujur dan profesional ke arah perniagaan yang maju tanpa mengenyakan tanggungjawab korporat bagi mencapai objektif utama iaitu melindungi kepentingan semua pemegang saham Syarikat.

Para Pengarah dengan ini membentangkan Penyata berikut yang menggariskan pelaksanaan pematuhan tadbir urus korporat Kumpulan yang telah dilaksanakan sepanjang tahun kewangan 2011 sehingga tarikh Penyata ini dikeluarkan.

A. LEMBAGA PENGARAH

Komposisi Pengarah

Lembaga Pengarah mengekalkan kawalan efektif ke atas Syarikat. Ianya termasuk mengenalpasti pelan strategik bagi Kumpulan, mengkaji prestasi perniagaan dan penyata kewangan, pelaksanaan pengurusan risiko secara praktikal dan kawalan dalaman.

Lembaga Pengarah terdiri daripada tujuh (7) orang ahli, seorang (1) Pengarah Eksekutif dan enam (6) Pengarah Bukan Eksekutif yang mana tiga (3) daripada mereka (termasuk Pengerusi) adalah Pengarah Bebas Bukan Eksekutif.

Pengerusi bertanggungjawab ke atas perihai dan peranan Lembaga Pengarah yang teratur manakala Pengarah Urusan, dengan merujuk kepada Jawatankuasa Eksekutif, bertanggungjawab ke atas urusan keseluruhan operasi harian Syarikat, dibantu oleh Ketua Pegawai Kewangan dan Jawatankuasa Pengurusan Kanan.

Profil setiap Pengarah dilampirkan dalam Laporan Tahunan ini.

Board Committees

The Board is assisted by four (4) Board Committees, which operate within clearly defined terms of reference.

- *Audit Committee ("AC")*
The AC assists the Board in reviewing the financial information and assessing the effectiveness of the Company's internal control structure. The activities carried out by AC during the year under review and its terms of reference are presented in the AC Report on page 88.
- *Executive Committee ("EXCO")*
The EXCO deliberates, evaluates and resolves all issues pertaining to the management, operational, financial and other matters within its limit of authority. The EXCO also assists the Board in reviewing and assessing the group performance report, business plans, budgets and strategies and making appropriate recommendations of the matters to the Board for consideration and approval.
- *Nomination and Remuneration Committee ("NRC")*
The NRC is responsible for making recommendations to the Board on candidates for directorship for both the executive and non-executive on the Board of the Company and its Group with necessary skills, experience and competencies.

The NRC is also responsible in recommending the Group's framework, policy and procedures used to determine and review specific remuneration packages of the Managing Director as well as the senior key management of the Group.

- *Tender Committee*
The Tender Committee assists the Board with procurement decisions, tender and contracts within its delegated authority and procurement policies.

Jawatankuasa Lembaga Pengarah

Lembaga Pengarah dibantu oleh empat (4) Jawatankuasa Lembaga Pengarah yang mana setiap Jawatankuasa mempunyai terma rujukan masing-masing.

- *Jawatankuasa Audit*
Jawatankuasa Audit membantu Lembaga Pengarah dalam mengkaji maklumat kewangan dan menilai keberkesanan struktur kawalan dalaman Syarikat. Aktiviti-aktiviti yang dijalankan oleh Jawatankuasa Audit sepanjang tahun kewangan dan terma-terma rujukannya adalah sepertimana yang dibentangkan dalam Laporan Jawatankuasa Audit pada mukasurat 88.
- *Jawatankuasa Eksekutif ("EXCO")*
EXCO mempertimbang, menilai dan menyelesaikan semua isu-isu yang berkaitan dengan operasi pengurusan, kewangan dan hal-hal lain dalam lingkungan had kuasa yang diberikan. EXCO juga membantu Lembaga Pengarah dalam mengkaji dan menilai laporan prestasi kumpulan, rancangan perniagaan, anggaran dan strategi dan memberi cadangan yang sesuai kepada Lembaga Pengarah untuk pertimbangan dan kelulusan.
- *Jawatankuasa Penamaan dan Imbuhan (JPI)*
JPI bertanggungjawab untuk mencadangkan kepada Lembaga Pengarah calon Pengarah yang layak bagi lantikan Pengarah Eksekutif dan Pengarah Bukan Eksekutif Syarikat dan Kumpulan berdasarkan kemahiran, pengalaman dan kompetensi.

JPI juga bertanggungjawab mengesyorkan rangka kerja, polisi dan prosedur Kumpulan yang diguna pakai untuk menentukan dan mengkaji semula pakej imbuhan khusus bagi Pengarah Urusan serta Pengurusan Kanan dalam Kumpulan.
- *Jawatankuasa Tender*
Jawatankuasa Tender membantu Lembaga Pengarah dalam melaksanakan penentuan perolehan, tender dan kontrak tertakluk kepada kuasa yang diamanahkan sebagaimana terkandung dalam polisi perolehan.

Board Evaluation

The assessment is carried out by way of Board Assessment Form which is to be completed by each Director. The Board Assessment Form covers the areas of Board, Board Committees, Individual Director and previous year's assessment progress. The findings of the Board Assessment are presented to the NRC for its review and the Committee will then recommend areas for improvement. The findings and recommendations by the NRC will be presented to the Board for deliberation and approval.

Board Meetings and Supply of Information

During the financial year ended 31 December 2011, the Board met on eight (8) occasions, where it deliberated upon and considered variety of matters such as the Group's financial performance and review of operations of the Company.

The Board meetings are structured with a set of agenda. The Board papers are circulated prior to the meeting to enable the Board to understand each matter to be deliberated at the Board meeting and expedite decision-making process.

Details of each Director's attendance during the financial year ended 31 December 2011 are as follows:-

Penilaian Lembaga Pengarah

Penilaian ini dilaksanakan menerusi Borang Penilaian yang diisi oleh setiap Pengarah. Borang Penilaian merangkumi aspek berkaitan Lembaga Pengarah, Jawatankuasa Pengarah, Pengarah Individu dan kemajuan penilaian tahun sebelumnya. Hasil penemuan daripada penilaian tersebut dibentangkan kepada JPI untuk dikaji dan seterusnya mengesyorkan cadangan-cadangan penambahbaikan sebelum dibentangkan kepada Lembaga Pengarah untuk perbincangan dan kelulusan.

Mesyuarat Lembaga Pengarah dan Bekalan Maklumat

Sepanjang tahun kewangan berakhir 31 Disember 2011, Lembaga Pengarah telah bermesyuarat sebanyak lapan (8) kali bagi membincangkan pelbagai perkara seperti prestasi kewangan Kumpulan dan mengkaji operasi Syarikat.

Setiap Lembaga Pengarah dibekalkan Agenda berserta Kertas Kerja yang diedarkan sebelum mesyuarat diadakan. Ini adalah untuk memastikan para Pengarah mempunyai masa yang secukupnya untuk mendapatkan maklumat yang jelas bagi memudahkan perbincangan semasa mesyuarat dan mempercepatkan proses membuat keputusan.

Butiran kehadiran setiap Pengarah sepanjang tahun kewangan berakhir 31 Disember 2011 adalah seperti berikut:-

Directors Pengarah	Attendance Bilangan Kehadiran
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	8/8
Bakry bin Hamzah	7/8
Dato' Mohd Hashim bin Abdullah	7/8
Dato' Dr. Mohd Irwan Serigar bin Abdullah <i>(appointed as Director on 26 August 2011/ dilantik sebagai Pengarah pada 26 Ogos 2011)</i>	2/2
Datuk Azizan bin Ayob	8/8
Syed Abu Bakar bin S Mohsin Almohdzar	7/8
YB Dato' Abdul Rahman bin Datuk Haji Dahlan	5/8
Datin Naimah binti Ramli <i>(appointed as Alternate Director to Dato' Mohd Hashim bin Abdullah on 20 December 2011/ dilantik sebagai Pengarah Gantian kepada Dato' Mohd Hashim bin Abdullah pada 20 Disember 2011)</i>	1/1
Dato' Azman bin Umar <i>(resigned as Director on 26 August 2011/ meletak jawatan pada 26 Ogos 2011)</i>	6/6
Mr Chuah Seong Tat @ Chuah Chee Tat <i>(resigned as Director on 15 March 2012/ meletak jawatan pada 15 Mac 2012)</i>	8/8

In the interval of the Board Meetings, for any matter requiring Board decisions, Board approvals are obtained through circular resolution. The resolutions passed by way of circular are then affirmed in the next Board meeting.

All Directors have unrestricted access to any information pertaining to the Company and unhindered access to the advice and services of the Company Secretary, and when necessary, independent professional advisers.

Appointment of Directors

The appointment of new directors to the Board is made upon the recommendation of NRC. Last year, the appointment of Dato' Dr. Mohd Irwan Serigar bin Abdullah as director was recommended to the Board.

Re-election

In accordance with the Company's Articles of Association, one-third ($\frac{1}{3}$ rd) of the Board or if their number is not a multiple of three (3), the number nearest to, but not exceeding one third ($\frac{1}{3}$ rd) shall be subject to retirement by rotation at each Annual General Meeting. In any case, each Director shall retire from office at least once every three (3) years.

These retiring Directors shall be eligible for re-election. Newly appointed Directors shall hold office until the next Annual General Meeting and shall be eligible for re-election. The election of each Director is voted separately.

Directors' Training

Six (6) out of Seven (7) Directors have completed the Mandatory Accreditation Programme (MAP) prescribed by Bursa Malaysia.

The Board provides for all directors to have full opportunity to attend seminars, trainings, workshops and conferences to further enhance their business acumen and professionalism in discharging their duties to the Group.

Bagi mana-mana perkara yang memerlukan kelulusan Lembaga Pengarah sebelum sesuatu mesyuarat itu diadakan, kelulusan adalah diperolehi menerusi resolusi secara edaran. Resolusi yang telah diluluskan tersebut akan disahkan pada mesyuarat berikutnya.

Semua Pengarah mempunyai akses tidak terhad ke atas sebarang maklumat yang berkaitan dengan Syarikat serta berhak untuk mendapatkan khidmat dan nasihat daripada Setiausaha Syarikat tanpa halangan, dan jika difikirkan perlu, Pengarah boleh mendapatkan khidmat perunding profesional.

Perlantikan Para Pengarah

Perlantikan Pengarah baru adalah berdasarkan cadangan daripada JPI. Pada tahun lepas, perlantikan Dato' Dr. Mohd Irwan Serigar bin Abdullah sebagai Pengarah telah dicadangkan oleh JPI.

Lantikan Semula

Menurut Tataurus Syarikat, satu pertiga ($\frac{1}{3}$) dari jumlah Lembaga Pengarah atau sekiranya jumlah ahli bukan daraban tiga (3), jumlah yang terdekat, tetapi tidak melebihi satu pertiga ($\frac{1}{3}$) adalah tertakluk kepada persaraan mengikut giliran pada setiap Mesyuarat Agung Tahunan. Dalam mana-mana keadaan, setiap Pengarah dikehendaki bersara sekurang-kurangnya sekali dalam masa tiga (3) tahun.

Para Pengarah ini adalah layak untuk perlantikan semula. Para Pengarah yang baru dilantik akan memegang jawatan mereka sehingga Mesyuarat Agung Tahunan yang akan datang dan layak untuk dilantik semula. Perlantikan setiap Pengarah adalah diundi secara berasingan.

Latihan Para Pengarah

Enam (6) daripada Tujuh (7) Pengarah telah menghadiri program "Mandatory Accreditation (MAP)" yang ditetapkan oleh Bursa Malaysia.

Kesemua Pengarah diberi peluang untuk menghadiri seminar, kursus dan latihan, bengkel dan persidangan untuk meningkatkan lagi pengetahuan perniagaan dan professionalism dalam melaksanakan tugas kepada Kumpulan.

For the financial year 2011, the seminars / conferences attended by the Directors are as follows:-
 Bagi tahun kewangan 2011, seminar / persidangan yang dihadiri oleh Pengarah-Pengarah adalah seperti berikut:-

No.	Director/Pengarah	Seminar/Conference/Seminar/Persidangan
1.	Dato' Wira Syed Abdul Jabbar bin Syed Hassan	<ul style="list-style-type: none"> The High Performance Leadership Workshop Sustainability Session for Directors: Consumer Products, Finance, Technology & Closed End Funds Training on Islamic Finance Updates on The Financial Instruments and Other Related Topics
2.	Bakry bin Hamzah	<ul style="list-style-type: none"> Asian Rice 2011; Modernizing the Asian Rice Industry The Board Responsibility for Corporate Culture Selected Governance Concern & Tools for Addressing Corporate Culture & Board Performance Board Intelligence & Agility : Strategic Foresight & Governance Cargill Sugar Seminar In-House Seminar TWM: Updates on the Financial Instruments & Other Related Topics
3.	Datuk Azizan bin Ayob	<ul style="list-style-type: none"> Training on Islamic Finance – Updates on the Financial Instruments and Other Related Topics The New Corporate Governance Blueprint & Regulatory Update Seminar
4.	Syed Abu Bakar bin S Mohsin Almohdzar	<ul style="list-style-type: none"> 7th World Islamic Economic Forum The Challenges of Development In Africa and Islamic Trade & Finance: Prospects for Growth in Africa Roundtable The New Corporate Governance Blueprint & Regulatory Update Seminar
5.	Dato' Mohd Hashim bin Abdullah	<ul style="list-style-type: none"> Persidangan "43rd SEAFDEC Council Directors Meeting" Economic Transformation Programme Progress Update Seminar on Outcome Based Budgeting (OBB) Joint Seminar Programme & Games for Malaysia and Singapore Public Sector Leaders Inaugural Chief Secretary Forum with Mr. Peter Ong Boon Kwee, Head of Civil Service Singapore
6.	Dato' Dr. Mohd Irwan Serigar bin Abdullah	<ul style="list-style-type: none"> International Venture Capital Seminar 2011 16th Public Service Conference (PPA2011) Bumiputra Economic Transformation Program Bumiputra Contractors Convention Team Install Treasury Information Management System

B. DIRECTORS' REMUNERATION

The Level and Make-up of Remuneration

The Board as a whole reviews the level of remuneration of directors to ensure that it is sufficient to attract and retain the directors needed to lead the Company. The level of remuneration reflects the experience and level of responsibilities undertaken by directors.

Procedure

The Board through NRC, annually reviews the performance of executive directors as a prelude to determining annual remuneration, bonus and other benefits. In discharging this duty, the NRC evaluates the executive director's performance against the objectives set by the Board, thereby linking his remuneration to performance. The remuneration of non-executive directors is reviewed by the Board as a whole, to ensure that it is aligned to the market and to their duties and responsibilities.

Disclosure

A summary of the Directors' remuneration for the financial year ended 31 December 2011 is as follows:-

Category Kategori	Fees Yuran (RM'000)	Emoluments Emolomen (RM'000)
Executive-Director Pengarah Eksekutif	-	1,098
Non-Executive Directors Pengarah Bukan Eksekutif	441	470

B. IMBUHAN PENGARAH

Tahap dan Penentuan Imbuhan

Lembaga Pengarah secara keseluruhan menilai tahap imbuhan pengarah untuk memastikan bahawa ianya adalah mencukupi untuk menarik dan mengekalkan pengarah yang diperlukan untuk memimpin Syarikat. Tahap imbuhan menggambarkan pengalaman dan tahap tanggungjawab yang dipikul oleh pengarah.

Prosedur

Lembaga Pengarah menerusi JPI akan mengkaji prestasi pengarah eksekutif untuk menentukan imbuhan tahunan, bonus dan lain-lain faedah. Dalam menjalankan tugas ini, penilaian prestasi pengarah eksekutif adalah berdasarkan objektif yang telah ditetapkan oleh Lembaga Pengarah, yang menghubungkan ganjaran kepada prestasi. Ganjaran pengarah bukan eksekutif dikaji secara keseluruhan oleh Lembaga Pengarah, untuk memastikan bahawa ia diselaraskan kepada pasaran dan tugas serta tanggungjawab mereka.

Imbuhan

Ringkasan Imbuhan Pengarah sepanjang tahun kewangan berakhir 31 Disember 2011 adalah seperti berikut:-

The number of Directors whose total remuneration falls within the following bands is as follows:
Bilangan Pengarah yang mana jumlah Imbuhan adalah dalam lingkungan seperti berikut:-

Amount of Remuneration Jumlah Imbuhan	Executive Directors Pengarah Eksekutif	Non-Executive Directors Pengarah Bukan Eksekutif
Below RM50,000	-	1 *
RM50,001 – RM100,000	-	3 **
RM100,001 – RM150,000	-	3
RM150,001 – RM200,000	-	-
RM200,001 – RM 250,000	-	-
RM250,001 – RM300,000	-	1
RM1,000,000 – RM1,050,000	-	-
RM1,000,001 – RM1,100,000	1	-

* one Director resigned on 16 February 2011.

* seorang Pengarah meletakkan jawatan pada 16 Februari 2011.

** two Directors resigned on 26 August 2011 and 15 March 2012.

** dua orang Pengarah meletakkan jawatan pada 26 Ogos 2011 dan 15 Mac 2012.

C. SHAREHOLDERS

The Company acknowledges the importance of communication channel between the Board, shareholders and other stakeholders. The annual reports, quarterly financial results, press releases and corporate announcements are the primary modes of disseminating information on the Group's performance and operation.

It has been the Company's practice to send the Notice of Annual General Meeting ("AGM") and related papers to shareholders at least twenty-one (21) days before the meeting. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed or about the Company's operations in general. A press conference is normally held immediately after the AGM for the Board to clarify and explain any issues raised.

C. PEMEGANG SAHAM

Syarikat mengiktiraf kepentingan komunikasi di antara Lembaga Pengarah, pemegang-pemegang saham dan mereka berkepentingan yang lain. Laporan Tahunan, pengumuman prestasi kewangan suku tahunan Syarikat, siaran akhbar dan pengumuman korporat adalah antara pengantar utama dalam usaha Syarikat untuk menyebarkan maklumat berkenaan kepada pemegang-pemegang Saham.

Adalah menjadi amalan Syarikat untuk menghantar Notis Mesyuarat Agung Tahunan dan pekeliling yang berkaitan kepada pemegang-pemegang saham tidak kurang dari dua puluh satu (21) hari sebelum tarikh mesyuarat. Pada Mesyuarat Agung Tahunan, pemegang saham adalah digalakkan untuk bersoal jawab mengenai resolusi yang diusulkan atau pun mengenai operasi Syarikat secara umum. Sidang akhbar biasanya akan diadakan sejurus selepas Mesyuarat Agung Tahunan untuk Para Pengarah menjelaskan dan menerangkan sebarang isu yang diutarakan.

D. ACCOUNTABILITY & AUDIT

Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Company's and Group's financial performance and prospects, primarily through the annual financial statements, quarterly announcement of results to shareholders as well as the Chairman's statement and review of operations in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting to ensure accuracy, adequacy and completeness.

Directors' Responsibility Statement in Respect of the Preparation of the Audited Financial Statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and of the results and cash flow of the Company and the Group for the financial year. In preparing the financial statements, the Board has ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

The Board also has a general responsibility for taking such steps as is reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Relationship with the External Auditors

The Board through the establishment of Audit Committee maintains a formal and transparent arrangement with the Company's Auditors. The external auditors independently report their conclusions and recommendation to the Audit Committee and from time to time, bring to the attention, of any significant deficiency in the Group's system of control.

This statement is made in accordance with the resolution of the Board of Directors dated 24 April 2012.

D. AKUNTABILITI & AUDIT

Laporan Kewangan

Lembaga Pengarah berhasrat untuk memberikan dan menyampaikan penilaian yang seimbang dan sebenar mengenai prestasi kewangan dan prospek Syarikat dan Kumpulan terutamanya melalui penyata kewangan tahunan, pengumuman keputusan suku tahunan kepada pemegang saham serta Penyata Pengerusi dan tinjauan operasi yang terdapat dalam Laporan Tahunan. Lembaga Pengarah dibantu oleh Jawatankuasa Audit untuk menyelia proses laporan kewangan Kumpulan bagi memastikan kualiti laporan kewangan yang tepat, mencukupi dan lengkap.

Penyata Tanggungjawab Pengarah Berkaitan dengan Penyediaan Laporan Kewangan yang Telah Diaudit

Lembaga Pengarah adalah bertanggungjawab dalam memastikan penyata kewangan Kumpulan yang dibentangkan memberikan gambaran sebenar dan saksama berkenaan dengan hal ehwal Syarikat dan Kumpulan pada akhir tempoh kewangan dan untung atau rugi serta aliran tunai pada tempoh kewangan berakhir. Dalam menyediakan penyata kewangan, Lembaga Pengarah telah memastikan bahawa ianya disediakan mengikut Piawaian Perakaunan yang diluluskan yang diterimapakai di Malaysia dan peruntukan dalam Akta Syarikat, 1965.

Lembaga Pengarah juga bertanggungjawab untuk mengambil langkah-langkah yang difikirkan wajar bagi melindungi aset-aset Kumpulan dan untuk mengelakkan berlakunya sebarang penipuan dalam penyediaan penyata kewangan.

Hubungan dengan Juruaudit

Menerusi Jawatankuasa Audit, Lembaga Pengarah mengamalkan aturan yang formal dan telus dengan Juruaudit Syarikat. Juruaudit Syarikat melaporkan kesimpulan dan cadangan mereka kepada Jawatankuasa Audit dari masa ke semasa dan membawa perhatian kepada Jawatankuasa Audit mengenai sebarang kekurangan yang ketara dalam sistem kawalan dalaman Syarikat.

Penyata ini dibuat mengikut resolusi Lembaga Pengarah bertarikh 24 April 2012.

ADDITIONAL COMPLIANCE INFORMATION

- (i) **Utilisation of Proceeds Raised from Any Corporate Proposal**
During the financial year ended 31 December 2011, there were no proceeds raised from any corporate proposal.
- (ii) **Share Buyback**
During the financial year ended 31 December 2011, the Company has not exercised any share buy-back.
- (iii) **Options, Warrants or Convertible Securities**
During the financial year ended 31 December 2011, the Company did not issue/exercise any options, warrants or convertible securities.
- (iv) **American Depositary Receipt (ADR) or Global Depositary Receipt (GDR) Programme**
During the financial year ended 31 December 2011, the Company has not sponsored such programme.
- (v) **Imposition of Sanctions/Penalties**
During the financial year ended 31 December 2011, there was no imposition of sanctions/penalties imposed on the Company and its subsidiaries, Directors or Management by the regulatory bodies.
- (vi) **Non-Audit Fees**
During the financial year ended 31 December 2011, the amount of non-audit fees paid to external auditors by the Group is RM30,000.00.
- (vii) **Profit Estimate, Forecast or Projection**
During the financial year ended 31 December 2011, the Company did not release any profit estimate, forecast or projection.
- (viii) **Profit Guarantee**
During the financial year ended 31 December 2011, the Company did not give any profit guarantee.
- (ix) **Material Contracts**
During the financial year ended 31 December 2011, there were no material contracts entered into by BERNAS Group involving the Directors' and major shareholders' interest.
- (x) **Revaluation of Landed Properties**
During the financial year ended 31 December 2011, the Company did not have any revaluation policy on landed properties.

MAKLUMAT TAMBAHAN PEMATUHAN

- (i) **Penggunaan Hasil daripada Mana-Mana Cadangan Korporat**
S sepanjang tahun kewangan berakhir 31 Disember 2011, tiada penggunaan hasil daripada mana-mana cadangan korporat.
- (ii) **Pembelian Balik Saham**
S sepanjang tahun kewangan berakhir 31 Disember 2011, tiada peraksanaan pembelian balik saham oleh Syarikat.
- (iii) **Opsyen, Jaminan atau Saham Boleh Tebus**
S sepanjang tahun kewangan berakhir 31 Disember 2011, Syarikat tiada menerbitkan/melaksanakan mana-mana opsyen, jaminan atau saham boleh tebus.
- (iv) **"American Depositary Receipt (ADR)" atau "Global Depositary Receipt (GDR) Programme"**
S sepanjang tahun kewangan berakhir 31 Disember 2011, Syarikat tiada menaja sebarang ADR atau GDR.
- (v) **Sekatan/Penalti**
S sepanjang tahun kewangan berakhir 31 Disember 2011, tiada sebarang sekatan/penalti dikenakan ke atas Syarikat.
- (vi) **Yuran Selain Audit**
S sepanjang tahun kewangan berakhir 31 Disember 2011, jumlah yuran yang dibayar selain yuran audit kepada Juruaudit luar oleh Kumpulan adalah RM30,000.00.
- (vii) **Anggaran, Ramalan atau Unjuran**
S sepanjang tahun kewangan berakhir 31 Disember 2011, Syarikat tiada mengeluarkan sebarang anggaran, ramalan atau unjuran.
- (viii) **Jaminan Keuntungan**
S sepanjang tahun kewangan berakhir 31 Disember 2011, Syarikat tiada memberi sebarang jaminan keuntungan.
- (ix) **Perjanjian Penting**
S sepanjang tahun kewangan berakhir 31 Disember 2011, tiada sebarang perjanjian penting yang dimeterai oleh Kumpulan BERNAS yang melibatkan Pengarah dan kepentingan pemegang saham utama.
- (x) **Penilaian Semula Hartanah**
S sepanjang tahun kewangan berakhir 31 Disember 2011, Syarikat tidak mempunyai sebarang polisi penilaian semula hartanah.

STATEMENT ON INTERNAL CONTROL

Penyata Kawalan Dalam

INTRODUCTION

The Bursa Malaysia Securities Berhad requires the Board of Directors of public listed companies to include in its annual report a "statement about the state of internal controls of the listed issuer as a group". The Board of Directors is committed to maintain a sound system of internal controls in the Group and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the financial year ended 31 December 2011.

RESPONSIBILITY OF THE BOARD

The Board is ultimately responsible for the Group's system of internal control, which includes the establishment of an appropriate control environment and framework, as well as reviewing its adequacy and integrity. The system of internal control include among others financial, operational and compliance controls and risk management procedures.

The Board has established an ongoing process for identifying, evaluating and managing significant risks faced by the Group. Whilst the Board maintains ultimate responsibility over risk and control issues, it has delegated to the management the implementation of a system of risk management and internal control within an established framework. This framework currently encompasses the Company and its subsidiary and material associate companies.

In view of inherent limitations in any system of internal control, the Group's internal control system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

PENGENALAN

Bursa Malaysia Securities Berhad memerlukan agar Lembaga Pengarah bagi syarikat tersenarai awam melampirkan "penyata mengenai keadaan kawalan dalaman kumpulan" di dalam laporan tahunannya. Lembaga Pengarah perlu komited untuk memelihara sistem kawalan dalaman Kumpulan dan menyediakan penyata berikut, yang mana menggariskan skop kawalan dalaman Kumpulan dalam tahun kewangan berakhir 31 Disember 2011.

TANGGUNGJAWAB LEMBAGA PENGARAH

Lembaga Pengarah bertanggungjawab ke atas sistem kawalan dalaman Kumpulan yang mengambil kira pengukuhan rangka kerja dan kawalan persekitaran dalaman yang sesuai, di samping mengkaji semula kesempurnaan dan keutuhan sistemnya. Sistem ini merangkumi kawalan-kawalan kewangan, operasi dan kepatuhan, serta prosedur-prosedur pengurusan risiko.

Lembaga Pengarah telah menyediakan proses berterusan untuk mengenalpasti, menilai dan mengurus risiko-risiko utama yang dihadapi oleh Kumpulan. Walaupun Lembaga Pengarah masih mengekalkan tanggungjawab terakhir ke atas risiko dan isu-isu kawalan, ia telah mengamanahkan pelaksanaan sistem pengurusan risiko dan kawalan dalaman mengikut rangka kerja yang ditetapkan, kepada pengurusan eksekutif. Rangka kerja ini merangkumi Syarikat, syarikat-syarikat subsidiari dan syarikat-syarikat bersekutu utama.

Bagaimanapun, disebabkan terdapatnya batasan yang tidak dapat dielakkan di dalam mana-mana sistem kawalan dalaman, sistem ini telah direka untuk mengurus, bukannya cenderung untuk menghapuskan, risiko yang bakal menggagalkan objektif-objektif korporat. Justeru, ia hanya mampu menyediakan jaminan yang munasabah dan bukan jaminan mutlak terhadap sebarang salah nyataan atau kerugian.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Management has been entrusted by the Board to manage risk and also, to develop, operate and monitor a system of internal control and providing assurance to the Board that it has done so in accordance with policies adopted by the Board. Further independent assurance is provided by the internal audit function.

The following key elements of a risk management framework have been put in place as part and parcel of embedding a sound internal control system within the Group:

- Establishment of a formalised Risk Management Policy and Procedure on risks and communicated throughout key areas in the Group;
- Establishment of Risk Management Committee to assist the Board in discharging its statutory duties and responsibilities relating to Risk Management Activities;
- Establishment and review of the risk management structure, which outlines the reporting framework and responsibility of the Board, Risk Management Committee, Management, Risk Management Department and risk representatives;
- Appointment of Risk Representatives within each division of the Group;
- Reviewing and, where appropriate, revising the risk parameters (qualitative and quantitative) for the Group and at the individual business unit level to strengthen effectiveness of the risk management process;
- Ongoing formal and informal risk management education and training at management and staff levels;
- Continuous review and refinement of existing risk management framework model to enhance risk awareness within the Group and facilitate re-affirmation of risk prioritisation and aggregation exercises with various subsidiaries, associates, divisions, and departments;
- Implementation by Management of a group-wide risk assessment process, which includes the identification of key risks facing each business unit, the potential impact and likelihood of those risks occurring, the control effectiveness and the action plans to manage those risks to the desired level; and
- Development of a Group Risk Profile.

Rangka Kerja Pengurusan Risiko Keseluruhan

Pihak Pengurusan telah dipertanggungjawabkan untuk mengurus risiko, membangun dan memantau sistem kawalan dalaman di samping memberi jaminan kepada Lembaga Pengarah bahawa ia telah dilaksanakan menurut polisi-polisi yang telah diterima pakai oleh Lembaga Pengarah. Jaminan berasingan seterusnya disediakan oleh fungsi audit dalaman.

Elemen-elemen utama dalam rangka kerja pengurusan risiko berikut telah ditempatkan sebagai bahagian yang penting dalam mewujudkan sistem kawalan dalaman Kumpulan yang sempurna:

- Pembentukan Polisi dan Prosedur Pengurusan Risiko yang formal yang disampaikan melalui bidang-bidang utama Kumpulan;
- Penubuhan Jawatankuasa Pengurusan Risiko bagi membantu Lembaga Pengarah dalam melaksanakan tugas dan tanggungjawab yang berkaitan dengan Aktiviti Pengurusan Risiko;
- Pembentukan dan pengkajian semula struktur pengurusan risiko yang menggariskan rangka kerja laporan dan tanggungjawab Lembaga Pengarah, Jawatankuasa Kewangan, Pengurusan, Jabatan Pengurusan Risiko dan perwakilan risiko;
- Perlantikan para Perwakilan Risiko bagi setiap bahagian dalam Kumpulan;
- Pengkajian semula dan di mana sesuai, menyemak semula parameter risiko (kualitatif dan kuantitatif) bagi Kumpulan dan di peringkat unit perniagaan individu agar pelaksanaan proses pengurusan risiko lebih berkesan;
- Pendidikan dan latihan pengurusan risiko secara formal dan tidak formal yang berterusan di peringkat pengurusan dan kakitangan;
- Proses pengkajian semula dan perbaikan yang berterusan terhadap rangka kerja pengurusan risiko sedia ada untuk meningkatkan kesedaran risiko dalam Kumpulan dan memudahkan pernyataan semula keutamaan risiko serta latihan-latihan yang menyeluruh pelbagai syarikat-syarikat subsidiari, syarikat-syarikat bersekutu, bahagian-bahagian dan jabatan-jabatan;
- Pelaksanaan proses penilaian risiko secara meluas oleh pihak pengurusan termasuk mengenal pasti risiko-risiko penting yang dihadapi oleh setiap unit perniagaan, potensi kesan dan kemungkinan berlakunya risiko tersebut, keberkesanan kawalan dan pelan tindakan bagi mengurus risiko-risiko tersebut; dan
- Pembangunan Profil Risiko Kumpulan.

INTERNAL AUDIT FUNCTION

The Internal Audit Department provides the Board with the assurance it requires regarding the adequacy and integrity of internal controls. Internal audit independently reviews the internal control processes and risk profiles in the key activities of the Group's businesses and reports directly to the Audit Committee on a quarterly basis or as appropriate. Internal audit also test the effectiveness of the internal controls on the basis of an internal audit strategy and detailed annual internal audit plan presented to the Audit Committee. Reports on internal audit findings, together with recommendations for Management actions, are reviewed by the Audit Committee and reported to the Board by the Audit Committee on a quarterly basis or as appropriate. Follow-up audits are conducted to assess the implementation of audit corrective actions and recommendations.

OTHER RISK AND CONTROL PROCESSES

Apart from risk management and internal audit, other key elements of the Group's internal controls system are as described below:

- Clearly defined delegation of responsibilities by the Board to Management of the Group, including authority limits for all aspects of the business;
- Key business processes of the major business units are governed by formalised and documented policies and procedures;
- Management and the Board are provided with regular and comprehensive financial information, which includes a review of the Group's financial performance and position;
- Detailed and systematic budgetary process in which the respective heads of department and division prepare budgets for the forthcoming financial year and subsequent financial quarters; continuous monitoring of results against planned activities and variances are followed up and actions taken, where necessary; and
- The Managing Director reports to the Board on significant changes in the business and the external environment.

FUNGSI AUDIT DALAMAN

Jabatan Audit Dalam membebankan jaminan yang diperlukan oleh Lembaga Pengarah berhubung dengan kecukupan dan integriti kawalan dalaman. Audit dalaman secara bebas mengkaji semula proses kawalan dalaman dalam aktiviti-aktiviti penting perniagaan Kumpulan dan memberi laporan terus kepada Jawatankuasa Audit pada setiap suku tahun atau pada masa yang sesuai. Audit dalaman juga perlu menguji keberkesanan kawalan dalaman berasaskan strategi audit dalaman dan pelan audit dalaman terperinci yang dikemukakan kepada Jawatankuasa Audit. Laporan dari penemuan audit dalaman, beserta cadangan untuk tindakan Pengurusan akan dikaji semula oleh Jawatankuasa Audit dan dilaporkan kepada Lembaga Pengarah oleh Jawatankuasa Audit setiap suku tahun atau pada masa yang sesuai. Lanjutan audit juga dijalankan untuk menilai tindakan pemulihan dan saranan-saranan audit.

PROSES-PROSES RISIKO DAN KAWALAN LAIN

Selain dari pengurusan risiko dan audit dalaman, elemen-elemen penting lain dalam sistem kawalan dalaman Kumpulan adalah seperti berikut:

- Pengagihan tanggungjawab yang jelas oleh Lembaga Pengarah kepada Pengurusan dalam Kumpulan, termasuk had bidang kuasa dalam kesemua aspek perniagaan;
- Proses perniagaan utama dalam unit-unit perniagaan utama adalah di bawah kawalan polisi dan prosedur yang formal dan telah didokumenkan;
- Pihak Pengurusan dan Lembaga Pengarah diberi maklumat kewangan secara tetap dan menyeluruh, merangkumi pengkajian semula prestasi dan kedudukan kewangan Kumpulan;
- Proses belanjawan yang terperinci dan sistematik di mana ketua jabatan dan bahagian masing-masing menyediakan belanjawan untuk tahun kewangan berikutnya serta turutan kajian kewangan suku tahunannya; pemantauan berterusan terhadap hasil berbanding dengan rancangan dan perbezaan tersebut disusuli dan diambil tindakan, di mana perlu; dan
- Pengarah Urusan akan memberi laporan kepada Lembaga Pengarah mengenai perubahan-perubahan penting dalam perniagaan dan persekitaran luaran.

CONCLUSION

The Board is of the view that the existing system of the internal control is adequate. There were no material losses incurred during the current financial year as a result of weaknesses in internal control. Nevertheless, the Management continues to take measures to strengthen the control environment.

This statement is made in accordance with the resolution of the Board of Directors dated 24 April 2012.

KESIMPULAN

Lembaga Pengarah berpendapat bahawa sistem kawalan dalaman yang sedia ada adalah mencukupi. Tiada sebarang kehilangan material berlaku sepanjang tahun kewangan hasil daripada kelemahan dalam kawalan dalaman. Bagaimanapun, Pengurusan berusaha secara berterusan untuk mengukuhkan kawalan persekitaran.

Penyata ini telah dibuat mengikut resolusi Lembaga Pengarah bertarikh 24 April 2012.

AUDIT COMMITTEE REPORT

Laporan Jawatankuasa Audit

MEMBERSHIP

The current composition of the Audit Committee (the "Committee") is as follows:

Syed Abu Bakar bin S Mohsin Almohdzar
(Chairman, Independent Non-Executive Director & MIA member)

Datuk Azizan bin Ayob
(Member, Non-Independent Non-Executive Director)

YB Dato' Abdul Rahman bin Datuk Haji Dahlan
(Member, Independent Non-Executive Director)

MEETINGS

Meetings shall be conducted at least four (4) times annually, each meeting planned to coincide with key dates in the Company's financial reporting cycle, or more frequently as circumstances dictate.

The Managing Director, Chief Financial Officer and General Manager of Compliance and representatives of the external auditor shall normally attend meetings. The Committee may, as and when deemed necessary, invite other senior management members to attend the meetings. At least once a year, the Committee shall meet with the external auditors without any executive officers of the Company being present.

The Committee shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter.

During the financial year ended 31 December 2011, the Audit Committee convened six (6) meetings. The details of attendance of the Committee members are as follows:-

Name Of Directors	Attendance
Syed Abu Bakar bin S Mohsin Almohdzar	6/6
YB Dato' Abdul Rahman bin Datuk Haji Dahlan	6/6
Datuk Azizan bin Ayob	6/6

KEAHLIAN

Ahli Jawatankuasa Audit ("Jawatankuasa") terdiri dari:

Syed Abu Bakar bin S Mohsin Almohdzar
(Pengerusi, Pengarah Bebas Bukan Eksekutif & ahli MIA)

Datuk Azizan bin Ayob
(Ahli, Pengarah Tidak Bebas Bukan Eksekutif)

YB Dato' Abdul Rahman bin Datuk Haji Dahlan
(Ahli, Pengarah Bebas Bukan Eksekutif)

MESYUARAT

Mesyuarat diadakan sekurang-kurangnya empat (4) kali setahun, dengan setiap mesyuarat diatur selari dengan tarikh-tarikh utama dalam pusingan laporan kewangan Syarikat atau lebih kerap bergantung kepada keperluan.

Pengarah Urusan, Ketua Pegawai Kewangan dan Pengurus Besar, Bahagian Pematuhan dan wakil dari Audit Luar lazimnya akan menghadiri mesyuarat. Jawatankuasa Audit boleh mengundang mana-mana Pengurusan Kanan untuk menghadiri sesuatu mesyuarat sekiranya perlu. Jawatankuasa Audit akan bermesyuarat dengan juruaudit luar sekurang-kurangnya sekali setiap tahun tanpa kehadiran pengurusan eksekutif Syarikat.

Jawatankuasa Audit akan mengatur tatacara perjalanan mesyuarat mengikut kelazimannya.

Sepanjang tahun kewangan berakhir 31 Disember 2011, Jawatankuasa Audit telah mengadakan enam (6) mesyuarat. Maklumat kehadiran ahli-ahli Jawatankuasa Audit adalah seperti berikut:

Ahli	Kehadiran
Syed Abu Bakar bin S Mohsin Almohdzar	6/6
YB Dato' Abdul Rahman bin Datuk Haji Dahlan	6/6
Datuk Azizan bin Ayob	6/6

TERMS OF REFERENCE

Objective of the Audit Committee

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling the following oversight objectives on the Group activities:

- Review the financial reporting and associated announcements
- Evaluate the internal and external audit processes
- Assess the adequacy and effectiveness of the Group's control environment, corporate governance and risk management processes in compliance with The Combined Code of Principles of Good Governance and Code of Best Practice.

Composition of the Committee

The Committee and the Chairman shall be appointed by the Board of Directors and shall consist of not less than three (3) members, all of whom must be Non-Executive Directors with a majority of them must be Independent Directors.

Committee's Procedures

The Company Secretary shall be appointed as Secretary at the meetings to record and maintain minutes for the proceedings of the meetings. The Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant supporting papers prior to each meeting to the members of the Committee.

Authority

The Committee is authorised to seek any information it requires from any employee of the Group and all employees are directed to cooperate with any request made by the Committee.

The Committee shall have full and unlimited access to any information pertaining to the Group.

The Committee shall have direct communication channels with the internal and external auditors, and with the employees of the Group.

TERMA-TERMA RUJUKAN

Objektif Jawatankuasa Audit

Objektif utama Jawatankuasa ialah untuk membantu Lembaga Pengarah dalam mengawasi aktiviti-aktiviti Kumpulan seperti berikut:

- Menyelia laporan kewangan dan pengumuman yang berkaitan
- Menilai proses-proses audit dalaman dan luaran
- Menganggar kecukupan dan keberkesanan persekitaran kawalan Kumpulan, tadbir urus korporat serta proses pengurusan risiko sebagai mematuhi Kombinasi Kod Prinsip-prinsip Tadbir Urus dan Kod Amalan Yang Terbaik.

Komposisi

Jawatankuasa dan Pengerusi hendaklah dilantik oleh Lembaga Pengarah dan terdiri tidak kurang daripada tiga (3) orang ahli, kesemuanya adalah Pengarah Bukan Eksekutif, dengan majoriti daripadanya terdiri daripada Pengarah Bebas.

Prosedur Jawatankuasa

Setiausaha Syarikat akan dilantik sebagai Setiausaha Jawatankuasa. Setiausaha, bersama dengan Pengerusi akan menyediakan agenda yang akan diedarkan bersama-sama dokumen yang berkaitan kepada ahli-ahli Jawatankuasa sebelum setiap mesyuarat diadakan.

Kuasa

Jawatankuasa mempunyai kuasa untuk memperolehi sebarang maklumat yang diperlukan dari mana-mana kakitangan Kumpulan dan semua kakitangan diarahkan untuk bekerjasama bagi memenuhi sebarang permintaan Jawatankuasa.

Jawatankuasa mempunyai akses penuh dan tanpa halangan ke atas sebarang maklumat berhubung dengan Kumpulan.

Jawatankuasa mempunyai saluran komunikasi secara langsung dengan juruaudit dalaman dan luar; dan bersama pengurusan Kumpulan untuk mengadakan mesyuarat dengan juruaudit luar sekiranya perlu.

The Committee shall have the resources that are required to perform its duties. The Committee can obtain, at the expense of the Company, external or other independent professional advice it considers necessary.

The Committee shall be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of any executive officers and employees of the Company whenever deemed necessary.

Duties and Responsibilities

In fulfilling its primary objectives, the Committee shall undertake the following duties and responsibilities:

Risk Management and Internal Control

- Review the control effectiveness to ensure that the identified risks are being addressed.
- Review the adequacy and effectiveness of internal control and governance system of the Group.
- Review and recommend to the Board of Directors the Corporate Governance Statement and Statement on Internal Control in relation to internal control and the management of the risk included in the Annual Report.

Financial Reporting

- Review and discuss with management and the independent auditors the quarterly results and the year end financial statements of the Company's and consolidated financial statements of the Group including disclosure made in the accounts and the auditors' review of the statement prior to the approval by the Board, focusing particularly on:
 - o Change in or implementation of major accounting policies and practices;
 - o Significant adjustments or unusual events; and
 - o Compliance with accounting standards and other legal requirements.
- Review the financial reporting procedures in place to ensure that the Group is in compliance with the Companies Act 1965, Bursa Malaysia Listing Requirements and other legislative and reporting requirements.

Jawatankuasa mempunyai sumber yang diperlukan untuk menjalankan tugas dan tanggungjawabnya. Jawatankuasa berhak mendapatkan nasihat perundangan luar atau nasihat profesional bebas lain, dengan perbelanjaan Syarikat, sekiranya perlu.

Jawatankuasa boleh mengadakan mesyuarat dengan juruaudit luar, juruaudit dalaman, atau kedua-duanya, tanpa kehadiran pengurusan eksekutif dan kakitangan Syarikat sekiranya perlu.

Tugas dan Tanggungjawab

Tugas dan tanggungjawab Jawatankuasa adalah seperti berikut:

Pengurusan Risiko dan Kawalan Dalaman

- Mengkaji keberkesanan kawalan dalam memastikan tumpuan perhatian diberikan ke atas risiko yang telah dikenalpasti.
- Mengkaji kecukupan dan keberkesanan pengurusan risiko, sistem kawalan dalaman dan tadbir urus Kumpulan.
- Mengkaji dan mengesyor kepada Lembaga Pengarah Penyata Tadbir Urus Korporat dan Penyata Kawalan Dalaman berhubung dengan kawalan dalaman dan pengurusan risiko yang dimasukkan dalam Laporan Tahunan.

Laporan Kewangan

- Mengkaji dan membincangkan dengan pengurusan dan juruaudit bebas keputusan suku tahunan dan penyata kewangan akhir tahun Syarikat serta penyata kewangan disatukan Kumpulan termasuk pendedahan dalam akaun dan kajian juruaudit ke atas penyata sebelum diluluskan oleh Lembaga Pengarah, dengan memberi perhatian kepada:
 - o Perubahan atau pelarasan polisi-polisi dan amalan perakaunan yang penting;
 - o Pelarasan ketara atau perkara-perkara luar biasa; dan
 - o Pematuhan standard perakaunan dan keperluan undang-undang yang lain.
- Menyemak prosedur laporan kewangan yang tersedia untuk memastikan supaya Kumpulan mematuhi Akta Syarikat 1965, Keperluan Penyenaian Bursa Malaysia dan keperluan perundangan serta laporan yang lain.

Audit Process

- Review the performance and resources of the Internal Audit Department; and approve on the annual internal audit plan.
- Oversee all matters relating to external audit including the appointment, performance, audit fee and dismissals before making recommendation to the Board.
- Review the internal and external audit reports and ensure that appropriate and prompt actions be taken by management on major deficiencies in controls or procedures identified.

Other Responsibilities and Duties

- Review any related party transaction that may arise within the Company and the Group; and
- Undertake such other responsibilities as the Committee and the Board may think appropriate.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The main activities undertaken by the Committee during the financial year were as follows:

- Assisted the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practice of the Company and companies within the Group in accordance with the Generally Accepted Accounting Practice.
- Reviewed the external audit term of engagement, audit strategy, proposed audit fee and the achievement of the agreed reporting time frames for the audit of the financial statements.
- Reviewed the Audit Committee Report, Statement of Internal Control and Statement of Corporate Governance and recommend to the Board for inclusion in the Annual Report.
- Reviewed quarterly and year end financial results prior to submission to the Board for consideration and approval.
- Reviewed the internal audit plan, methodology, functions and resources and advised on the appointment of internal audit services, if any
- Reviewed the internal audit reports and results of the follow up audit conducted by Internal Audit Department together with audit recommendation and management action.

Proses Audit

- Mengkaji prestasi dan sumber Jabatan Audit Dalaman serta meluluskan pelan tahunan audit dalaman.
- Menyelia segala perkara berkaitan audit luar termasuk perlantikan, prestasi, yuran audit dan pemberhentian sebelum membuat syor kepada Lembaga Pengarah.
- Mengkaji laporan audit luar dan dalaman dan memastikan tindakan pembetulan yang wajar dilaksanakan oleh pihak pengurusan ke atas kekurangan kawalan atau prosedur yang telah dikenal pasti.

Tugas dan Tanggungjawab Lain

- Mengkaji semula sebarang transaksi dengan pihak-pihak berkaitan yang melibatkan Syarikat serta Kumpulan; dan
- Menerima tanggungjawab lain yang difikirkan perlu oleh Jawatankuasa dan Lembaga Pengarah.

RINGKASAN AKTIVITI SEPANJANG TAHUN KEWANGAN

Jawatankuasa telah menjalankan aktiviti-aktiviti berikut di sepanjang tahun kewangan:

- Membantu Lembaga Pengarah dalam menjalankan tugas dan tanggungjawab statutori mereka berkaitan amalan perakaunan dan laporan Syarikat serta syarikat lain dalam Kumpulan berdasarkan Amalan Perakaunan Yang Diterima Pakai Secara Am.
- Mengkaji semula terma-terma pengambilan juruaudit luar, strategi audit, yuran audit yang dicadangkan dan pencapaian dalam laporan audit bagi laporan-laporan kewangan dalam tempoh masa yang ditetapkan.
- Mengawal dan mengkaji semula keberkesanan sistem kawalan dalaman Kumpulan dan mengenalpasti tahap Kawalan Dalaman dan Tadbir Urus Korporat di dalam Kumpulan.
- Mengkaji semula laporan kewangan suku tahunan dan tahunan kewangan sebelum dibentangkan kepada Lembaga Pengarah untuk pertimbangan dan kelulusan.
- Mengkaji semula perancangan audit dalaman, metodologi, fungsi dan sumber serta mengesyorkan perlantikan perkhidmatan audit dalaman, sekiranya ada.
- Mengkaji semula laporan audit dalaman dan keputusan audit susulan yang dijalankan oleh Jabatan Audit Dalaman berserta cadangan audit dan tindakan oleh pengurusan.

- Kept under review the effectiveness of internal controls system within the Group and determine the state of Internal Controls and Corporate Governance within the Group.
- Reviewed any related party transactions that may arise within the Company and the Group.

INTERNAL AUDIT FUNCTION

The Board and the Audit Committee are assisted by Internal Audit Department in maintaining a sound system of internal controls to provide reasonable assurance against any irregularities arising from the daily operational activities.

The Internal Audit Department is to give independent and objective assurance designed to add value and improve the overall organisation's operations and governance matter. Internal Audit Department will also perform internal audit reviews on the controls within the key activities of the Group's businesses with clearly defined audit strategy and annual audit plan presented to the Audit Committee.

The internal audit function adopts a risk-based approach in preparing the annual audit plan based on the risk profiles of the business units of the Group. Internal Audit is to provide independent and objective reviews on the effectiveness of internal control systems within the Company and the Group via the following:

1. Conduct reviews and evaluations of management practices and procedures within the Group and the reviews will include but are not limited to:
 - i. Evaluation of internal control systems, corporate governance and risk assessment to determine their adequacy for the protection of Company's assets and resources, accuracy and reliability of information and assurance on the compliance with statutory and regulatory requirements as well as company policies, procedures and guidelines.
 - ii. Assessment as to whether desired results or target are achieved from the approved business direction and strategy.
 - iii. Formulating effective recommendations to Management for any improvement, or measures in addressing the gaps.

- Mengawal dan mengkaji semula keberkesanan sistem kawalan dalaman Kumpulan dan mengenalpasti tahap Kawalan Dalaman dan Tadbir Urus Korporat dalam Kumpulan.
- Mengkaji semula sebarang transaksi dengan pihak-pihak berkaitan yang melibatkan Syarikat serta Kumpulan

FUNGSI AUDIT DALAMAN

Lembaga Pengarah dan Jawatankuasa dibantu oleh Jabatan Audit Dalaman untuk mengekalkan sistem pengawasan dalaman yang berkesan bagi memberikan kepastian yang munasabah kepada ketidaktentuan yang mungkin timbul dalam operasi harian.

Jabatan Audit Dalaman bertanggungjawab untuk memberi jaminan bebas dan objektif serta menambah nilai dan memperbaiki keseluruhan operasi Syarikat dan tadbir urus. Audit Dalaman mengkaji kawalan aktiviti-aktiviti utama perniagaan Kumpulan dengan berasaskan strategi dan pelan tahunan audit yang diserahkan kepada Jawatankuasa Audit untuk kelulusan.

Audit dalaman menggunakan pendekatan berasaskan risiko dan menyediakan pelan serta strategi audit berasaskan bidang-bidang risiko unit-unit perniagaan Kumpulan. Ini dapat membantu Syarikat serta Kumpulan untuk mencapai objektifnya dengan menggunakan pendekatan yang sistematik dan berdisiplin untuk menilai dan memperbaiki keberkesanan pengurusan risiko dan proses tadbir urus melalui cara-cara berikut:-

1. Mengkaji semula serta menilai amalan-amalan pengurusan dan prosedur-prosedur di dalam Kumpulan di mana kajian tersebut adalah termasuk tetapi tidak terhad kepada:
 - i. Penilaian ke atas sistem kawalan dalaman, tadbir urus korporat dan penilaian risiko untuk mengenalpasti kemampuan mereka bagi melindungi aset dan sumber Syarikat, penghasilan maklumat yang tepat dan boleh dipercayai dan memastikan polisi, prosedur dan garis panduan dipatuhi.
 - ii. Penilaian sama ada pencapaian atau sasaran yang dicapai daripada halatuju perniagaan dan strategi yang diluluskan.
 - iii. Mengesyorkan kepada Pengurusan sebarang pembaikan atau pembetulan langkah-langkah dalam menangani jurang.

2. Conduct special studies of procedural or problem areas as requested or directed by Audit Committee and Management.
3. Review the existing financial, operational and information systems to ensure that they are adequately defined, properly governed with appropriate internal controls.
4. Prepare formal reports on the results of completed reviews, discuss these reports with appropriate levels of Management, as deemed appropriate.
5. Conduct follow-up reviews on prior recommendations to determine the speed in addressing audit issues and concerns on previously reported conditions.

Internal Audit Department undertakes the internal audit function based on the approved audit plan, which is continuously reviewed and updated upon the changing nature of the Group's operations.

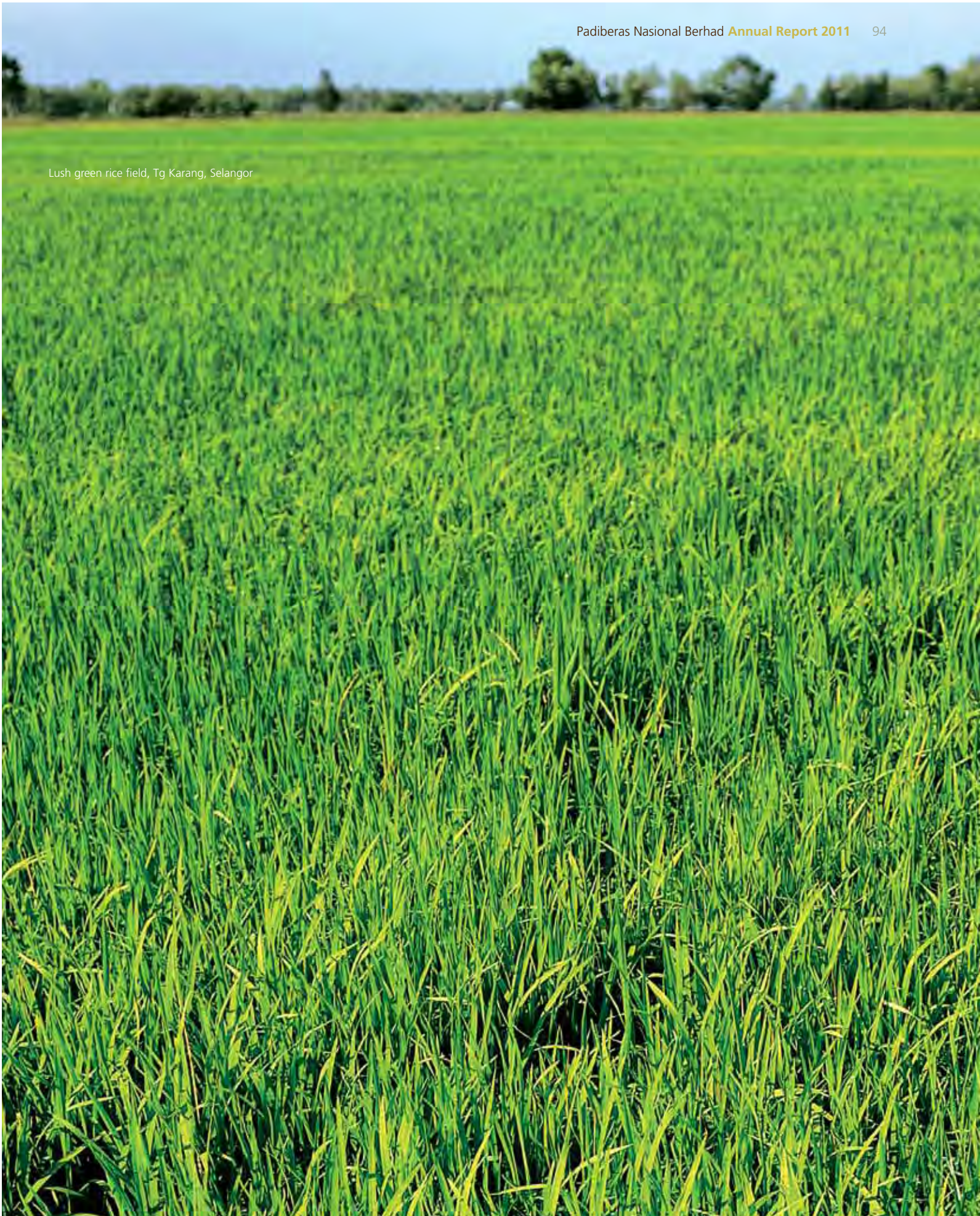
Twenty (20) audit reports were issued and presented to the Audit Committee in 2011 for their information and further action. The reports were deliberated by the Audit Committee and recommendations made were acted upon by the Management. Total cost incurred for the Internal Audit function in respect of the financial year 2011 was RM1.32 million. At the end of financial year, the department was supported by a total strength of ten (10) internal auditors.

2. Menjalankan kajian-kajian khas ke atas mana-mana masalah yang timbul sebagaimana yang diarahkan oleh Jawatankuasa Audit dan pihak Pengurusan.
3. Mengkaji semula sistem-sistem kewangan, operasi dan maklumat yang sedia ada bagi memastikan kesemuanya ditadbir dengan kawalan dalaman sewajarnya.
4. Menyediakan laporan-laporan formal ke atas hasil kajian dan membincangkan laporan-laporan tersebut dengan pihak Pengurusan.
5. Menjalankan tindakan susulan terhadap cadangan-cadangan yang disyorkan bagi mengenalpasti tahap kepantasan dalam menangani isu-isu dan kebimbangan perkara yang dilaporkan.

Jabatan Audit Dalaman bertanggungjawab melaksanakan fungsi audit dalaman berdasarkan pelan audit yang dikaji secara berterusan dengan mengambil kira perubahan di dalam operasi Kumpulan.

Sebanyak dua puluh (20) laporan audit telah dikeluarkan dan dibentangkan kepada Jawatankuasa Audit dalam tahun 2011 lanya telah dibincangkan oleh Jawatankuasa dan diambil tindakan oleh pihak Pengurusan. Jumlah keseluruhan kos yang dibelanjakan pada tahun kewangan 2011 adalah RM1.32 juta. Pada akhir tahun kewangan, jabatan ini dibantu oleh sepuluh (10) kakitangan audit dalaman.

Lush green rice field, Tg Karang, Selangor



FINANCIAL STATEMENTS

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The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are procuring, collecting, processing, importing, exporting, purchasing, storing, packaging, distribution of rice, paddy and other grains, which include activities such as seed production, paddy farming, paddy procurement, paddy processing, rice processing and rice storage, distribution and marketing of rice research and development on paddy seeds, rice and related products and investment holding. Pursuant to the Privatisation Agreement between the Company and the Government of Malaysia dated 12 January 1996 ("the Privatisation Agreement"), the Company shall also ensure the maintenance of the sufficient supply of rice at reasonably fair and stable prices. The Company's obligations under the Privatisation Agreement also include the maintenance of the rice stockpile, the distribution of paddy price subsidies to farmers on behalf of the Government, the management of the Bumiputra Rice Millers Scheme and acting as a buyer of last resort at the Guaranteed Minimum Price of paddy. The principal activities of the Group are those of the procurement, importing, buying, processing and selling of rice, rice by-products and paddy.

The principal activities of the subsidiaries are described in Note 36(a) to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit for the year	171,356	128,810
Attributable to:		
Owners of the Company	164,573	128,810
Non-controlling interests	6,783	-
	171,356	128,810

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

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.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2010 were as follows:

RM'000

In respect of the financial year ended 31 December 2010, as reported in the directors' report of that year:

Second Interim dividend of 13% taxable dividend less 25% taxation on 470,401,501 ordinary shares declared on 17 March 2011 and paid on 1 June 2011	45,864
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Final dividend of 5% taxable dividend less 25% taxation on 470,401,501 ordinary shares declared on 30 May 2011 and paid on 14 July 2011	17,640
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In respect of the financial year ended 31 December 2011:

First Interim dividend of 15% taxable dividend less 25% taxation on 470,401,501 ordinary shares declared on 26 August 2011 and paid on 21 October 2011	52,920
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116,424

Not recognised as at 31 December 2011:

Second Interim dividend of 15% taxable dividend less 25% taxation on 470,401,501 ordinary shares declared on 24 April 2011 and payable on 1 June 2012	52,920
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169,344

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2011 of 5% taxable dividend less 25% taxation on 470,401,501 ordinary shares, amounting to a dividend payable of RM17,640,000 (3.7 sen per ordinary share) will be proposed for shareholders' approval. 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 equity as an appropriation of retained profits in the financial year ending 31 December 2012.

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' Wira Syed Abdul Jabbar Bin Syed Hassan	(Chairman)
Bakry Bin Hamzah	(Managing Director)
Datuk Azizan Bin Ayob	
YB Dato' Abdul Rahman Bin Datuk Haji Dahlan	
Syed Abu Bakar Bin S. Mohsin Almohdzar	
Dato' Mohd Hashim Bin Abdullah *	
Dato' Dr Mohd Irwan Serigar Bin Abdullah *	(Appointed on 26 August 2011)
Datin Naimah Binti Ramli ^^	(Appointed on 20 December 2011)
Dato' Azman Bin Umar *	(Resigned on 26 August 2011)
Tuan Haji Osman Bin Makmor ^	(Resigned on 26 August 2011)
Chuah Seong Tat@Chuah Chee Tat	(Resigned on 15 March 2012)

* Directors appointed by Special Shareholder, Minister of Finance (Incorporated).

^ Alternate Director to Dato' Azman Bin Umar

^^ Alternate Director to Dato' Mohd Hashim Bin Abdullah

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 the directors might acquire by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 8 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 he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:-

	Number of Ordinary Shares of RM1 Each			
	1 January 2011	Bought	Sold	31 December 2011
Direct Interest				
Dato' Wira Syed Abdul Jabbar Bin Syed Hassan	40,000	-	-	40,000
Datuk Azizan Bin Ayob	-	10,000	-	10,000

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values 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 any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to 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.

OTHER STATUTORY INFORMATION (CONTINUED)

- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements 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 as and 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 AND SUBSEQUENT EVENTS

The significant and subsequent events are as disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, Hanafiah Raslan & Mohamad, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 April 2012.

Dato' Wira Syed Abdul Jabbar Bin Syed Hassan

Bakry Bin Hamzah

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Wira Syed Abdul Jabbar Bin Syed Hassan and Bakry Bin Hamzah, being two of the directors of Padiberas Nasional Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 96 to 187 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 2011 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

The information set out in Note 43 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 24 April 2012.

Dato' Wira Syed Abdul Jabbar Bin Syed Hassan

Bakry Bin Hamzah

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Ahmad Tarmizi Bin Mohamed Hariri, being the officer primarily responsible for the financial management of Padiberas Nasional Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 96 to 187 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 Ahmad Tarmizi Bin Mohamed Hariri
at Kuala Lumpur in the Federal Territory
on 24 April 2012

Ahmad Tarmizi Bin Mohamed Hariri

Before me,

R. Vasugi Ammal

PJK

W480

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PADIBERAS NASIONAL BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Padiberas Nasional Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the income statements, 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 96 to 187.

Directors' responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation 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 2011 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of a subsidiary of which we have not acted as auditors, which is indicated in Note 36(a) to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries 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.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PADIBERAS NASIONAL BERHAD
(INCORPORATED IN MALAYSIA)

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Other reporting responsibilities

The supplementary information set out in Note 43 on page 188 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.

Other matters

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

Hanafiah Raslan & Mohamad

AF: 0002

Chartered Accountants

Ahmad Zahirudin Bin Abdul Rahim

No. 2607/12/12(J)

Chartered Accountant

Kuala Lumpur, Malaysia
24 April 2012

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	4	3,530,732	3,172,973	2,986,345	2,802,043
Other income	5	24,761	17,057	91,969	43,271
Changes in inventory of finished goods and work in progress		183,001	30,948	161,221	23,213
Raw materials and consumables	6	(2,986,949)	(2,517,213)	(2,684,416)	(2,276,152)
Staff costs	7	(183,239)	(190,470)	(86,176)	(96,518)
Depreciation	14	(41,404)	(40,802)	(20,942)	(21,779)
Other expenses		(258,283)	(232,258)	(220,825)	(153,589)
Finance costs	9	(56,898)	(28,324)	(48,025)	(21,676)
Share of profit of associates		27,012	33,870	-	-
Profit before tax	10	238,733	245,781	179,151	298,813
Income tax expense	11	(67,377)	(59,620)	(50,341)	(69,921)
Profit for the year		171,356	186,161	128,810	228,892
Profit attributable to:					
Owners of the parent		164,573	177,538	128,810	228,892
Non-controlling interests		6,783	8,623	-	-
		171,356	186,161	128,810	228,892
Earnings per share attributable to owners of the parent (sen per share):					
Basic/diluted, for profit net of tax	12	35.0	37.7		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit for the year	171,356	186,161	128,810	228,892
Other comprehensive income:				
Net fair value changes in available-for-sales ("AFS") financial assets	(11)	-	-	-
Foreign currency translation	489	(1,506)	-	-
Total comprehensive income for the year	171,834	184,655	128,810	228,892
Total comprehensive income attributable to:				
Owners of the parent	165,051	176,032	128,810	228,892
Non-controlling interests	6,783	8,623	-	-
	171,834	184,655	128,810	228,892

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-current assets					
Property, plant and equipment	14	392,822	381,098	220,433	204,281
Investment in subsidiaries	15	-	-	370,000	370,000
Investment in associates	16	320,672	242,363	205,235	97,523
Other investment	17	36,462	-	-	-
Intangible assets	18	139	139	-	-
Deferred tax assets	19	47,089	62,704	14,007	17,158
		797,184	686,304	809,675	688,962
Current assets					
Inventories	20	766,878	583,877	318,845	157,624
Trade and other receivables	21	873,855	886,164	1,211,818	1,267,776
Tax recoverable		15,825	1,916	15,241	-
Cash and bank balances	22	378,503	243,872	235,761	111,512
		2,035,061	1,715,829	1,781,665	1,536,912
Total assets		2,832,245	2,402,133	2,591,340	2,225,874
Current liabilities					
Retirement benefit obligations	23	5,543	4,428	3,130	2,498
Short term borrowings	24	556,648	515,377	355,896	330,544
Trade and other payables	27	212,056	223,870	481,031	486,711
Tax payable		3,762	20,825	-	17,553
		778,009	764,500	840,057	837,306
Net current assets		1,257,052	951,329	941,608	699,606
Non-current liabilities					
Retirement benefit obligations	23	67,647	65,989	41,326	40,375
Long term borrowings	24	769,869	409,484	747,750	398,372
Deferred tax liabilities	19	19,965	19,604	-	-
		857,481	495,077	789,076	438,747
Total liabilities		1,635,490	1,259,577	1,629,133	1,276,053
Net assets		1,196,755	1,142,556	962,207	949,821

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

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	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Equity attributable to owners of the parent					
Share capital	28	470,402	470,402	470,402	470,402
Retained profits	29	617,962	569,813	476,750	464,364
Other reserves	30	19,179	18,701	15,055	15,055
		1,107,543	1,058,916	962,207	949,821
Non-controlling interests		89,212	83,640	-	-
Total equity		1,196,755	1,142,556	962,207	949,821
Total equity and liabilities		2,832,245	2,402,133	2,591,340	2,225,874

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

<div><-----Attributable to owners of the parent-----></div>											
Group	Note	Equity attributable to owners of the Company					<div><-----Non-distributable reserves-----></div>				Non-controlling interest
		Equity, total	Company, total	Share capital	Distributable retained profits	Other reserves	Share premium	Capital reserve	Capital redemption reserve	Foreign exchange reserve	
		(Note 28)	(Note 29)	(Note 30)							
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Opening balance at 1 January 2010		1,079,911	1,009,892	470,402	519,283	20,207	7,085	2,864	12,520	(2,262)	70,019
Total comprehensive income for the year		184,655	176,032	-	177,538	(1,506)	-	-	-	(1,506)	8,623
Transactions with owners											
Acquisition of a subsidiary company		11,293	-	-	-	-	-	-	-	-	11,293
Effects arising from acquisition of minority interest of subsidiary		(5,195)	-	-	-	-	-	-	-	-	(5,195)
Dividends on ordinary shares		13	(128,108)	(127,008)	-	(127,008)	-	-	-	-	(1,100)
Total transactions with owners		(122,010)	(127,008)	-	(127,008)	-	-	-	-	-	4,998
Closing balance at 31 December 2010		1,142,556	1,058,916	470,402	569,813	18,701	7,085	2,864	12,520	(3,768)	83,640

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

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Attributable to owners of the parent												
Group	Note	Equity attributable to owners of the					Non-distributable reserves					Non-controlling interest
		Equity, total	Company, total	Share capital (Note 28)	Distributable retained profits (Note 29)	Other reserves (Note 30)	Share premium	Capital reserve	Capital redemption reserve	AFS reserve	Foreign exchange reserve	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Opening balance at 1 January 2011							7,085	2,864	12,520	-	(3,768)	83,640
Total comprehensive income for the year							-	-	-	(11)	489	6,783
Transactions with owners												
Dividends on ordinary shares	13	(117,635)	(116,424)	-	(116,424)	-	-	-	-	-	-	(1,211)
Closing balance at 31 December 2011							7,085	2,864	12,520	(11)	(3,279)	89,212

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

Company	Note	Equity, total RM'000	Share capital (Note 28) RM'000	Distributable retained profits (Note 29) RM'000	Other reserves (Note 30) RM'000	<-----Non-distributable reserves----->		
						Share premium	Capital reserve	Capital redemption reserve
						RM'000	RM'000	RM'000
Opening balance at 1 January 2010		847,937	470,402	362,480	15,055	7,085	600	7,370
Total comprehensive income for the year		228,892	-	228,892	-	-	-	-
Transactions with owners								
Dividends on ordinary shares	13	(127,008)	-	(127,008)	-	-	-	-
At 31 December 2010		949,821	470,402	464,364	15,055	7,085	600	7,370
Opening balance at 1 January 2011		949,821	470,402	464,364	15,055	7,085	600	7,370
Total comprehensive income for the year		128,810	-	128,810	-	-	-	-
Transactions with owners								
Dividends on ordinary shares	13	(116,424)	-	(116,424)	-	-	-	-
At 31 December 2011		962,207	470,402	476,750	15,055	7,085	600	7,370

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2011

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
OPERATING ACTIVITIES				
Profit before tax	238,733	245,781	179,151	298,813
Adjustments for:				
Depreciation of property, plant and equipment	41,404	40,802	20,942	21,779
Loss on disposal of property, plant and equipment	799	874	759	1,136
Property, plant and equipment written off	12,382	5,072	-	2,771
Impairment loss on trade receivables	1,386	10,605	18,814	7,662
(Writeback)/impairment loss on other receivables	(8)	(529)	52,119	1,984
Provision for retirement benefits	9,004	8,704	4,882	4,654
Impairment loss of investment in subsidiaries	-	-	-	100
Gain on disposal of associates	(5,045)	-	(33,048)	-
Interest expense	54,559	27,009	45,861	20,440
Interest income	(10,363)	(5,293)	(8,136)	(4,117)
Share of results from associates	(27,012)	(33,870)	-	-
Inventories written down	7,243	-	-	-
Negative goodwill	-	(1,292)	-	-
Gross dividend income	-	-	(31,229)	(19,229)
Unrealised loss/(gain) in foreign exchange	5,267	(2,489)	5,159	(1,474)
Operating profit before working capital changes	328,349	295,374	255,274	334,519
Decrease/(increase) in receivables	7,913	(74,080)	(14,975)	(333,417)
Increase in inventories	(187,875)	(18,269)	(161,221)	(23,213)
(Decrease)/increase in payables	(12,392)	3,520	(5,682)	186,584
Cash generated from operations	135,995	206,545	73,396	164,473
Cash generated from operations	135,995	206,545	73,396	164,473
Interest paid	(54,559)	(27,009)	(45,861)	(20,440)
Retirement benefits paid	(6,231)	(5,622)	(3,299)	(3,948)
Income tax paid	(82,981)	(83,502)	(79,375)	(69,301)
Interest income received	10,363	5,293	8,136	4,117
Net cash generated from/(used in) operating activities	2,587	95,705	(47,003)	74,901

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
INVESTING ACTIVITIES				
Additional of other investment	(36,473)	-	-	-
Additional investment in subsidiaries	-	(4,730)	-	(11,760)
Additional investment in associate	(74,663)	-	(74,663)	-
Net cash outflow on acquisition of subsidiaries	-	(24,943)	-	-
Proceeds from disposal of subsidiaries	-	3,567	-	-
Net dividend received from:				
- Subsidiaries	-	-	4,400	682
- Associates	29,034	18,036	26,221	18,036
Purchase of property, plant and equipment	(67,380)	(51,204)	(38,047)	(32,661)
Proceeds from disposal of property, plant and equipment	1,071	1,001	194	549
Net cash used in investing activities	(148,411)	(58,273)	(81,895)	(25,154)
FINANCING ACTIVITIES				
Drawdown of borrowings	2,241,766	2,388,847	1,704,722	2,360,900
Repayment of borrowings	(1,843,177)	(2,252,983)	(1,335,151)	(2,247,076)
Dividend paid	(116,424)	(127,008)	(116,424)	(127,008)
Net cash generated from/(used in) financing activities	282,165	8,856	253,147	(13,184)
NET INCREASE IN CASH AND CASH EQUIVALENTS	136,341	46,288	124,249	36,563
EFFECT OF FOREIGN EXCHANGE RATES CHANGES	489	(1,506)	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	239,638	194,856	111,512	74,949
CASH AND CASH EQUIVALENTS AT THE END OF YEAR (NOTE 22)	376,468	239,638	235,761	111,512

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

1. CORPORATE INFORMATION

Padiberas Nasional Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 31, Menara HLA, No. 3, Jalan Kia Peng, 50450 Kuala Lumpur.

The holding company of the Company is Tradewinds (M) Berhad which is incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The principal activities of the Company are procuring, collecting, processing, importing, exporting, purchasing, storing, packaging, distribution of rice, paddy and other grains, which include activities such as seed production, paddy farming, paddy procurement, paddy processing, rice processing and rice storage, distribution and marketing of rice research and development on paddy seeds, rice and related products and investment holding. Pursuant to the Privatisation Agreement between the Company and the Government of Malaysia dated 12 January 1996 ("the Privatisation Agreement"), the Company shall also ensure the maintenance of the sufficient supply of rice at reasonably fair and stable prices. The Company's obligations under the Privatisation Agreement also include the maintenance of the rice stockpile, the distribution of paddy price subsidies to farmers on behalf of the Government, the management of the Bumiputra Rice Millers Scheme and acting as a buyer of last resort at the Guaranteed Minimum Price of paddy. The principal activities of the Group are those of the procurement, importing, buying, processing and selling of rice, rice by-products and paddy.

The principal activities of the subsidiaries are described in Note 36(a) to the financial statements. There have been no significant changes in the nature of the 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 ("FRSs") 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 2011 as describe fully in Note 2.2.

The financial statements of the Group and of the Company have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

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 2011, the Group and the Company adopted the following new and amended FRS and Issues Committee ("IC") Interpretations which are mandatory for the current financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

Description	Effective for annual period beginning on or after
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
FRS 3 Business Combinations	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
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 1: Limited Exemptions for First-time Adopters	1 January 2011
IC Interpretation 4 Determining Whether an Arrangement contains a Lease	1 January 2011
Improvements to FRS issued in 2010	1 January 2011

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

(a) Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised FRS 3 introduces a number of changes in accounting for business combinations occurring after 1 July 2010. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The revised FRS 3 continues to apply the acquisition method to business combinations but with some significant changes. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

Under the revised FRS 127, minority interest is referred to as non-controlling interest. The amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) be accounted for as an equity transaction. Therefore, such transactions will no longer give rise to a change in goodwill, nor will they give rise to a gain or loss. Further, losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. Prior to 1 January 2011, the allocation of such losses to non-controlling interests would cease when the carrying amount of the non-controlling interests is nil. The subsequent profits attributable to the non-controlling interests would not be added to the carrying amount of the non-controlling interests until all the previous losses have been made good.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.2 Changes in accounting policies (continued)****(b) Amendments to FRS 7: Improving Disclosure about Financial Instruments**

The amended standards require enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reason for those transfers need to be disclosed. The fair value measurement disclosures are presented in Note 38.

2.3 Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries 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.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amount is included in income statement. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. Subsidiaries 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. In preparing the consolidated financial statements, intra-group balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (continued)

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. The identifiable assets acquired and the liabilities assumed are measured at their fair values at the acquisition date. Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition. The accounting policy for goodwill is set out in Note 2.8(a). Discount on acquisition which represents negative goodwill is recognised immediately as income in profit or loss.

In business combinations achieved in stages, previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at the acquisition date either at fair value or at the proportionate share of the acquiree's identifiable net assets.

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the owners of the parent, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from shareholders' equity. Losses of a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in shareholders' equity.

2.6 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(b) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.6 Foreign currency (continued)****(b) Foreign currency transactions (continued)**

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in income statement for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in other comprehensive income. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in income statement in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in income statement for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly to other comprehensive income. Exchange differences arising from such non-monetary items are also recognised directly to other comprehensive income.

(c) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency Ringgit Malaysia ("RM") of the consolidated financial statements are translated into RM as follows:

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

Capital work in progress comprises the construction of buildings and renovation in progress which have not been commissioned. Capital work in progress is not depreciated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment (continued)

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings and infrastructure	2% to 10%
Leasehold land	Over lease period
Renovations	10%
Plant and machinery	4% to 20%
Furniture, fittings and office equipment	10% to 33.3%
Motor vehicles	20%

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

2.8 Intangible assets

(a) 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.

Goodwill and fair value adjustments arising on the acquisition of foreign operation are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Intangible assets (continued)

(b) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

(c) Trademarks

Trademarks were acquired through business combinations. The useful life of trademarks is estimated to be indefinite because based on the current market share of the brands, management believes there is no foreseeable limit to the period over which the brands are expected to generate net cash flows to the Group. Trademarks are stated at cost less any impairment losses. They are not amortised but tested for impairment annually or more frequently when indicators of impairment are identified.

2.9 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 its 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.

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. Impairment loss on goodwill is not reversed in a subsequent period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Subsidiaries

A subsidiary 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 subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.11 Associates

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

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate'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 associate's profit or loss for the period in which the investment is acquired.

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

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 associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates 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 associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.12 Financial assets

Financial assets are recognised in the statements 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 loans and receivables and available-for-sale ("AFS") financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.12 Financial assets (continued)****(a) 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 assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(b) AFS financial assets

AFS financial assets are financial assets that are not classified in any of other categories.

After initial recognition, AFS 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. Dividend on an AFS equity instrument are recognised in profit or loss when the Group's right to receive payment is established.

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

AFS financial assets are classified as non-current assets 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 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.

(b) AFS 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 AFS financial assets are impaired.

If an AFS 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.

2.14 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 amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.15 Inventories**

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of paddy and rice comprise costs of purchase. The costs of finished goods comprise costs of paddy and rice, direct materials, direct labour, other direct costs and appropriate proportions of production overheads based on normal operating capacity. Pre-cropping expenditure incurred in respect of paddy planting is included as inventories and expensed upon harvesting.

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

The Company is vested with the duty to maintain and manage the Government Stockpile of rice of 239,000 metric tonnes (2010: 239,000 metric tonnes). The inventories of paddy and rice of the Group and of the Company are disclosed net of the Government Stockpile.

2.16 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

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.

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

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.19 Employee benefits

(a) 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. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make such contributions to the Employee Provident Fund ("EPF").

(c) Defined benefit plans

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees. The Group's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on triennial actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted in order to determine its present value.

Actuarial gains and losses are recognised as income or expense over the expected average remaining working lives of the participating employees when the cumulative unrecognised actuarial gains or losses for the Scheme exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets. Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any unrecognised actuarial losses and past service costs, and the present value of any economic benefits in the form of refunds or reductions in future contributions to the plan.

The last valuation of the retirement benefit obligation by a firm of professional actuaries was dated 29 March 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.20 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.

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 2.21(b).

2.21 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. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue is recognised net of sales taxes, discounts and returns upon transfer of significant risks and rewards of ownership to the buyer. 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) Rental income

Rental income is recognised on a straight-line basis over the term of the rental.

(c) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Dividend income

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 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
- 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 (CONTINUED)**2.23 Share capital**

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 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 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:

(a) Contingent liabilities - litigation

As disclosed in Note 33 to the financial statements, the Group has several pending litigation with various parties as at current financial year end. The Board of Directors, after due consultation with the Group's solicitors, assess the merit of each case, and makes the necessary provision for liabilities in the financial statements if its crystallisation is deemed to be probable.

(b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 21.

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profit together with future tax planning strategies. The details of recognised and unrecognised deferred tax assets are disclosed in Note 19.

4. REVENUE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sale of rice	2,977,334	2,856,172	2,608,581	2,627,598
Others	553,398	316,801	377,764	174,445
	3,530,732	3,172,973	2,986,345	2,802,043

5. OTHER INCOME

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Dividend income from :				
- Subsidiaries	-	-	4,400	910
- Associates	-	-	26,829	18,319
Rental income	748	744	17,805	17,681
Interest income from deposits	10,378	5,293	8,140	4,117
Scrap sales	5,047	7,909	-	-
Negative goodwill	-	1,292	-	-
Gain on disposal of associate	5,045	-	33,048	-
Other	3,543	1,819	1,747	2,244
	24,761	17,057	91,969	43,271

6. RAW MATERIALS AND CONSUMABLES

Raw materials and consumables comprise cost of local rice and cost of import rice sold which include overhead costs of paddy mills, net of claims over the cost on Government Subsidised Rice ("GSR") program and the lower recoverability of margin in relation of obligation as buyer of last resort.

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7. STAFF COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Wages and salaries	153,536	157,713	69,898	78,482
Social security costs	1,449	1,444	504	456
Pension costs - defined contribution plan	15,907	17,754	7,514	9,330
Pension costs defined benefit plan (Note 23)	9,004	8,704	4,882	4,654
Other staff related expenses	3,343	4,855	3,378	3,596
	183,239	190,470	86,176	96,518

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,098,000 (2010: RM464,000) as further disclosed in Note 8.

8. DIRECTORS' REMUNERATION

	Group and Company	
	2011 RM'000	2010 RM'000
Executive:		
Salaries, bonus and other emoluments	1,098	464
Non-Executive:		
Fees and other emoluments	911	740
Total (Note 34)	2,009	1,204
Analysis excluding benefits-in-kind:		
Total executive directors' remuneration excluding benefits-in-kind	1,098	464
Total non-executive directors' remuneration excluding benefits-in-kind	911	740
Total directors' remuneration excluding benefits-in-kind	2,009	1,204

8. DIRECTORS' REMUNERATION (CONTINUED)

	Number of directors	
	2011	2010
Executive directors:		
RM50,001 - RM1,100,000	1	1
Non-executive directors:		
Below RM50,000	1	-
RM50,001 - RM100,000	3	4
RM100,001 - RM150,000	3	2
RM150,001 - RM200,000	-	-
RM200,001 - RM250,000	-	-
RM250,001 - RM300,000	1	1

9. FINANCE COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest expense on borrowings	54,559	27,009	45,861	20,440
Bank charges	2,339	1,315	2,164	1,236
	56,898	28,324	48,025	21,676

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10. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Staff costs (Note 7)	183,239	190,470	86,176	96,518
Non-executive directors' remuneration (Note 8)	911	740	911	740
Auditors' remuneration:				
- Statutory audit	816	743	195	195
- Other services	30	305	30	305
Depreciation of property, plant and equipment (Note 14)	41,404	40,802	20,942	21,779
Charitable contributions for Albukhary International University	-	15,000	-	15,000
Loss on disposal of property, plant and equipment	799	874	759	1,136
Write off of property, plant and equipment	12,382	5,072	-	2,771
Impairment loss/(writeback) on				
- trade receivables	1,386	10,605	18,814	7,662
- other receivables	(8)	(529)	52,119	1,984
Provision for retirement benefit obligations	9,004	8,704	4,882	4,654
Rental of land and buildings	48,774	50,387	35,647	36,602
Rental of plant and machinery	5,244	4,930	3,026	2,521
Unrealised loss/(gain) in foreign exchange	5,267	(2,489)	5,159	(1,474)
Impairment of investments in subsidiaries	-	-	-	100
Negative goodwill	-	(1,292)	-	-
Gain on disposal of investment in associate	(5,045)	-	(33,048)	-
Inventories written down	7,243	-	-	-

11. INCOME TAX EXPENSEMajor components of income tax expense

The major components of income tax expense for the years ended 31 December 2011 and 2010 are:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current income tax:				
Current income tax charge	50,073	88,147	46,017	79,331
Under/(over) provision in prior years	1,328	(7,775)	1,173	(6,397)
	51,401	80,372	47,190	72,934
Deferred tax (Note 19):				
Relating to origination and reversal of temporary differences	16,776	(22,085)	3,126	(4,385)
(Over)/under provision in prior years	(800)	1,333	25	1,372
	15,976	(20,752)	3,151	(3,013)
Total income tax expense	67,377	59,620	50,341	69,921

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2011 and 2010 are as follows:

	Group	
	2011 RM'000	2010 RM'000
Profit before tax	238,733	245,781
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	59,683	61,445
Effect of expenses not deductible for tax purposes	9,722	11,934
Effect of expenses eligible for double deduction	-	19
Utilisation of unrecognised tax losses and capital allowances brought forward from previous years	(458)	(446)
Deferred tax assets not recognised on unutilised tax losses and unabsorbed capital allowances	6,104	5,938
Utilisation of current year reinvestment allowance	(342)	(1,091)
Effect of income not subject to tax	(1,107)	(3,269)
(Over)/under provision of deferred tax in prior years	(800)	1,333
Under/(over) provision of income tax in prior years	1,328	(7,775)
Share of results of associates	(6,753)	(8,468)
Tax expense for the year	67,377	59,620

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11. INCOME TAX EXPENSE (CONTINUED)

Reconciliation between tax expense and accounting profit (continued)

	Company	
	2011 RM'000	2010 RM'000
Profit before tax	179,151	298,813
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	44,788	74,703
Effect of expenses not deductible for tax purposes	19,408	9,328
Effect of income not subject to tax	(15,053)	(9,085)
Underprovision of deferred tax in prior years	25	1,372
Under/(over) provision of income tax in prior years	1,173	(6,397)
Tax expense for the year	50,341	69,921

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year.

12. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the financial year.

	2011 RM'000	2010 RM'000
Profit net of tax attributable to owners of the parent used in computation of basic earnings per share	164,573	177,538
Number of ordinary shares in issue (in '000)	470,402	470,402
Basic earnings per share for the year (sen)	35.0	37.7

(b) Diluted

Diluted earnings per share is not presented as the Company has no potentially dilutive shares in issue.

13. DIVIDENDS

	Dividends in respect of Year		Dividends Recognised in Year	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Recognised during the year:				
Interim dividend for 2009: 12% taxable dividend less 25% taxation on 470,401,501 ordinary shares (9.0 sen per ordinary share)	-	-	-	42,336
Final dividend for 2009 : 12% taxable dividend less 25% taxation on 470,401,501 ordinary shares (9.0 sen per ordinary share)	-	-	-	42,336
First Interim dividend for 2010: 12% taxable dividend less 25% taxation on 470,401,501 ordinary shares (9.0 sen per ordinary share)	-	42,336	-	42,336
Second Interim dividend for 2010: 13% taxable dividend less 25% taxation on 470,401,501 ordinary shares (9.6 sen per ordinary share)	-	45,864	45,864	-
Final dividend for 2010: 5% taxable dividend less 25% taxation on 470,401,501 ordinary shares (3.7 sen per ordinary share)	-	17,640	17,640	-
First Interim dividend for 2011: 15% taxable dividend less 25% taxation on 470,401,501 ordinary shares (11.2 sen per ordinary share)	52,920	-	52,920	-
Not recognised during the year:				
Second Interim dividend for 2011: 15% taxable dividend less 25% taxation on 470,401,501 ordinary shares (11.2 sen per ordinary share)	52,920	-	-	-
Final dividend for 2011 : 5% taxable dividend less 25% taxation on 470,401,501 ordinary shares (3.7 sen per ordinary share)	17,640	-	-	-
	123,480	105,840	116,424	127,008

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13. DIVIDENDS (CONTINUED)

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2011 of 5% taxable dividend less 25% taxation on 470,401,501 ordinary shares, amounting to a dividend payable of RM17,640,000 (3.7 sen per ordinary share) will be proposed for shareholders' approval. 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 equity as an appropriation of retained profits in the financial year ending 31 December 2012.

14. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM'000	Leasehold land RM'000	Buildings and infra- structure RM'000	Plant and machinery RM'000	Work-in- Progress RM'000	Others*	Total RM'000
At 31 December 2011							
Cost							
At 1 January 2011	36,923	19,166	124,139	251,505	71,645	133,706	637,084
Additions	-	7,488	6,420	4,801	39,537	9,134	67,380
Disposals	-	-	-	(3,015)	-	(911)	(3,926)
Write off	-	-	-	(276)	-	(23,708)	(23,984)
Reclassification	-	-	1,918	8,348	(11,885)	1,619	-
At 31 December 2011	36,923	26,654	132,477	261,363	99,297	119,840	676,554
Accumulated depreciation and impairment							
At 1 January 2011	-	2,227	26,602	138,422	-	88,735	255,986
Charge for the year	-	348	4,138	19,922	-	16,996	41,404
Disposals	-	-	-	(1,523)	-	(533)	(2,056)
Write off	-	-	-	(271)	-	(11,331)	(11,602)
At 31 December 2011	-	2,575	30,740	156,550	-	93,867	283,732
Net carrying amount							
At 31 December 2011	36,923	24,079	101,737	104,813	99,297	25,973	392,822

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP (continued)	Freehold land RM'000	Leasehold land RM'000	Buildings and infrastructure RM'000	Plant and machinery RM'000	Work-in-Progress RM'000	Others* RM'000	Total RM'000
At 31 December 2010							
Cost							
At 1 January 2010	36,923	11,089	118,348	249,508	46,095	122,433	584,396
Acquisition of subsidiary companies	-	8,077	3,936	4,052	574	6,876	23,515
Additions	-	-	1,660	3,568	35,580	12,569	53,377
Disposals	-	-	(77)	(5,388)	-	(4,159)	(9,624)
Write off	-	-	(385)	(6,596)	-	(7,599)	(14,580)
Reclassification	-	-	657	6,361	(10,604)	3,586	-
At 31 December 2010	36,923	19,166	124,139	251,505	71,645	133,706	637,084
Accumulated depreciation and impairment							
At 1 January 2010	-	1,094	22,429	121,663	-	81,864	227,050
Acquisition of subsidiary companies	-	780	562	1,986	-	2,063	5,391
Charge for the year	-	353	3,742	21,086	-	15,621	40,802
Disposals	-	-	(50)	(3,692)	-	(4,007)	(7,749)
Write off	-	-	(81)	(2,621)	-	(6,806)	(9,508)
At 31 December 2010	-	2,227	26,602	138,422	-	88,735	255,986
Net carrying amount							
At 31 December 2010	36,923	16,939	97,537	13,083	71,645	44,971	381,098

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Freehold land RM'000	Leasehold land RM'000	Buildings and infra- structure RM'000	Plant and machinery RM'000	Work-in- Progress RM'000	Others*	Total RM'000
At 31 December 2011							
Cost							
At 1 January 2011	19,589	2,892	44,958	160,563	60,993	68,157	357,152
Additions	-	280	333	660	33,405	3,369	38,047
Disposals	-	-	-	(2,427)	-	(128)	(2,555)
Reclassification	-	-	1,870	5,745	(10,374)	2,759	-
At 31 December 2011	19,589	3,172	47,161	164,541	84,024	74,157	392,644
Accumulated depreciation							
At 1 January 2011	-	714	13,248	90,383	-	48,526	152,871
Charge for the year	-	56	1,791	13,305	-	5,790	20,942
Disposals	-	-	-	(1,474)	-	(128)	(1,602)
At 31 December 2011	-	770	15,039	102,214	-	54,188	172,211
Net carrying amount							
At 31 December 2011	19,589	2,402	32,122	62,327	84,024	19,969	220,433

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY (continued)	Freehold land RM'000	Leasehold land RM'000	Buildings and infra- structure RM'000	Plant and machinery RM'000	Work-in- Progress RM'000	Others* RM'000	Total RM'000
At 31 December 2010							
Cost							
At 1 January 2010	19,589	2,892	44,564	161,840	41,317	71,574	341,776
Additions	-	-	194	627	30,280	1,559	32,660
Disposals	-	-	(72)	(3,938)	-	(1,203)	(5,213)
Write off	-	-	(385)	(4,327)	-	(7,359)	(12,071)
Reclassification	-	-	657	6,361	(10,604)	3,586	-
At 31 December 2010	19,589	2,892	44,958	160,563	60,993	68,157	357,152
Accumulated depreciation							
At 1 January 2010	-	762	12,402	80,793	-	49,963	143,920
Charge for the year	-	(48)	1,722	14,495	-	5,610	21,779
Disposals	-	-	(45)	(2,284)	-	(1,199)	(3,528)
Write off	-	-	(81)	(2,621)	-	(6,598)	(9,300)
Reclassification	-	-	(750)	-	-	750	-
At 31 December 2010	-	714	13,248	90,383	-	48,526	152,871
Net carrying amount							
At 31 December 2010	19,589	2,178	31,710	70,180	60,993	19,631	204,281

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

* Others

GROUP	Furniture, fittings and office equipment RM'000	Renovations RM'000	Motor vehicles RM'000	Total RM'000
At 31 December 2011				
Cost				
At 1 January 2011	85,578	15,036	33,092	133,706
Additions	5,368	240	3,526	9,134
Disposals	(520)	-	(391)	(911)
Write off	(16,228)	(7,467)	(13)	(23,708)
Reclassification	1,024	595	-	1,619
At 31 December 2011	75,222	8,404	36,214	119,840
Accumulated depreciation and impairment				
At 1 January 2011	61,498	5,761	21,476	88,735
Charge for the year	12,193	1,966	2,837	16,996
Disposals	(250)	-	(283)	(533)
Write off	(7,729)	(3,589)	(13)	(11,331)
At 31 December 2011	65,712	4,138	24,017	93,867
Net carrying amount				
At 31 December 2011	9,510	4,266	12,197	25,973

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)*** Others (continued)**

GROUP (continued)	Furniture, fittings and office equipment RM'000	Renovations RM'000	Motor vehicles RM'000	Total RM'000
At 31 December 2010				
Cost				
At 1 January 2010	78,962	12,780	30,691	122,433
Acquisition of subsidiary companies	4,353	628	1,895	6,876
Additions	7,988	1,437	3,144	12,569
Disposals	(2,588)	(1)	(1,570)	(4,159)
Write off	(5,575)	(956)	(1,068)	(7,599)
Reclassification	2,438	1,148	-	3,586
At 31 December 2010	85,578	15,036	33,092	133,706
Accumulated depreciation and impairment				
At 1 January 2010	56,968	3,864	21,032	81,864
Acquisition of subsidiary companies	973	455	635	2,063
Charge for the year	11,572	1,738	2,311	15,621
Disposals	(2,523)	(1)	(1,483)	(4,007)
Write off	(5,492)	(295)	(1,019)	(6,806)
At 31 December 2010	61,498	5,761	21,476	88,735
Net carrying amount				
At 31 December 2010	24,080	9,275	11,616	44,971

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

* Others (continued)

COMPANY	Furniture, fittings and office equipment RM'000	Renovations RM'000	Motor vehicles RM'000	Total RM'000
At 31 December 2011				
Cost				
At 1 January 2011	59,033	4,871	4,253	68,157
Additions	1,356	144	1,869	3,369
Disposals	(16)	-	(112)	(128)
Reclassification	2,164	595	-	2,759
At 31 December 2011	62,537	5,610	6,010	74,157
Accumulated depreciation and impairment				
At 1 January 2011	43,733	1,896	2,897	48,526
Charge for the year	5,027	542	221	5,790
Disposals	(16)	-	(112)	(128)
At 31 December 2011	48,744	2,438	3,006	54,188
Net carrying amount				
At 31 December 2011	13,793	3,172	3,004	19,969

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)*** Others (continued)**

COMPANY (continued)	Furniture, fittings and office equipment RM'000	Renovations RM'000	Motor vehicles RM'000	Total RM'000
At 31 December 2010				
Cost				
At 1 January 2010	61,704	4,492	5,378	71,574
Additions	1,118	187	254	1,559
Disposals	(724)	-	(479)	(1,203)
Write off	(5,503)	(956)	(900)	(7,359)
Reclassification	2,438	1,148	-	3,586
At 31 December 2010	59,033	4,871	4,253	68,157
Accumulated depreciation and impairment				
At 1 January 2010	44,931	943	4,089	49,963
Charge for the year	4,978	498	134	5,610
Disposals	(724)	-	(475)	(1,199)
Write off	(5,452)	(295)	(851)	(6,598)
Reclassification	-	750	-	750
At 31 December 2010	43,733	1,896	2,897	48,526
Net carrying amount				
At 31 December 2010	15,300	2,975	1,356	19,631

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM3,973,000 (2010: RM2,713,000) by means of hire purchase and finance lease arrangements. The net carrying amounts of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group	
	2011 RM'000	2010 RM'000
Motor vehicles	2,936	3,587
Plant and machinery	3,317	4,003
	6,253	7,590

Details of the terms and conditions of the hire purchase and finance lease arrangements are disclosed in Note 25.

- (b) The net book values of property, plant and equipment of the Group pledged to financial institutions for bank borrowings as referred to in Note 24 are as follows:

	Group	
	2011 RM'000	2010 RM'000
Freehold land	7,307	7,307
Buildings and infrastructure	20,981	12,573
Plant and machinery	11,359	11,636
	39,647	31,516

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2011 RM'000	2010 RM'000
Unquoted shares, at cost	415,963	415,963
Less: Accumulated impairment losses	(45,963)	(45,963)
	370,000	370,000

Details of the subsidiaries are shown in Note 36(a).

16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
In Malaysia:				
Unquoted shares, at cost	207,780	100,596	207,535	99,823
Share of post-acquisition reserves	100,522	129,562	-	-
	308,302	230,158	207,535	99,823
Less: Accumulated impairment losses	(2,300)	(2,300)	(2,300)	(2,300)
	306,002	227,858	205,235	97,523
Outside Malaysia:				
Unquoted shares, at cost	528	528	-	-
Share of post-acquisition reserves	14,142	13,977	-	-
	14,670	14,505	-	-
	320,672	242,363	205,235	97,523

Details of the associates, are shown in Note 36(b).

The financial statements of the associates as mentioned in Note 36(b) are coterminous with those of the Group, except for United Malayan Flour (1996) Sdn. Bhd., which has a financial year end of 31 July to conform with its holding company's financial year end. For the purpose of applying the equity method of accounting, the financial statements of United Malayan Flour (1996) Sdn. Bhd. for the year ended 31 July 2011 have been used and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2011.

The summarised financial information of the associates, not adjusted for the proportion of ownership interest by the Group, is as follows:

	2011 RM'000	2010 RM'000
Assets and liabilities		
Total assets	1,171,039	1,415,035
Total liabilities	639,142	995,231
Results		
Revenue	2,174,425	2,832,551
Profit for the year	77,005	101,617

16. INVESTMENT IN ASSOCIATES (CONTINUED)

- (a) Acquisition of additional equity interest in an associate company

The Company had on 11 November 2011 entered into a Master Agreement with Jelapang Jati Sdn Bhd ("Jelapang Jati") and Ban Heng Bee Holdings Sdn Bhd ("BHBH") for the proposed increase of the Company's equity holding from 20% to 49% in BHBH for a total consideration of RM110.66 million which comprise of the following documents and simultaneously executed:

- (i) A Share Swap Agreement for the disposal of the Company's entire 920,000 ordinary shares of RM1.00 each or equivalent to 40% equity interest in Serba Wangi Sdn Bhd ("Serba Wangi") to the existing Shareholder, BHBH through the allotment and issuance of 981,997 new ordinary shares of RM1.00 each in BHBH to the Company for a consideration of RM36.0 million.
- (ii) A Share Sale Agreement for the acquisition by the Company of 409,165 ordinary shares of RM1.00 each in BHBH from Jelapang Jati for a cash consideration of RM15.0 million.
- (iii) A Subscription Agreement for the subscription by the Company of 1,627,483 new ordinary shares of RM1.00 each in BHBH for a cash consideration of RM59.7 million.

The Proposed Equity Restructuring was completed on 9 December 2011 and BERNAS now holds 49% equity interest in BHBH.

17. OTHER INVESTMENT

	Group	
	2011 RM'000	2010 RM'000
AFS financial assets		
- Unit trust funds at fair value	36,462	-

18. INTANGIBLE ASSETS

Intangible assets represent trademarks obtained through business combinations and which have been assessed as having indefinite useful lives.

The basis for annual impairment review of the Group's trademarks are as follows:-

(a) Allocation of trademarks

Trademarks has been allocated to the CGU in the distribution business segment.

(b) Key assumptions used in value-in-use calculations

The recoverable amount is determined based on value-in-use calculations using cash flow projections discounted at a rate of 8% per annum.

(c) Sensitivity to change in assumptions

Management believes that no reasonable possible changes in any of the key assumptions above would cause the carrying value of CGU to materially exceed their recoverable amounts.

19. DEFERRED TAX

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At 1 January	43,100	23,371	17,158	14,145
Acquisition of subsidiaries	-	(1,023)	-	-
Recognised in the income statement (Note 11)	(15,976)	20,752	(3,151)	3,013
At 31 December	27,124	43,100	14,007	17,158
Presented after appropriate offsetting as follows:				
Deferred tax assets	47,089	62,704	14,007	17,158
Deferred tax liabilities	(19,965)	(19,604)	-	-
	27,124	43,100	14,007	17,158

Deferred tax assets of the Group:

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

	Retirement benefit obligations RM'000	Allowance for impairment of receivables RM'000	Tax losses and unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
At 1 January 2011	17,604	22,858	12,637	19,372	72,471
Recognised in the income statement	693	(155)	2,530	(14,237)	(11,169)
At 31 December 2011	18,297	22,703	15,167	5,135	61,302
At 1 January 2010	16,834	7,221	8,150	17,624	49,829
Acquisition of subsidiary companies	-	-	47	-	47
Recognised in the income statement	770	15,637	4,440	1,748	22,595
At 31 December 2010	17,604	22,858	12,637	19,372	72,471

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19. DEFERRED TAX (CONTINUED)

Deferred tax liabilities of the Group:

	Accelerated Capital Allowances RM'000	Others RM'000	Total RM'000
At 1 January 2011	27,998	1,373	29,371
Recognised in the income statement	5,585	(778)	4,807
At 31 December 2011	33,583	595	34,178
At 1 January 2010	26,896	(438)	26,458
Acquisition of subsidiary companies	1,070	-	1,070
Recognised in the income statement	32	1,811	1,843
At 31 December 2010	27,998	1,373	29,371

Deferred tax assets of the Company:

	Retirement benefit obligations RM'000	Allowance for impairment of receivables RM'000	Others RM'000	Total RM'000
At 1 January 2011	10,718	7,182	10,772	28,672
Recognised in the income statement	396	-	(2,376)	(1,980)
At 31 December 2011	11,114	7,182	8,396	26,692
At 1 January 2010	10,542	6,686	7,454	24,682
Recognised in the income statement	176	496	3,318	3,990
At 31 December 2010	10,718	7,182	10,772	28,672

19. DEFERRED TAX (CONTINUED)**Deferred tax liabilities of the Company:**

	Accelerated Capital Allowances RM'000
At 1 January 2011	11,514
Recognised in the income statement	1,171
At 31 December 2011	12,685
At 1 January 2010	10,537
Recognised in the income statement	977
At 31 December 2010	11,514

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2011 RM'000	2010 RM'000
Unutilised tax losses	69,111	39,624
Unabsorbed capital allowances	17,041	12,241
	86,152	51,865

The available unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in the shareholdings of the subsidiaries under Section 44(5A) & (5B) of Income Tax Act, 1967. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they arose in subsidiaries that have a recent history of losses.

20. INVENTORIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At cost:				
Paddy and rice	739,667	535,712	318,845	157,624
Spares and consumables	15,408	10,752	-	-
Raw materials	1,622	5,107	-	-
Finished goods	10,181	32,306	-	-
	766,878	583,877	318,845	157,624

The Group manages the Government Rice Stockpile of 239,000 metric tonnes. The stockpile rice held on behalf of the Government is excluded from the inventories of the Group and of the Company.

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21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables:				
Due from subsidiaries	-	-	543,200	541,487
Due from associates	42,146	36,992	42,145	36,992
Third parties	328,746	325,995	118,869	123,158
	370,892	362,987	704,214	701,637
Less: Allowance for impairment	(92,819)	(91,433)	(93,844)	(75,030)
Total trade receivables	278,073	271,554	610,370	626,607
Other receivables:				
Due from subsidiaries	-	-	108,332	85,686
Due from associates	29,325	8,487	29,325	8,487
Advances to farmers	32,755	28,405	32,755	28,405
Insurance claims recoverable	1,309	1,112	1,309	1,112
Due from Government of Malaysia	409,085	509,819	409,085	509,819
Sundry receivables	135,983	79,470	101,490	36,389
	608,457	627,293	682,296	669,898
Less: Allowance for impairment	(12,675)	(12,683)	(80,848)	(28,729)
Total other receivables	595,782	614,610	601,448	641,169
Total trade and other receivables	873,855	886,164	1,211,818	1,267,776
Add: Cash and bank balances (Note 22)	378,503	243,872	235,761	111,512
Total loans and receivables	1,252,358	1,130,036	1,447,579	1,379,288

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2010: 30 to 90 day) terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

21. TRADE AND OTHER RECEIVABLES (CONTINUED)**(a) Trade receivables (continued)**Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables is as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Neither past due nor impaired	148,575	203,058	339,438	371,864
Past due not impaired:				
- 1 to 30 days	23,767	10,260	4,982	4,555
- 31 to 60 days	10,432	3,548	6,539	2,501
- 61 to 90 days	9,079	9,781	4,801	78,178
- more than 90 days	55,735	28,047	211,701	128,631
Impaired	99,013	51,636	228,023	213,865
	123,304	108,293	136,753	115,908
	370,892	362,987	704,214	701,637

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. More than 85% (2010: 85%) and 95% (2010: 95%) of the Group and Company's trade receivables arise from customers with more than four years of experience with the Group and losses have occurred infrequently.

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

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM99,013,000 (2010: RM51,636,000) and RM228,023,000 (2010: RM213,865,000) respectively that are past due at the reporting date but not impaired.

As at the reporting date, the Group and the Company hold bank guarantees in respect of some of the past due but not impaired amounting to RM14,517,834 (2010: RM16,357,834).

The remaining balance of receivables that are past due but not impaired are unsecured in nature.

Trade receivables that have past due but not impaired relate to customers that have a good track record with the Group. Based on past experience and no adverse information to date, the directors of the Group are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

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21. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired 2011 RM'000	Company Individually impaired 2011 RM'000
Trade receivables - nominal amounts	123,304	136,753
Less: Allowance for impairment	(92,819)	(93,844)
	30,485	42,909

Movement in allowance accounts:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At 1 January	91,433	80,828	75,030	67,368
Charge for the year	3,501	10,649	18,814	7,662
Writeback of impairment losses	(2,115)	(44)	-	-
Net movement during the year (Note 10)	1,386	10,605	18,814	7,662
At 31 December	92,819	91,433	93,844	75,030

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Related party balances

Included in trade receivables of the Group is an aggregate amount of RM1,884,000 (2010: RM2,131,000) due from Recent Giant Sdn. Bhd. ("RGSB"), Benua Haulage Sdn. Bhd. ("BHSB"), Fragstar Corporation Sdn. Bhd. ("FCSB"), Firma Rena Sdn. Bhd. ("FRSB"), Kien Fatt Rice Mill Sdn. Bhd. ("KFRM") and Ban Seng Heng Rice Mill Sdn. Bhd. ("BSH"), companies in which Yew Poe Hoe, Yew Chye Seng and Ong Chye Eng, directors of YHL Holding Sdn. Bhd. are related by virtue of their family relationships with the directors of RGSB, BHSB and BSH.

21. TRADE AND OTHER RECEIVABLES (CONTINUED)**(b) Other receivables**

Other receivables are non-interest bearing. They are recognised at the amounts which represent their fair value on initial recognition.

Included in other receivables of the Group is an amount of RM5,960,000 (2010: RM5,960,000) being rental deposits and prepaid rental paid to Yew Poe Hai and Yew Chor Khooi; where the former is an alternate director of YHL Holding Sdn. Bhd., a subsidiary and the latter is connected by virtue of his family relationship with certain directors of YHL Holding Sdn. Bhd.

(c) Amount due from Government of Malaysia

The amounts due from Government of Malaysia relates to subsidies recoverable from the Government of Malaysia.

(d) Amount due from subsidiaries and associates

The amounts due from subsidiaries and associates are unsecured, interest-free and are receivable in accordance with the normal credit terms granted to customers.

(e) Credit concentration

The Group and Company have no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors, other than the amounts due from subsidiaries, associates and due from Government of Malaysia as stated above.

22. CASH AND BANK BALANCES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash at banks and on hand	115,746	135,018	33,961	30,902
Deposits with licensed banks	262,757	108,854	201,800	80,610
	378,503	243,872	235,761	111,512

- (a) The deposits with licensed banks of the Group amounting to RM32,286,000 (2010: RM26,926,000) are pledged to the banks for credit facilities granted to certain subsidiaries as referred to in Note 24.
- (b) The range of interest rates for deposits during the financial year were as follows:

	Group and Company	
	2011 %	2010 %
Licensed banks	2.50 - 3.30	0.22 - 4.70

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22. CASH AND BANK BALANCES (CONTINUED)

(c) The average maturity of deposits at the end of the financial year were as follows:

	Group		Company	
	2011 Days	2010 Days	2011 Days	2010 Days
Licensed banks	128	101	15	15

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash and bank balances	378,503	243,872	235,761	111,512
Bank overdrafts (Note 24)	(2,035)	(4,234)	-	-
Total cash and cash equivalents	376,468	239,638	235,761	111,512

23. RETIREMENT BENEFIT OBLIGATIONS

The Group and the Company operate an unfunded defined benefit plan for its eligible employees. The obligations under the retirement benefit scheme are determined based on actuarial valuation by qualified independent actuary on an annual basis. The value of retirement benefits earned shall be paid on the attainment of the retirement age of 55.

The amounts recognised in the statement of financial position are determined as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Present value of unfunded defined benefits obligations	73,190	70,417	44,456	42,873
Analysed as:				
Current:	5,543	4,428	3,130	2,498
Non-current:				
Later than 1 year but not later than 2 years	6,124	4,428	3,960	2,498
Later than 2 years but not later than 5 years	24,729	13,284	13,641	7,494
Later than 5 years	36,794	48,277	23,725	30,383
	67,647	65,989	41,326	40,375
	73,190	70,417	44,456	42,873

23. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The amounts recognised in the income statements are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current service cost	4,816	4,797	2,560	2,482
Interest cost	4,188	3,907	2,322	2,172
Total, included in employee benefits expense (Note 7)	9,004	8,704	4,882	4,654

Movements in the net liability in the current year were as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At 1 January	70,417	67,335	42,873	42,167
Provision for the year	9,004	8,704	4,882	4,654
Benefits paid	(6,231)	(5,622)	(3,299)	(3,948)
At 31 December	73,190	70,417	44,456	42,873

Principal actuarial assumptions used:

	2011 %	2010 %
Discount rate	6.0	6.0
Expected rate of salary increases	5.0	5.0

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24. BORROWINGS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short term borrowings				
Secured:				
Term loans	3,020	4,774	-	-
Hire purchase and finance lease payables (Note 25)	2,659	2,815	-	-
	5,679	7,589	-	-
Unsecured:				
Bank overdrafts	2,035	4,234	-	-
Bankers' acceptances	539,934	499,190	355,896	330,544
Revolving credit	9,000	4,364	-	-
	550,969	507,788	355,896	330,544
	556,648	515,377	355,896	330,544
Long term borrowings				
Secured:				
Term loans	16,341	6,211	-	-
Unsecured:				
Islamic Commercial Papers and Medium Term Notes ("ICP/MTN Programme") (Note 26)	747,750	398,372	747,750	398,372
Hire purchase and finance lease payables (Note 25)	5,778	4,901	-	-
	753,528	403,273	747,750	398,372
	769,869	409,484	747,750	398,372

24. BORROWINGS (CONTINUED)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total borrowings				
Bank overdrafts (Note 22)	2,035	4,234	-	-
Bankers' acceptances	539,934	499,190	355,896	330,544
Revolving credit	9,000	4,364	-	-
Term loans	19,361	10,985	-	-
Islamic Commercial Papers and Medium Term Notes ("ICP/MTN Programme") (Note 26)	747,750	398,372	747,750	398,372
Hire purchase and finance lease payables (Note 25)	8,437	7,716	-	-
	1,326,517	924,861	1,103,646	728,916
Maturity of borrowings (excluding hire purchase and finance lease payables):				
Within one year	553,989	512,562	355,896	330,544
More than 1 year and less than 2 years	3,268	2,206	-	-
More than 2 years and less than 5 years	750,257	400,861	747,750	398,372
5 years or more	10,566	1,516	-	-
	1,318,080	917,145	1,103,646	728,916

The weighted average effective interest rate at the reporting date for borrowings of the Group and of the Company were as follows:

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Term loans	5.20 - 7.50	3.34 - 7.80	-	-
Bank overdrafts	9.60	5.25 - 8.55	-	-
Islamic Commercial Papers and Medium Term Notes ("ICP/MTN Programme") (Note 26)	4.70 - 5.05	5.05	4.70 - 5.05	5.05
Bankers' acceptances	2.96 - 4.50	2.43 - 4.72	3.40 - 4.00	2.43 - 3.58
Revolving credit	4.70 - 5.80	4.56 - 5.80	-	-

The term loans are secured by the following:

- (a) First legal charge over the freehold land and buildings of the Group as disclosed in Note 14(b) to the financial statements; and
- (b) Deposits placed with a licensed bank as disclosed in Note 22(a) to the financial statements.

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25. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group	
	2011 RM'000	2010 RM'000
Future minimum hire purchase and lease payments:		
Not later than 1 year	3,922	3,172
Later than 1 year and not later than 2 years	2,387	2,200
Later than 2 years and not later than 5 years	3,637	4,105
	9,946	9,477
Less : Future finance charges	(1,509)	(1,761)
Present value of hire purchase and finance lease liabilities	8,437	7,716
Analysis of present value of hire purchase and finance lease liabilities:		
Not later than 1 year	2,659	2,815
Later than 1 year and not later than 2 years	3,396	1,952
Later than 2 years and not later than 5 years	2,382	2,949
	8,437	7,716
Less: Amount due within 12 months (Note 24)	(2,659)	(2,815)
Amount due after 12 months (Note 24)	5,778	4,901

The hire purchase and finance lease liabilities bear interest rates ranging from 2.5% to 3.45% (2010: 1.75% to 5.65%) per annum.

26. ISLAMIC COMMERCIAL PAPERS AND MEDIUM TERM NOTES PROGRAMME ("ICP/MTN PROGRAMME")

	Group/Company	
	2011 RM'000	2010 RM'000
ICP/MTN Programme (Note 24)	747,750	398,372

The Sukuk of RM750 million nominal value of Islamic Commercial paper (ICP) and/or Medium Term Notes (MTN) is issued under the Islamic principle of Musyarakah which is a partnership contract ("Sukuk").

The Sukuk is initially stated at cost, being the fair value of the consideration received. After initial recognition, the profit element attributable to the Sukuk in each period is recognized as an expense at a constant rate to its maturity. The profit is payable semi-annually in arrears.

26. ISLAMIC COMMERCIAL PAPERS AND MEDIUM TERM NOTES PROGRAMME ("ICP/MTN PROGRAMME") (CONTINUED)

As at 31 December 2011, the company has issued RM750,000,000 Islamic Commercial Paper and /or Medium Term Note (ICP/MTN) programme. This SUKUK will mature on 20 January 2014 (RM350,000,000) and 7 September 2015 (RM400,000,000).

RAM Ratings Services Berhad had assigned initial long and short-term ratings of AA3 and P1 for the ICP/MTN respectively, with a stable outlook. As at 31 December 2011, there has been no change in this rating.

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current				
Trade payables				
Due to associates	335	-	335	-
Third parties	77,293	96,400	34,270	49,800
Total trade payables	77,628	96,400	34,605	49,800
Other payables				
Due to subsidiaries	-	-	346,912	351,847
Due to associates	322	304	8	-
	322	304	346,920	351,847
Accruals and sundry payables	134,106	127,166	99,506	85,064
Total other payables	134,428	127,470	446,426	436,911
Total trade and other payables	212,056	223,870	481,031	486,711
Add: Borrowings (Note 24)	1,326,517	924,861	1,103,646	728,916
Total financial liabilities carried at amortised cost	1,538,573	1,148,731	1,584,677	1,215,627

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from 7 to 60 days and 7 to 30 days respectively.

Included in trade payables of the Group in 2011 was RM9,000 (2010: RM315,363) due to Recent Giant Sdn. Bhd., Sin Hock Soon Transport Sdn. Bhd. and Ban Seng Heng Rice Mill Sdn. Bhd., companies in which certain directors of a subsidiary, YHL Holding Sdn. Bhd., are connected by virtue of their family relationships with the directors of FCSB. There were no such amount in 2011.

The amounts due to subsidiaries and associates are unsecured, interest free and are payable in accordance with normal credit terms.

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28. SHARE CAPITAL

	Number of Shares of RM1.00 Each		Amount	
	2011	2010	2011 RM	2010 RM
Authorised:				
At 1 January and 31 December				
Special Rights Redeemable Preference Share ("Special Share") of RM1.00	1	1	1	1
Ordinary shares of RM1.00 each	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued and fully paid:				
At 1 January and 31 December				
Special Share of RM1.00 (Note a)	1	1	1	1
Ordinary shares of RM1.00 each	470,401,500	470,401,500	470,401,500	470,401,500

(a) The main features of the Special Share are as follows:

- (i) The Special Share may only be held by or transferred to the Minister of Finance (Incorporated) or its successor or any Minister, representatives or any person acting on behalf of the Government of Malaysia.
- (ii) The Special Shareholder has the right to receive notice of, and to attend and speak at, all general meetings or any other meeting of any class of shareholders of the Company, but the Special Share shall carry no right to vote nor any other rights at any such meeting.
- (iii) The Special Shareholder has the right to require the Company to redeem the Special Share at par at any time by serving written notice upon the Company and delivering the relevant share certificate.
- (iv) Certain matters which vary the rights attached to the Special Share can only be effective with the consent in writing of the Special Shareholder, in particular matters relating to the amendment or removal or alteration of the effect of the Special Share, the creation and issue of additional shares which carry different voting rights, the dissolution of the Company, substantial disposal of assets, amalgamation, merger and take over.
- (v) The Special Shareholder has the right to review all policies, programmes, projects and commercial activities undertaken or proposed to be undertaken by the Company, the right to veto any resolution proposed to be passed by the Board of Directors or the shareholders of the Company if the Government considers that it is necessary to do so in the national interest and security of Malaysia.
- (vi) The Special Shareholder has the right to veto any resolution proposed to be passed by the Board of Directors and/or the shareholders of the Company purporting to amend the provisions of the Memorandum and Articles of Association of the Company which affects the rights or any matter relating to the Special Share or the rights attaching to the Special Share.

29. RETAINED PROFITS

Prior to the 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 and all its Malaysia incorporated subsidiaries 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 2011 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 December 2011, the Company has sufficient credit in the 108 balance to pay franked dividends amounting to RM276,784,494 out of its retained earnings. The balance of retained earnings of RM199,966,365 can be distributed as dividends under the single tier system.

30. OTHER RESERVES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-distributable:				
Capital reserve	2,864	2,864	600	600
Capital redemption reserve	12,520	12,520	7,370	7,370
AFS Reserve	(11)	-	-	-
Foreign exchange reserve	(3,279)	(3,768)	-	-
Share premium	7,085	7,085	7,085	7,085
	19,179	18,701	15,055	15,055

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31. PADDY PRICE SUBSIDY ACCOUNT

Pursuant to the Corporatisation Agreement dated 12 January 1996, the Government shall deposit the subsidy funds into bank accounts of licensed banks or financial institutions and operated by the Group for the sole purpose of disbursements of subsidies. The unutilised portion of the funds under the Paddy Price Subsidy Scheme given by the Government is to be placed into such fixed deposit accounts with such licensed banks or financial institutions approved by the Government.

The Company is vested with the responsibility to administer the Government's Paddy Price Subsidy Scheme. The movement of the paddy price subsidy account which represents the paddy price subsidy to be distributed to the registered paddy farmers on behalf of the Government are as follows:

	Company	
	2011 RM'000	2010 RM'000
At 1 January	5,515	7,407
Add: Government subsidy funds received	627,103	468,000
Interest income	907	525
Less: Payments made during the year	(456,066)	(470,417)
At 31 December	177,459	5,515

The amount was not included in the assets and liabilities of the Group and the Company.

32. COMMITMENTS

(a) Capital commitments

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Capital expenditure:				
Approved and contracted for:				
Property, plant and equipment	96,779	76,482	96,779	65,830
Approved but not contracted for:				
Property, plant and equipment	190,828	134,814	167,020	114,363
Investment	16,336	144,100	16,336	144,100
	207,164	278,914	183,356	258,463

32. COMMITMENTS (CONTINUED)**(a) Capital commitments (continued)**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Share of capital commitments of associated companies:				
Approved and contracted for:				
Property, plant and equipment	2,754	3,065	-	-
Approved but not contracted for:				
Property, plant and equipment	705	657	-	-
	307,402	359,118	280,135	324,293

(b) Operating lease commitments - as lessee

The Group has entered into commercial leases on premises. These leases have an average tenure of between one and three years with renewal option. The Company is restricted from subleasing the premises to third parties.

Minimum lease payments of premises recognised in profit or loss for the financial year ended 31 December 2011 amounted to RM459,545 (2010:RM430,630).

Future minimum rentals payables under non-cancellable operating lease at the reporting date are as follows:

	Group	
	2011 RM'000	2010 RM'000
Not later than 1 year	817	1,008
Later than 1 year but not later than 5 years	657	657
Later than 5 years	-	86
	1,474	1,751

33. CONTINGENT LIABILITIES

- (a) The Company was served with a Writ of Summons and Statement of Claim dated 5 May 2006 initiated by A Halim Bin Hamzah & 291 others ("the Plaintiffs"). The civil suit is brought by the Plaintiffs against the Company & 24 others ("the Defendants") for, inter alia, the following claims:
- (i) A declaration that the 2000 VSS scheme initiated by the Company is void and of no effect.
 - (ii) A declaration that the Defendants had by unlawful means conspired and combined together to defraud or injure the Plaintiffs.
 - (iii) Alternatively, a declaration that the Defendants had acted in furtherance of a wrongful conspiracy to injure the Plaintiffs.
 - (iv) Damages to be assessed.
 - (v) Interest and costs.

In relation to the Suit filed by the Plaintiffs against the Defendants, the Company had filed Summons in Chambers pursuant to Order 12 Rule 7 and/or Order 18 Rule 19 of the Rules of the High Court 1980 ("the Company's Application") for the following:

- (i) That the Writ and Statement of Claim as against the said Defendants be struck out as it discloses no reasonable course of actions, scandalous, frivolous, vexatious and/or is an abuse of process of the Court;
- (ii) That the cost of the said Order to be borne by the Plaintiffs; and
- (iii) Such further or other orders as the Court deemed fit.

The Court has granted Order In Terms for the Company's application to strike out the 21st Defendant with cost payable to the Company but dismissed the Company's application to strike out the 2nd to 12th Defendants on 3 September 2007. On 3 March 2008, the Court dismissed the Company's application to strike out the 2nd to 12th Defendants from being the party to the suit. The Company's solicitors had on 17 April 2008, filed Statements of Defence for 2nd to 12th Defendants. The matter went for hearing from 13th to 16th March 2012. The Court has fixed 30 April 2012 for decision of the said matter.

- (b) The Company on 6 June 2006 was served with a sealed copy of Originating Summons and Affidavit in Support ("the Plaintiffs Application") affirmed by Zainon Bt Ahmad for and on behalf of the 690 others ("the Plaintiffs") for the following claims:
- (i) A declaration that the Plaintiffs as employees of the Company whose service of employment had been terminated before attaining the age of 55 due to reasons other than that of compulsory retirement, optional retirement, death or a disability are entitled to the Retirement/Termination Benefits provided for in clause 7.3 of the 'Terma dan Syarat Perkhidmatan Kumpulan Eksekutif dan Kumpulan Bukan Eksekutif' and in clause 5.5 of the 'Buku Panduan Kumpulan Eksekutif dan Bukan Eksekutif'.
 - (ii) An order that the Company pays the Retirement/Termination Benefits due to the Plaintiffs as follows:
 - for those Plaintiffs who have attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid directly to them; and
 - for those Plaintiffs who have not attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid into their accounts at the Employees Provident Fund.

33. CONTINGENT LIABILITIES (CONTINUED)

- (b) The Company on 6 June 2006 was served with a sealed copy of Originating Summons and Affidavit in Support ("the Plaintiffs Application") affirmed by Zainon Bt Ahmad for and on behalf of the 690 others ("the Plaintiffs") for the following claims: (continued)

(iii) Interest at the rate of 8% per annum from 1 January 2004 to the date of payment as ordered by the Court.

(iv) Such further orders, directions or relief that the Court deems fit and appropriate.

(v) Costs to be paid by the Company to the Plaintiffs.

The Court had on 13 March 2008 allowed Plaintiff's application with cost and the Company had instructed the Company's solicitors to file Grounds of Appeal to the Court of Appeal. The Court of Appeal had on 24 August 2009 allowed the Company's application to amend the memorandum of appeal and the Notice of Appeal. The Court of Appeal fixed 18 January 2011 as the hearing date for the appeal and that the decision of the same fixed for 8 February 2011. Matter came up for decision on 7 February 2011 wherein the Court of Appeal allowed the Company's appeal and set aside the High Court order with no order as to costs. Plaintiffs through their solicitors had filed an application on 7 March 2011 for leave to appeal to the Federal Court against the entire decision of the Court of Appeal given on 7 February 2011. Plaintiffs application for leave to appeal at the Federal Court has been allowed. The matter came up for hearing on 13 March 2012 at the Federal Court and the court had reserved their judgement until further notice.

- (c) The Company on 4 January 2010 was served with a sealed copy of Originating Summons and Affidavit in Support ("the Plaintiffs Application") affirmed by Rahman Bin Samud for and on behalf of the 242 others ("the Plaintiffs") for the following claims:

(i) A declaration that the Plaintiffs as employees of the Company whose service of employment had been terminated before attaining the age of 55 due to reasons other than that of compulsory retirement, optional retirement, death or a disability are entitled to the Retirement/Termination Benefits provided for in clause 7.3 of the 'Terma dan Syarat Perkhidmatan Kumpulan Eksekutif dan Kumpulan Bukan Eksekutif' and in clause 5.5 of the 'Buku Panduan Kumpulan Eksekutif dan Bukan Eksekutif'.

(ii) An order that the Company pays the Retirement/Termination Benefits due to the Plaintiffs as follows:

- for those Plaintiffs who have attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid directly to them; and
- for those Plaintiffs who have not attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid into their accounts at the Employees Provident Fund.

(iii) Interest at the rate of 8% per annum from 1 January 2004 to the date of payment as ordered by the Court.

(iv) Such further orders, directions or relief that the Court deems fit and appropriate.

(v) Costs to be paid by the Company to the Plaintiffs.

The Company had filed its affidavit in reply to the affidavit in support affirmed by the Plaintiffs. The matter came up for mention on 5 October 2010, wherein the court fixed 15 December 2010 for further case management pending the disposal of the appeal in the Court of Appeal in relation to the civil suit filed by Zainon Binti Ahmad & 690 others against the Company. The case has been fixed for mention on 10 May 2012.

There are no other changes in contingent liabilities since the last annual balance sheet as at 31 December 2011.

No provision was made in the financial statements of the Group and of the Company as at 31 December 2011 for the matters set out in Notes (a), (b) and (c) above as the Board, after due consultation with the Company's solicitors, believe that the Company has a reasonable prospect of success against the Plaintiffs' claim.

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34. RELATED PARTY DISCLOSURES

(a) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, including any director (whether executive or otherwise).

The key management personnel compensation is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short-term employee benefits	4,512	4,191	4,512	4,191
Post-employment benefits defined contribution plan	621	522	621	522
Other benefits	503	473	503	473
	5,636	5,186	5,636	5,186

Included in the total key management personnel compensation above are:

	Group and Company	
	2011 RM'000	2010 RM'000
Directors' remuneration (Note 8)	2,009	1,204

(b) Others

	Company	
	2011 RM'000	2010 RM'000
(a) Purchases from and services rendered by subsidiaries	114,837	117,938
(b) Sales to subsidiaries	1,664,691	1,755,733
(c) Sales to associates		
- Bernas Feedstuff Sdn. Bhd.	32,828	35,906
- Serba Wangi Sdn. Bhd. and its subsidiaries #	260,834	163,419
- OEL Realty Holdings Sdn. Bhd. and its subsidiaries	132,256	130,119
(d) Purchases from associate		
- Irfan Noman Bernas (Pvt) Limited	89,772	10,735

34. RELATED PARTY DISCLOSURES (CONTINUED)**(b) Others (continued)**

		Company	
		2011 RM'000	2010 RM'000
(e)	Purchase of motor vehicles from a wholly-owned indirect subsidiary of DRB-Hicom Berhad - Euromobil Sdn. Bhd.	1,869	-
(f)	Premises running cost charged by holding company - Tradewinds (M) Berhad	1,294	-
		Group	
		2011 RM'000	2010 RM'000
(g)	Transactions with subsidiaries' director related companies and other related parties		
(i)	Syarikat Faiza Sdn. Bhd. Group ("SFSB")		
	Sales to Pasar Mini Syarikat Faiza, an enterprise in which certain directors (namely Faiza Bawumi Bt Syed Ahmad and Najwa Bt Abu Bakar) have interest	440	582
	Transportation charged to SFSB including maintenance, road tax and maintenance of lorry by Iman Cargo which the son of a director (namely Faiza Bawumi Bt Syed Ahmad) has interest	599	230
	Purchase of packed spices from Faiza Marketing which certain directors (namely Faiza Bawumi Bt Syed Ahmad and Najwa Bt Abu Bakar) have interest	4,418	3,073
	Purchase of bubur herba from Faiza Food Industries Sdn. Bhd., a company in which certain directors (namely Faiza Bawumi Bt Syed Ahmad and Salwa Bt Abu Bakar) have interest	209	84
	Purchase of mineral water and management of lorry from Rabhan Enterprise, a company in which certain director (namely Fikri Bt Abu Bakar) has interests	283	67
	Rental of store, purchase of soya sauce and sales of rice to Farhan Food Sdn Bhd, a company in which certain director (namely Fikri Bt Abu Bakar) has interests	546	-
	Purchase of ketupat from Figure Diversified Sdn. Bhd., a company in which certain director (namely Radwa Bt Abu Bakar) has interests	798	2,381

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34. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Others (continued)

	Group	
	2011 RM'000	2010 RM'000
(g) Transactions with subsidiaries' director related companies and other related parties (continued)		
(i) Syarikat Faiza Sdn. Bhd. Group ("SFSB") (continued)		
Transport charges paid to Racktop Transport Sdn. Bhd.	5,252	5,198
Sales to MM R.C.F, an enterprise in which certain directors (namely Faiza Bawumi Bt Syed Ahmad and Najwa Bt Abu Bakar) have interest	-	59
Sale and purchase of rice and transportations fee charged to SFSB by Melia Best Sdn. Bhd. in which the family of the director (namely Faiza Bawumi Bt Syed Ahmad) has interest	1,984	3,500
Purchase of coconut cream powder and MSG from Ikatan Supremasi Sdn. Bhd., a company in which certain director (namely Fikri Bin Abu Bakar) has interests	204	143
Purchase of wheat flour from Tijarati Sdn. Bhd., a company in which certain director (namely Jadwa Bt Abu Bakar) has interests	368	57
Rental of factory from Kualiti Supremasi Sdn. Bhd., a company in which certain director (namely Fikri Bt Abu Bakar) has interests	456	-
(ii) Jasmine Food Corporation Sdn. Bhd. Group ("JFC")		
Purchases from Jasmine Rice Mill (Kerpan) Sdn. Bhd., a company in which a director of JFC, Lim Kiam Lai @ Lim Kean Lai is a substantial shareholder	5,049	3,794
Sales to Chop Joo Seng Sdn. Bhd. and Joo Seng Enterprise, two entities in which directors of JS Jasmine Sdn. Bhd., have substantial financial interest	1,279	2,038
Rental of premises paid to Asian Net Sdn. Bhd., a company in which the directors of JFC and its subsidiaries have substantial financial interest	871	871
Sales to Aroma Beras Edar, Joo Seng Enterprise and JS Sasaran Trading Sdn. Bhd., an entity in which director of JS Jasmine Sdn. Bhd., Tee Sin Joo has substantial financial interest	182	1,018

34. RELATED PARTY DISCLOSURES (CONTINUED)**(b) Others (continued)**

	Group	
	2011 RM'000	2010 RM'000
(g) Transactions with subsidiaries' director related companies and other related parties (continued)		
(ii) Jasmine Food Corporation Sdn. Bhd. Group ("JFC") (continued)		
Transport charges paid to Joo Seng Edar Sdn. Bhd., a corporate shareholder of JS Jasmine Sdn. Bhd. and a company in which Tee Sin Joo and Tee Sin Kong, directors of JS Jasmine Sdn. Bhd. have substantial financial interests	503	587
Rental of office paid to director, Lim Swee Keat and his brother Lim Eng Giap	330	330
Rental of office and warehouse paid to Joo Seng Edar Sdn. Bhd., a corporate shareholder of JS Jasmine Sdn. Bhd. and a company in which Tee Sin Joo and Tee Sin Kong, directors of JS Jasmine Sdn. Bhd. have substantial financial interests	330	330
Transport charges paid to Nagoya Agency, an entity owned by a person connected to certain directors and shareholders of Jasmine Rice Mill (Tunjang) Sdn. Bhd. and Jasmine Rice Products Sdn. Bhd.	4,302	4,363
Purchase from Central Sugars Refinery Sdn. Bhd., a subsidiary of Tradewinds Malaysia	55,843	45,472
Purchase from Gula Padang Terap Sdn. Bhd., a subsidiary of Tradewinds Malaysia	2,451	1,906
(iii) YHL Holding Sdn. Bhd. Group ("YHLH")		
Sales to Recent Giant Sdn. Bhd. ("RGSB"), a company in which certain directors of YHLH are connected by virtue of their family relationships with the directors of RGSB	6,794	9,517
Transport charges paid to Sin Hock Soon Transport Sdn. Bhd ("SHST"), a company in which certain directors of YHLH are connected by virtue of their family relationships with the directors of SHST	3,577	3,367
Rental of premises paid to Southern Edipro Packaging Sdn. Bhd. ("SEPSB"), a company in which certain directors of YHLH are connected by virtue of their family relationships with the directors of SEPSB	1,161	1,161
Rental of premises paid to Yew Chye Seng, a director of YHLH	300	300

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34. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Others (continued)

	Group	
	2011 RM'000	2010 RM'000
(g) Transactions with subsidiaries' director related companies and other related parties (continued)		
(iii) YHL Holding Sdn. Bhd. Group ("YHLH") (continued)		
Rental of premises paid to Eternal Promenade Sdn. Bhd. ("EPSB"), a company in which certain directors of YHLH are connected by virtue of their family relationships with the directors of EPSB	1,354	1,354
Rental charges paid to Xeng Hin Sdn. Bhd. ("XHSB"), a company in which certain director of YHLH are connected by virtue of their family relationships with the directors of XHSB	90	90
Rental expense paid to Sin Hock Soon Trading Sdn. Bhd., a company in which certain directors of the Company, namely Yew Poh Chong and Yew Poh Aik have substantial financial interest	234	234
(iv) Beras Corporation Sdn. Bhd. Group ("BCSB")		
Rental charged to Tong Seng Huat Sdn. Bhd. ("TSH"), by TSH Realty Sdn. Bhd. a company in which the directors TSH (namely Tan Gee Huat and Tho Lai Hock) have interest	200	-
Sales to Ban Say Tong Sdn. Bhd. ("BST"), an entity owned by Kueh Peng Ho, a director and substantial shareholder of BST	1,560	1,409
Rental charged to BST by Wangang Sdn. Bhd., a company in which the directors of BST (namely Kueh Ching and Kong Kuok Chu) have interest	36	36
Rental charged to BST by Kueh Peng Ho, a director of BST	30	30
Trading of rice, rental of go down, machinery and wooded planks to Hock Chiong Co. Sdn. Bhd, a company in which directors of Hock Chiong Foodstuff Sdn. Bhd., Datuk Lau Hieng Ing and Datin Wong Puo Siong have substantial financial interest	124	134
Trading of rice, rental of go down by Naturewood Sdn. Bhd., a company in which directors of Hock Chiong Foodstuff Sdn. Bhd., Datuk Lau Hieng Ing and Datin Wong Puo Siong have substantial financial interest	60	60

Serba Wangi Sdn. Bhd. being an associate to the Company until 30 November 2011.

35. SIGNIFICANT AND SUBSEQUENT EVENTS

- (a) On 10 January 2011, Subur Majubumi Sdn. Bhd. ("Subur Majubumi") and Berkat Beringin Sdn. Bhd. ("Berkat Beringin"), wholly-owned subsidiaries of the Company had entered into a Shareholders' Agreement with KNC Masyhur Sdn. Bhd. ("KNC Masyhur"). Berkat Beringin will be used as the joint venture vehicle for the purpose of carrying out the business which involves paddy procurement, drying and milling and rice processing and packaging. The intended business activities has yet to commence pending licence issued by Bahagian Kawalselia Padi dan Beras, Ministry of Agriculture and Agro-based Industry.
- (b) On 8 March 2011, the Company had signed a Memorandum of Understanding ("MOU") with Lembaga Kemajuan Pertanian Muda ("MADA"). The MOU signed to establish the principles of understanding to jointly undertake the commercial activities of Entry Point Project ("EPP") 10: Scaling up and Strengthening Productivity of Paddy Farming in MADA Area under the National Key Economic Area ("NKEA") programme with a view to enter into a joint venture agreement, shareholders' agreement and other related agreements thereto, and to negotiate the terms and conditions of the Joint Venture Agreement and the Shareholders' Agreement and other related agreements to regulate the parties' and/or their related entities' obligations in undertaking the commercial activities of EPP 10.

The MOU shall be effective for a period of 12 months from the execution date and may be extended as mutually agreed by the parties or upon the execution of the Joint Venture Agreement and the Shareholders Agreement, whichever is earlier.

- (c) On 22 April 2011, the Company received a letter dated 20 April 2011 from the Public Private Partnership Unit under the Prime Minister's Department on the extension of the BERNAS Agreement dated 12 January 1996 between the Government of Malaysia and BERNAS where the Government has agreed to extend the BERNAS Agreement for a period of 10 years commencing from 11 January 2011 to 10 January 2021 subject to the terms and conditions to be mutually agreed between both parties. The Government has also agreed to grant an Interim Period of six (6) months from 11 January 2011 to 10 July 2011 ("Interim Period"). On 27 September 2011, the Government has further extended the Interim Period commencing from 10 July 2011 until the finalisation of the terms and conditions of the new BERNAS Agreement and the execution thereof.
- (d) The Company had on 11 November 2011 entered into a Master Agreement with Jelapang Jati Sdn Bhd ("Jelapang Jati") and Ban Heng Bee Holdings Sdn Bhd ("BHBH") for the proposed increase of the Company's equity holding from 20% to 49% in BHBH for a total consideration of RM110.66 million which comprise of the following documents and simultaneously executed:
 - (i) A Share Swap Agreement for the disposal of the Company's entire 920,000 ordinary shares of RM1.00 each or equivalent to 40% equity interest in Serba Wangi Sdn Bhd ("Serba Wangi") to the existing Shareholder, BHBH through the allotment and issuance of 981,997 new ordinary shares of RM1.00 each to the Company in BHBH for a consideration of RM36.0 million.
 - (ii) A Share Sale Agreement for the acquisition by the Company of 409,165 ordinary shares of RM1.00 each in BHBH from Jelapang Jati for a cash consideration of RM15.0 million.
 - (iii) A Subscription Agreement for the subscription by the Company of 1,627,483 new ordinary shares of RM1.00 each in BHBH for a cash consideration of RM59.7 million.

The Proposed Equity Restructuring has been completed on 9 December 2011 and BERNAS now holds 49% equity interest in BHBH.

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36. SUBSIDIARIES AND ASSOCIATES

(a) SUBSIDIARIES

Name of Subsidiaries	Proportion of Effective Ownership Interest		Principal Activities
	2011 %	2010 %	
Incorporated in Malaysia			
Subsidiaries of the Company			
Bernas Production Sdn. Bhd.	100	100	Rice processing
Era Bayam Kota Sdn. Bhd.	60	60	Trader, distributor and supplier of rice
Syarikat Faiza Sdn. Bhd.	51	51	Trader, distributor and supplier of rice
Consolidated Bernas United Distributors Sdn. Bhd.	100	100	Dormant
Jasmine Food Corporation Sdn. Bhd.	61	61	Trader, distributor and supplier of rice
YHL Holding Sdn. Bhd.	51	51	Investment holding
Bernas Seed Pro Sdn. Bhd.	100	100	Paddy seed production
Bernas Agrotech Sdn. Bhd.	100	100	Investment holding
Beras Corporation Sdn. Bhd.	100	100	Processing and trading of rice
Bernas Dominals Sdn. Bhd.	100	100	Investment holding
Edaran Bernas Nasional Sdn. Bhd.	80	80	Trader, distributor and supplier of rice
Bernas Overseas (L) Limited	100	100	Offshore investment holding company
Bernas Logistic Sdn. Bhd.*	100	100	Provision of logistic services
Bernas Engineering & Technology Sdn. Bhd.	100	100	Dormant
P.B. Construction & Supplies Sdn. Bhd.	100	100	Dormant
Bernas Utama Sdn. Bhd.	100	100	Dormant
Bernas Perdana Sdn. Bhd.	100	100	Dormant
Belikmat Corporation Sdn. Bhd.	100	100	Dormant

36. SUBSIDIARIES AND ASSOCIATES (CONTINUED)**(a) SUBSIDIARIES (continued)**

Name of Subsidiaries	Proportion of Effective Ownership Interest		Principal Activities
	2011 %	2010 %	
Incorporated in Malaysia (continued)			
Subsidiaries of the Company (continued)			
Bernas (Sabah) Sdn. Bhd.	100	100	Dormant
Bernas (Sarawak) Sdn. Bhd.	100	100	Dormant
Subur Majubumi Sdn. Bhd.	100	100	Dormant
Berkat Beringin Sdn. Bhd.	100	100	Dormant
Bernas Agrogreen Sdn. Bhd.	100	100	Dormant
Bernas Project & Development Sdn. Bhd.	100	100	Retails
Subsidiary of Consolidated Bernas United Distributors Sdn. Bhd.			
Machind Realty Sdn. Bhd.	100	100	Dormant
Subsidiaries of Jasmine Food Corporation Sdn. Bhd.			
Jasmine Food (Ipoh) Sdn. Bhd.	61	61	Trader, distributor and supplier of rice
Jasmine Food (Alor Setar) Sdn. Bhd.	61	61	Trader, distributor and supplier of rice
Jasmine Food (Johor Bahru) Sdn. Bhd.	61	61	Trader, distributor and supplier of rice
Jasmine Khidmat & Harta Sdn. Bhd.	61	61	Letting of properties
JS Jasmine Sdn. Bhd.	31	31	Trader, distributor and supplier of rice
Jasmine Food (Seremban) Sdn. Bhd.	61	61	Trader, distributor and supplier of rice
Jasmine Food (Prai) Sdn. Bhd.	61	61	Trader, distributor and supplier of rice
Jasmine Rice Mill (Tunjang) Sdn. Bhd.	61	61	Rice miller and rice trader
Jasmine Food (Kuantan) Sdn. Bhd.	61	61	Trader, distributor and supplier of rice

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36. SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(a) SUBSIDIARIES (continued)

Name of Subsidiaries	Proportion of Effective Ownership Interest		Principal Activities
	2011 %	2010 %	
Incorporated in Malaysia (continued)			
Subsidiaries of YHL Holding Sdn. Bhd.			
YHL Trading (KL) Sdn. Bhd.	51	51	Trader, distributor and supplier of rice
YHL Trading (Johor) Sdn. Bhd.	51	51	Trader, distributor and supplier of rice
YHL Trading (Segamat) Sdn. Bhd	51	51	Trader, distributor and supplier of rice
YHL Trading (Kedah) Sdn. Bhd	51	51	Trader, distributor and supplier of rice
YHL Trading (Melaka) Sdn. Bhd	51	51	Trader, distributor and supplier of rice
YHL Trading (Terengganu) Sdn. Bhd	51	51	Trader, distributor and supplier of rice
YHL (Kuantan) Sdn. Bhd.	51	51	Dormant
Subsidiary of Jasmine Rice Mill (Tunjang) Sdn. Bhd.			
Jasmine Rice Products Sdn. Bhd.	61	61	Manufacturing and sale of vermicelli
Subsidiary of Bernas Agrotech Sdn. Bhd.			
Padi Gedong Sdn. Bhd.	61	61	Dormant
Subsidiaries of Beras Corporation Sdn. Bhd.			
Sazarice Sdn. Bhd.	95	95	Trader, distributor and supplier of rice
Dayabest Sdn. Bhd.	100	100	Investment holding
Sabarice Sdn. Bhd.	100	100	Trader, distributor and supplier of rice
Liansin Trading Sdn. Bhd.	60	60	Wholesale and trading of rice and rice related products

36. SUBSIDIARIES AND ASSOCIATES (CONTINUED)**(a) SUBSIDIARIES (continued)**

Name of Subsidiaries	Proportion of Effective Ownership Interest		Principal Activities
	2011 %	2010 %	
Incorporated in Malaysia (continued)			
Subsidiaries of Dayabest Sdn. Bhd.			
Haskarice Food Sdn. Bhd.	51	51	Trader, distributor and supplier of rice
Hock Chiong Foodstuff Sdn. Bhd.	51	51	Trader, distributor and supplier of rice
Ban Say Tong Sdn. Bhd.	51	51	Trader, distributor and supplier of rice
Subsidiary of Bernas Dominals Sdn. Bhd.			
Bernas Chaff Products Sdn. Bhd.	51	51	Dormant
Subsidiaries of Liansin Trading Sdn. Bhd.			
Liangtye Trading Sdn. Bhd.	60	60	General trading and rice wholesaler
Liansin Trading (Bintulu) Sdn. Bhd.	60	60	Trader, distributor and supplier of rice
Liansin Trading (Miri) Sdn. Bhd.	60	60	Dormant
Tong Seng Huat Rice Trading Sdn. Bhd.	51	51	Trader, distributor and supplier of rice
Incorporated in Thailand			
Subsidiary of the Company			
Bernas International Trading Ltd. *	95	95	Processing and trading of rice and other related food products

(b) ASSOCIATES**Incorporated in Malaysia****Associates of the Company**

Gardenia Bakeries (KL) Sdn. Bhd.	30	30	Bread manufacturing and bakery
Kilang Beras Fajar Sdn. Bhd.	49	49	Dormant

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36. SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(b) ASSOCIATES (continued)

Name of Associates	Proportion of Effective Ownership Interest		Principal Activities
	2011 %	2010 %	
Incorporated in Malaysia (continued)			
Associates of the Company (continued)			
Formula Timur Sdn. Bhd.	40	40	Dormant
Ban Heng Bee Holdings Sdn.Bhd.^	49	20	Rice miller
Serba Wangi Sdn. Bhd.#	-	40	Trader, distributor and supplier of rice
OEL Realty Holdings Sdn. Bhd.	30	30	Investment holding
United Malayan Flour (1996) Sdn. Bhd.	45	45	Manufacturing and trading of wheat flour
Associates of Bernas Dominals Sdn. Bhd.			
Bernas Feedstuff Sdn. Bhd.	49	49	Trading in all kinds of rice brand and broken
Subsidiaries of Ban Heng Bee Holdings Sdn. Bhd.			
Ban Heng Bee Rice Mill (1952) Sdn. Bhd.	49	20	Rice miller
KBBS Enterprise Sdn. Bhd.	34.3	14	Investment holding
Syarikat Kilang Padi Maju Sdn. Bhd.	29.4	12	Rice miller
Kilang Beras Sin Tong Seng Sendirian Berhad	39.2	14	Rice miller
Kemboja Lambaian Sdn. Bhd.	44.1	18	Investment holding
Twenty - Twenty Food Industry Sdn. Bhd.	29.4	12	Rice vermicelli manufacturing & distributor
Serba Wangi Sdn. Bhd.	49	12	Trader, distributor and supplier of rice

36. SUBSIDIARIES AND ASSOCIATES (CONTINUED)**(b) ASSOCIATES (continued)**

Name of Associates	Proportion of Effective Ownership Interest		Principal Activities
	2011 %	2010 %	
Incorporated in Malaysia (continued)			
Subsidiaries of Serba Wangi Sdn. Bhd.			
Serba Wangi (KL) Sdn. Bhd. **	49	40	Trader, distributor and supplier of rice
Serba Wangi (JH) Sdn. Bhd.	25	26.5	Trader, distributor and supplier of rice
Serba Wangi (PG) Sdn. Bhd.	44	46.8	Trader, distributor and supplier of rice
Serba Wangi (Perak) Sdn. Bhd. **	49	40	Trader, distributor and supplier of rice
Eng Chuan Chan Sdn. Bhd.	39	41.6	Trader, distributor and supplier of rice
Serba Wangi ML Sdn. Bhd.	25	26.5	Trader, distributor and supplier of rice
SW Transport Sdn. Bhd. **	49	40	Provision of transport services
Subsidiaries of OEL Realty Holdings Sdn. Bhd.			
OEL Distribution (Kedah) Sdn. Bhd.	30	30	Trader, distributor and supplier of rice
OEL Distribution (Perak) Sdn. Bhd.	30	30	Trader, distributor and supplier of rice
OEL Origin (Kedah) Sdn. Bhd.	30	30	Trader, distributor and supplier of rice
OEL Distribution (Penang) Sdn. Bhd.	30	30	Trader, distributor and supplier of rice
OEL Distribution (Johor) Sdn. Bhd.	30	30	Trader, distributor and supplier of rice
OEL Distribution (Selangor) Sdn. Bhd.	18	18	Trader, distributor and supplier of rice
OEL Distribution (KL) Sdn. Bhd.	18	18	Trader, distributor and supplier of rice
OEL Food Manufacturing Sdn. Bhd.	30	30	Manufacturing of health drinks
Subsidiaries of Gardenia Bakeries (KL) Sdn. Bhd.			
Gardenia Sales & Distribution Sdn. Bhd.	30	30	Sales and distribution of bread
Everday Bakery & Confectionery Sdn. Bhd.	30	30	Bread manufacturing and bakery

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36. SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(b) ASSOCIATES (continued)

Name of Associates	Proportion of Effective Ownership Interest		Principal Activities
	2011 %	2010 %	
Incorporated in Pakistan			
Associate of Bernas Overseas (L) Limited			
Irfan Noman Bernas (Pvt) Limited	20	20	Rice trading
* Audited by firms of chartered accountants other than Hanafiah Raslan & Mohamad			
** The Group regarded these companies as associates by virtue of its partly indirect shareholding through another associate company, Ban Heng Bee Holdings Sdn. Bhd.			
# Serba Wangi Sdn. Bhd. became a subsidiary of Ban Heng Bee Holdings Sdn. Bhd. during the year.			
^ The Company increased equity ownership in Ban Heng Bee Holdings Sdn. Bhd. during the year.			

37. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2.12 to 2.17 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

Group	Loans and receivables RM'000	Available-for-sale financial assets RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
2011				
Assets				
Other investment	-	36,462	-	36,462
Trade receivables and other receivables	786,603	-	-	786,603
Cash and bank balances	378,503	-	-	378,503
Total financial assets	1,165,106	36,462	-	1,201,568
Total non-financial assets				1,630,677
Total assets				2,832,245

37. FINANCIAL INSTRUMENTS (CONTINUED)**(a) Classification of financial instruments (continued)**

Group (continued)	Loans and receivables RM'000	Available- for-sale financial assets RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
2011				
Liabilities				
Borrowings	-	-	1,326,517	1,326,517
Trade payables and other payables	-	-	126,116	126,116
Total financial liabilities	-	-	1,452,633	1,452,633
Total non-financial liabilities				182,857
Total liabilities				1,635,490
2010				
Assets				
Trade receivables and other receivables	870,747	-	-	870,747
Cash and bank balances	243,872	-	-	243,872
Total financial assets	1,114,619	-	-	1,114,619
Total non-financial assets				1,287,514
Total assets				2,402,133
Liabilities				
Borrowings	-	-	924,861	924,861
Trade payables and other payables	-	-	148,100	148,100
Total financial liabilities	-	-	1,072,961	1,072,961
Total non-financial liabilities				186,616
Total liabilities				1,259,577

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37. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of financial instruments (continued)

Company	Loans and receivables RM'000	Available- for-sale financial assets RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
2011				
Assets				
Trade receivables and other receivables	1,124,566	-	-	1,124,566
Cash and bank balances	235,761	-	-	235,761
Total financial assets	1,360,327	-	-	1,360,327
Total non-financial assets				1,231,013
Total assets				2,591,340
Liabilities				
Borrowings	-	-	1,103,646	1,103,646
Trade payables and other payables	-	-	395,091	395,091
Total financial liabilities	-	-	1,498,737	1,498,737
Total non-financial liabilities				130,396
Total liabilities				1,629,133
2010				
Assets				
Trade receivables and other receivables	1,252,359	-	-	1,252,359
Cash and bank balances	111,512	-	-	111,512
Total financial assets	1,363,871	-	-	1,363,871
Total non-financial assets				862,003
Total assets				2,225,874

37. FINANCIAL INSTRUMENTS (CONTINUED)**(a) Classification of financial instruments (continued)**

Company (continued)	receivables RM'000	Available- for-sale Loans and assets RM'000	Financial liabilities at financial cost RM'000	amortised Total RM'000
2010				
Liabilities				
Borrowings	-	-	728,916	728,916
Trade payables and other payables	-	-	410,941	410,941
Total financial liabilities	-	-	1,139,857	1,139,857
Total non-financial liabilities				136,196
Total liabilities				1,276,053

(b) Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management.

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

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For cash and bank balances, the Group minimises credit risk by dealing exclusively with high credit rating financial institutions.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. 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 ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Credit risk concentration profile

The Group and Company have no significant concentration of credit risk that may rise from exposure to a single debtor or to groups of debtors, other than the amounts due from subsidiaries, associates and due from Government of Malaysia.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 21. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 21.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or 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 the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with several banks. It also requires reliable access to enough cash resources at unpredictable times and to unpredictable extents to meet uncertain cashflow obligations.

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.

2011	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	212,056	-	-	212,056
Borrowings	556,283	761,159	15,289	1,332,731
Total undiscounted financial liabilities	768,339	761,159	15,289	1,544,787
Company				
Financial liabilities:				
Trade and other payables	486,711	-	-	486,711
Borrowings	356,020	749,573	-	1,105,593
Total undiscounted financial liabilities	842,731	749,573	-	1,592,304

37. FINANCIAL INSTRUMENTS (CONTINUED)**(b) Financial risk management objectives and policies (continued)****(ii) Liquidity risk (continued)****Analysis of financial instruments by remaining contractual maturities (continued)**

2010	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	223,870	-	-	223,870
Borrowings	550,443	493,883	4,258	1,048,584
Total undiscounted financial liabilities	774,313	493,883	4,258	1,272,454
Company				
Financial liabilities:				
Trade and other payables	486,711	-	-	486,711
Borrowings	362,561	479,228	-	841,789
Total undiscounted financial liabilities	849,272	479,228	-	1,328,500

(iii) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debt as at 31 December 2011. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

The Group manages its interest rate by maintaining a fixed rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis on interest rate is not practical as all the Group's loans, receivables and borrowings are fixed rate instruments.

(iv) Foreign exchange risk

The Group operates internationally and is exposed to various currencies, mainly United States Dollar. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

The Group's and the Company's foreign exchange policy is to manage its foreign exchange risk as an unexpected adverse movement in the foreign exchange rate that can have a negative impact on the profitability and viability of the company.

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37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

(iv) Foreign exchange risk (continued)

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. There are no material unhedged financial assets and financial liabilities that are not denominated in the functional currencies of the Company and its subsidiaries.

The Group has not entered into any forward foreign exchange contracts as at 31 December 2011 and 31 December 2010.

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD exchange rates against the functional currency of the affected group companies ("RM") with all other variables held constant.

	Group	
	2011 Effect on profit before tax RM'000	2010 Effect on profit before tax RM'000
USD - strengthens 3% (2010: 10%)	(9,474)	(34,469)
USD - weakens 3% (2010: 10%)	9,474	34,469

38. FAIR VALUES 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 approximations of fair value

	2011		2010	
	RM'000 Carrying amount	RM'000 Fair value	RM'000 Carrying amount	RM'000 Fair value
Group				
Hire purchase	8,437	8,006	7,716	7,061
Term loans	19,361	16,500	10,985	8,045
ICP/MTN Programme	747,750	763,303	398,372	406,658

38. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)**(b) Determination of fair value**

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of current 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 amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of non-current borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Unit trust and medium term notes

The fair value of unit trust and medium term notes is based on market price and indicator value as quoted by Bond Pricing Agency Malaysia.

(c) Classification of financial instruments carried at fair value

The fair value measurement hierarchies used to measure the financial assets carried at fair value in the statements of financial position as at 31 December 2011 are as follows:

- (i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset and liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (iii) Level 3: Inputs for the asset and liability that are not based on observable market data (unobservable inputs).

	Group 2011 RM'000
Level 1:	
Assets	
AFS financial assets	36,462

The Group and the Company do not have financial liabilities carried at fair value nor any financial instruments classified as Level 2 and Level 3 as at 31 December 2011.

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39. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio 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 2011 and 31 December 2010.

The Group monitors capital using a ratio of equity over capital and net debt, which is equity divided by total capital plus net debt. The Group's policy is to maintain a positive shareholders' fund. The Group includes within net debt, borrowings, trade and other payables, less cash and short term funds. Capital includes equity attributable to the owners of the parent.

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Term loans	24	19,361	10,985	-	-
Short term borrowings	24	556,648	515,377	355,896	330,544
Trade payables	27	77,628	96,400	34,605	49,800
Other payables and accruals	27	134,428	127,470	446,426	436,911
Less:					
Cash and short term funds		(378,503)	(243,872)	(235,761)	(111,512)
Net debt		409,562	506,360	601,166	705,743
Equity attributable to the owners of the parent, representing total capital		1,107,543	1,058,916	962,207	949,821
Capital and net debt		1,517,105	1,565,276	1,563,373	1,655,564
Equity over capital and net debt		73%	68%	62%	57%

40. SEGMENT INFORMATION

For management purpose, the Group is organised into business based on the products as follows:

- i. Rice
- ii. Non-rice

Management monitors the operating results of its business separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects as explained below, is measured differently from the operating profit or loss in the consolidated financial statements. Group financing (including finance costs), income taxes and segmental reporting on assets and liabilities are managed on a group basis and not allocated to operating segments.

40. SEGMENT INFORMATION (CONTINUED)

2011		Rice RM'000	Non-rice RM'000	As per consolidated financial statements RM'000
Revenue:				
External customers		2,977,334	553,398	3,530,732
Segment profit	(a)	584,314	142,470	726,784
2010				
Revenue:				
External customers		2,761,501	411,472	3,172,973
Segment profit	(a)	574,884	111,824	686,708

(a) The following items are added to/(deducted from) segment profit to arrive at "Profit before tax" presented in the consolidated income statement:

	2011 RM'000	2010 RM'000
Other income	24,761	17,057
Staff costs	(183,239)	(190,470)
Depreciation	(41,404)	(40,802)
Other expenses	(258,283)	(232,258)
Finance costs	(56,898)	(28,324)
Share of profit of associates	27,012	33,870
	(488,051)	(440,927)

40. SEGMENT INFORMATION (CONTINUED)

- (a) The following items are added to/(deducted from) segment profit to arrive at "Profit before tax" presented in the consolidated income statement: (continued)

Geographical information

The activities of the Group during the current and previous financial years substantially relate to the procurement, importing, buying, processing and selling of rice, rice by-products and paddy and were predominantly conducted in Malaysia.

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenues		Non-current assets	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Peninsular Malaysia	2,726,420	2,481,756	719,884	608,486
East Malaysia	804,312	691,217	77,300	77,818
	3,530,732	3,172,973	797,184	686,304

Non-current assets presented above consist the following items as presented in the consolidated statement of financial position:

	2011 RM'000	2010 RM'000
Property, plant and equipment	392,822	381,098
Investment in associates	320,672	242,363
Other investment	36,462	-
Intangible assets	139	139
Deferred tax assets	47,089	62,704
	797,184	686,304

Information about major customers

The Group's customers are primarily retailers and wholesale distributors.

41. COMPARATIVES

The following comparative amounts as at 31 December 2010 have been reclassified to conform with current year's presentation:

Income Statements	As previously stated RM'000	Adjustments RM'000	As restated RM'000
As at 31 December 2010			
Group			
Other income	23,831	(6,774)	17,057
Raw materials and consumables	(2,522,672)	5,459	(2,517,213)
Other expenses	(233,573)	1,315	(232,258)
Company			
Other income	48,730	(5,459)	43,271
Raw materials and consumables	(2,281,611)	5,459	(2,276,152)

42. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 April 2012.

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43. 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 2011 into realised and unrealised 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 and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total retained profits of the Company and its subsidiaries				
- Realised	575,335	442,666	462,743	445,732
- Unrealised	27,092	45,535	14,007	18,632
	602,427	488,201	476,750	464,364
Total share of retained profits from associated companies				
- Realised	104,055	130,160	-	-
- Unrealised	(10,033)	(7,727)	-	-
Less:				
Consolidation adjustments	(78,487)	(40,821)	-	-
Retained profits as per financial statements	617,962	569,813	476,750	464,364

LIST OF LANDED PROPERTIES

Senarai Hartanah

Location	Description & Existing Use	Tenure & Expiry Date	Age of Buildings	Net Book Value @ 31 December 2011 RM	Date of Acquisition & Date of Revaluation
Selangor					
No. 2, Jalan Pasak Bumi, Bukit Jelutong, Seksyen U8 40510 Shah Alam Selangor	Vacant Land	Freehold	N/A	19,589,194.82	26 August 2006
Lot No. 3802, Batu 6 ² / ₄ Jalan Klinik, Bukit Kemuning Seksyen 32 40460 Selangor	Vacant Land	Freehold	N/A	11,430,000.00	22 September 2002 & 7 February 2005
Lot No. 66, Hicom Glenmarie Industrial Park (Phase 1) HS (D) 136183, PT No.1 Bandar Glenmarie Daerah Petaling Jaya Selangor	Building	Freehold	16	6,056,124.82	20 April 2004
Lot No. 8, Jalan 25/123 Seksyen 25, 40000 Shah Alam Selangor	Building	Freehold	14	3,297,410.68	20 April 1995 & 14 November 2005
Kedah					
Lot No. 1451 & 1452 Batu 18 ¹ / ₂ , Jalan Kodiang Mukim Padang Perahu Kubang Pasu 60000 Jitra, Kedah	Business Land & Building	Freehold	15	11,244,948.84	28 May 1996 & 11 September 2003
Kelantan					
Lot 37, Kawasan Perindustrian Pengkalan Chepa II Padang Tembak 1 16000 Kota Bharu Kelantan	Office & warehouse	Leasehold	N/A	4,517,208.82	29 April 2005
Johor					
PLO 442, Jalan Wawasan 16 Kaw. Perindustrian Sri Gading 2 83300 Batu Pahat Johor	Warehouse, Plant and Office Building	60 years 23 March 2065	3	1,016,486.00	24 March 2005 27 July 2009

LIST OF LANDED PROPERTIES

Senarai Hartanah

Location	Description & Existing Use	Tenure & Expiry Date	Age of Buildings	Net Book Value @ 31 December 2011 RM	Date of Acquisition & Date of Revaluation
Sabah & Sarawak					
Lot 193, Sedco Light Industrial Estate, Phase 2 Batu 3, Jalan Utara PPM No. 433 90000 Sandakan Sabah	Business Land & Building	31 December 2037	4	3,874,501.13	15 July 2004
Lot 85(A) Kompleks Perindustrian Sedco Likas, Lorong Mega 1 88995 Kolombong Inanam, Sabah	Business Land & Building	31 December 2034	6	9,132,115.95	31 December 2003
Level 8, Lot 2-8-1 & 2-8-2 Wisma San Hin Wawasan Plaza 88837 Kota Kinabalu Sabah	Building	1 January 2087	8	2,880,595.72	19 December 2003
Lot 1019 Kawasan Perindustrian Kidurong 97000 Bintulu Sarawak	Business Land & Building	9 May 2051	14	1.00	18 January 1996
No. 96-M, Lot 2654-2656 Block 195 KNLD, Jln Green 93150 Kuching, Sarawak	Building	April 2063	10	2,101,489.93	19 June 2003
Master Title CI045335082 At Lot 11B, Jalan 3 Kkip Timur Industrial Zone 13 (Iz.13) Kota Kinabalu Industrial Park (Kkip), Km 25 Jalan Tuaran 88450 Kota Kinabalu	Business Land & Building	31 December 2098	2	8,380,274.26	24 March 2009
Leasehold 99 Years Effective 01/01/2000 To 31/12/2098 1.619 Hectares (4.00 Acres) Deed Of Assignment 13 Feb 2009					

ANALYSIS OF SHAREHOLDINGS

Analisa Pegangan Saham
As at/pada 23 April 2012

Authorised capital : RM1,000,000,001.00
Issued & Paid up capital : RM470,401,501.00 consist of 470,401,500 ordinary shares of RM1.00 each and one (1) Special Rights Redeemable Preference Share of RM1.00

SUBSTANTIAL SHAREHOLDERS

Name	No. of shares held		%
	Direct	Indirect	
Tradewinds (M) Berhad ("TWM")	341,375,471	-	72.57
Perspective Lane (M) Sdn Bhd ("PL")	-	341,375,471	72.57 ⁽¹⁾
Felda Global Ventures Holdings Berhad	-	341,375,471	72.57 ⁽¹⁾
Kelana Ventures Sdn Bhd ("KV")	-	341,375,471	72.57 ⁽¹⁾
Restu Jernih Sdn Bhd ("RJSB")	-	341,375,471	72.57 ⁽²⁾
Tan Sri Dato' Seri Syed Mokhtar Shah Bin Syed Nor ("TSSM")	-	341,375,471	72.57 ⁽³⁾

(1) Deemed interested by virtue of its direct interest in TWM in accordance with Section 6A of the Act.

(2) Deemed interested by virtue of its interest in PL which in turn has interest in TWM in accordance with Section 6A of the Act.

(3) Deemed interested by virtue of TSSM interest in KV, Seaport Terminal (Johore) Sdn Bhd ("ST"), RJSB, PL and TWM in accordance with Section 6A of the Act. ST holds 12,070,000 (4.07%) TWM shares.

DISTRIBUTION SCHEDULES OF EQUITY

Category	No. of Holders	No. of Shares	%
Less than 100	654	26,921	0.01
100-1,000	1,056	865,664	0.18
1,001-10,000	6,471	19,215,330	4.08
10,001-100,000	639	16,552,900	3.52
100,001 to less than 5% issued shares	72	92,365,215	19.64
5% and above of issued shares	1	341,375,471	72.57

CATEGORY OF SHAREHOLDER FOR EACH CLASS

Category	No. of Holders	No. of Shares	%
Individuals	8,059	34,549,303	7.34
Banks/Finance companies	18	2,942,987	0.63
Trust/Foundation companies	43	19,203,506	4.08
Private/Limited Companies	151	3,499,970	0.74
Government Agencies/Institutions	3	16,413,006	3.49
Nominees	619	393,792,729	83.71

ANALYSIS OF SHAREHOLDINGS

Analisa Pegangan Saham

As at/pada 23 April 2012

TOP THIRTY (30) SHAREHOLDERS

No.	Names	No. of Shares Held	%
1	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TRADEWINDS (M) BERHAD</i>	341,375,471	72.57
2	AIBB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR BATU BARA RESOURCES CORPORATION SDN BHD</i>	20,096,000	4.27
3	PERTUBUHAN PELADANG KEBANGSAAN	17,472,006	3.71
4	PERSATUAN NELAYAN KEBANGSAAN (NEKMAT)	16,092,006	3.42
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR AMERICAN INTERNATIONAL ASSURANCE BERHAD</i>	9,048,300	1.92
6	HLG NOMINEE (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ILUSTRASI HIKMAT SDN BHD</i>	5,598,003	1.19
7	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB BANK FOR BATU BARA RESOURCES CORPORATION SDN BHD</i>	2,000,000	0.43
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR MAYBAN INVESTMENT MANAGEMENT SDN BHD (ISLAMIC)</i>	1,687,500	0.36
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>ING INSURANCE BERHAD</i>	1,604,800	0.34
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>ETIQA INSURANCE BERHAD (PAR FUND 2)</i>	987,900	0.21
11	AMANAH SAHAM MARA BERHAD	826,200	0.18
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>ING INSURANCE BERHAD</i>	770,000	0.16
13	BATU BARA SDN BHD	736,000	0.16
14	AMANAHRAYA TRUSTEES BERHAD <i>PUBLIC ISLAMIC SECTOR SELECT FUND</i>	730,000	0.16
15	BANK KERJASAMA RAKYAT MALAYSIA BERHAD	674,700	0.14
16	HSBC NOMINEES (ASING) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR BIMB I DIVIDEND FUND</i>	571,000	0.12
17	AMANAHRAYA TRUSTEES BERHAD <i>PUBLIC ISLAMIC TREASURE GROWTH FUND</i>	506,000	0.11
18	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR MORGAN STANLEY & CO. LLC</i>	495,000	0.11
19	BANK KERJASAMA RAKYAT MALAYSIA BERHAD	488,300	0.10
20	KOO HONG @ KU HONG HAI	450,000	0.10
21	ROSNI BINTI RAHMAT	448,000	0.10
22	TAN GIM HOE	397,500	0.08
23	ARUMUGAM A/L A PACKIRI	341,000	0.07
24	DB (MALAYSIA) NOMINEES (TEMPATAN) SENDIRIAN BERHAD <i>DEUTSCHE TRUSTEE MALAYSIA BERHAD FOR EASTSPRING INVESTMENT GROWTH FUND</i>	332,300	0.07
25	OSK NOMINEES (ASING) SDN BHD <i>DMG & PARTNERS SECURITIES PTE LTD FOR ESPOIR INVESTMENT PTE LTD</i>	323,500	0.07
26	OOI LI YING	319,500	0.07
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>MAYBAN TRUSTEES BERHAD FOR BIMB I GROWTH FUND</i>	317,000	0.07
28	MENTERI BESAR INCORPORATION	315,000	0.07
29	ECML NOMINEES (TEMPATAN) SDN BHD <i>VISITOR CHRISTIAN BROTHERS' SCHOOL MALAYSIA</i>	314,400	0.07
30	AMANAHRAYA TRUSTEES BERHAD <i>PUBLIC SELECT ALPHA – 30 FUND</i>	308,000	0.07

RICE BUSINESS/PERNIAGAAN BERAS

No.	Company/Syarikat	Address/Alamat	Contact/Talian
1	Bernas Production Sdn. Bhd. (428934-K)	Pejabat BERNAS Wilayah Utara Level 4, Souq Al-Bukhary Commercial Centre Jalan Langgar, Alor Setar, Kedah	TEL : 04-774 0100 FAX : 04-735 2944
2	Beras Corporation Sdn. Bhd. (480493-H)	Ibu Pejabat Wilayah Sabah Lot 2-8-2, 7th Floor Wisma San Hin Wawasan Plaza, Coastal Highway P.O. Box 13311, 88837 Kota Kinabalu, Sabah Ibu Pejabat Wilayah Sarawak No.96-M, Lot 2654-2656, Block 195 KNLD, Jalan Green 93150 Kuching, Sarawak	TEL : 088-257 510 FAX : 088-253 517 TEL : 082-243 002 FAX : 082-234 000
3	Ban Say Tong Sdn. Bhd. (100912-T)	No. 2, Jalan Pedada P.O. Box 28, 97007 Bintulu, Sarawak	TEL : 086-335 316 FAX : 086-355 317 / 002
4	Ban Heng Bee Holdings Sdn. Bhd. (690130-W)	450, 1st Floor, Jalan Raja, 05000 Alor Setar, Kedah	TEL : 04-735 5620 FAX : 04-730 6620
5	Edaran Bernas Nasional Sdn. Bhd. (390534-M)	Level 29, Menara HLA, No. 3, Jalan Kia Peng 50450 Kuala Lumpur	TEL : 03-2161 1803 FAX : 03-2161 1812
6	Era Bayam Kota Sdn. Bhd. (472357-P)	Lot PT 4154, Kawasan Perindustrian Pengkalan Chepa 11 Padang Tembak, 16100 Kota Bharu, Kelantan	TEL : 09-773 0878/5878 FAX : 09-744 7878
7	Hock Chiong Foodstuff Sdn. Bhd. (443434-K)	No. 17, Jalan Bank, 96000 Sibul, Sarawak	TEL : 084-330 476 FAX : 084-330 964
8	Jasmine Food Corporation Sdn. Bhd. (162356-H)	Lot No. 5, Jalan 25/124, Section 25 40000 Shah Alam, Selangor	TEL : 03-5122 3188 FAX : 03-5122 3288
9	Liansin Trading Sdn. Bhd. (516882-W)	Lot 2041, Section 66, Jalan Kisar, Bintawa Industrial Estate 93450 Kuching, Sarawak	TEL : 082-333 555 FAX : 082-335 599
10	OEL Realty Holding Sdn. Bhd. (395528-W)	Lot 54623, Jalan Kuala Kangsar, 31200 Ipoh, Perak	TEL : 05-291 5555 FAX : 05-291 2233
11	Sabarice Sdn. Bhd. (658854-M)	Lot 5, Likas Bharu (Nountun), Lorong Anggur Visa Industrial Estate, 88450 Kota Kinabalu, Sabah	TEL : 088-381 252/253 FAX : 088-433 539
12	Sazarice Sdn. Bhd. (385374-U)	Lot 85, Kompleks Perindustrian SEDCO Likas 88999 Kolombong, Inanam, Kota Kinabalu, Sabah	TEL : 088-433 586/640 FAX : 088-433 539
13	Serba Wangi Sdn. Bhd. (280872-A)	450, 1st Floor, Jalan Raja, 05000 Alor Setar, Kedah	TEL : 04-759 6620 FAX : 04-759 0264
14	Syarikat Faiza Sdn. Bhd. (247191-D)	PLO 442, Jalan Wawasan 16 Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor	TEL : 07-455 6900 FAX : 07-455 7900
15	Tong Seng Huat Rice Trading Sdn. Bhd. (439863-H)	58A, Merbau Road, 98000 Miri, Sarawak	TEL : 085-431 037 FAX : 085-415 643
16	YHL Holding Sdn. Bhd. (452413-V)	No. 39-45, Jalan P4/6, Bandar Teknologi Kajang Batu 18, Jalan Semenyih, 43500 Semenyih, Kajang, Selangor	TEL : 03-8724 3368/3792 FAX : 03-8724 3763

OTHER BUSINESS/PERNIAGAAN LAIN

No.	Company/Syarikat	Address/Alamat	Contact/Talian
1	Bernas Feedstuff Sdn. Bhd. (464527-U)	Lot PT 4132 & 4133, Kawasan Perindustrian Pengkalan Chepa II, Mukim Panchor, 16100 Kota Bharu, Kelantan	TEL : 09-773 3232 / 9000 FAX : 09-773 5112
2	Gardenia Bakeries (KL) Sdn. Bhd. (139386-X)	Lot 3, Jalan Pelabur 23/1, 40300 Shah Alam, Selangor	TEL : 03-5542 3228 FAX : 03-5542 3213
3	United Malayan Flour (1996) Sdn. Bhd (216546-T)	4826, Jalan Permatang Pauh, 13400 Butterworth Pulau Pinang	TEL : 04-333 2499 FAX : 04-331 7557

OVERSEAS VENTURES/PERNIAGAAN ANTARABANGSA

No.	Company/Syarikat	Address/Alamat	Contact/Talian
1	Irfan Noman Bernas (Pvt) Limited (K07127)	QNB House, Bahria Complex-1, Ground Gloor M.T. Khan Road, Karachi 74000, Pakistan	TEL : 00 9221-561 0132 FAX : 00 9221-561 0226

BERNAS RICE MILLS/KILANG BERAS BERNAS

No.	Company/Syarikat	Address/Alamat	Contact/Talian
Zon Perlis			
1	Arau	KBB Arau, 02600 Arau, Perlis	TEL : 04-986 4558 FAX : 04-986 3770
2	Utan Aji	KBB Utan Aji, 01000 Kangar, Perlis	TEL : 04-976 1133 FAX : 04-976 5155
3	Simpang Empat	KBB Simpang Empat, 02700 Simpang Empat, Perlis	TEL : 04-980 7244 FAX : 04-980 7191
4	Kuala Perlis	KBB Kuala Perlis, 02000 Kuala Perlis, Perlis	TEL : 04-985 4133 FAX : 04-985 5487
Zon Utara 1			
5	Kodiang	KBB Kodiang, 06100 Kodiang, Kedah	TEL : 04-925 5346 FAX : 04-925 2877
6	Megat Dewa	KBB Megat Dewa, 06510 Alor Setar, Kedah	TEL : 04-925 1349 FAX : 04-925 1679
7	Jitra	KBB Jitra, 06000 Jitra, Kedah	TEL : 04-917 1235 FAX : 04-917 3032
8	Pering	KBB Pering, Jalan Sanglang, 06000 Kodiang, Kedah	TEL : 04-925 2673 FAX : 04-925 3526
9	Kerpan	KBB Kerpan, 06510 Alor Setar, Kedah	TEL : 04-794 0228 FAX : 04-794 9671

BERNAS RICE MILLS/KILANG BERAS BERNAS (cont'd./samb.)

No.	Company/Syarikat	Address/Alamat	Contact/Talian
Zon Utara 2			
10	Jerlun	KBB Jerlun, 06150 Alor Setar, Kedah	TEL : 04-794 0229 FAX : 04-794 9669
11	Sungai Baru	KBB Sg. Baru, 06250 Alor Setar, Kedah	TEL : 04-733 0896 FAX : 04-733 2173
12	Kangkong	KBB Kangkong, 06650 Alor Setar, Kedah	TEL : 04-764 1278 FAX : 04-764 2137
13	Telok Kechai	KBB Telok Kechai, 06600 Kuala Kedah, Kedah	TEL : 04-762 1844 FAX : 04-762 1103
Zon Utara 3			
14	Guar Chempedak	KBB Guar Chempedak, 08800 Gurun, Kedah	TEL : 04-468 0694 FAX : 04-468 1618
15	Bukit Besar	KBB Bukit Besar, 06800 Alor Setar, Kedah	TEL : 04-769 1297 FAX : 04-769 3414
16	Bukit Raya	KBB Bukit Raya, 06700 Pendang, Kedah	TEL : 04-759 6227 FAX : 04-759 7429
17	Sungai Limau	KBB Sungai Limau, 06910 Yan, Kedah	TEL : 04-769 3616 FAX : 04-769 3617
18	Paya Keladi	KBB Paya Keladi, 13200 Kepala Batas, Pulau Pinang	TEL : 04-575 7558 FAX : 04-575 1148
Zon Perak			
19	Sungai Manik	KBB Sungai Manik, 36000 Telok Intan, Perak	TEL : 05-623 4542 FAX : 05-621 2551
20	Changkat Lada	KBB Changkat Lada, 36800 Kampong Gajah, Perak	TEL : 05-655 1872 FAX : 05-655 1875
21	Sungai Ranggam	KBB Sungai Ranggam, 36800 Kampong Gajah, Perak	TEL : 05-655 1428 FAX : 05-655 1608
22	Simpang Lima	KBB Simpang Lima, 34200 Parit Buntar, Perak	TEL : 05-716 1279 FAX : 05-716 4795
Zon Tengah			
23	Sungai Besar	KBB Sungai Besar, 45300 Sungai Besar, Selangor	TEL : 03-3224 2204 FAX : 03-3224 1601
24	Kuala Rompin	KBB Rompin, 26800 Kuala Rompin, Pahang	TEL : 09-414 6575 FAX : 09-414 5793

BERNAS RICE MILLS/KILANG BERAS BERNAS (cont'd./samb.)

No.	Company/Syarikat	Address/Alamat	Contact/Talian
Zon Tengah			
25	Seri Tiram Jaya	KBB Seri Tiram Jaya, 45500 Tanjung Karang, Selangor	TEL : 03-3269 8101 FAX : 03-3269 8568
26	Sekinchan	KBB Sekinchan, 45400 Sekinchan, Selangor	TEL : 03-3241 0001 FAX : 03-3241 1300
31	Bagan Terap	KBB Bagan Terap, 45300 Sungai Besar, Selangor	TEL : 03-3216 4240 FAX : 03-3224 7025/1601
Zon Timur			
23	Tumpat	KBB Tumpat, 16200 Tumpat, Kelantan	TEL : 09-725 7377 FAX : 09-725 7334
24	Peringat	KBB Peringat, 16400 Melor, Kota Bharu, Kelantan	TEL : 09-712 8389 FAX : 09-712 7310
25	Pasir Putih	KBB Pasir Putih, 16800 Pasir Putih, Kelantan	TEL : 09-786 6330 FAX : 09-786 9927
26	Bukit Kenak	KBB Bukit Kenak, 22000 Jerneh, Terengganu	TEL : 09-697 1221 FAX : 09-697 1412
Bahagian Pengurusan Benih			
32	Langgar	KBB Langgar, 06650 Langgar, Kedah	TEL : 04-787 6571 FAX : 04-787 7116

BERNAS DISTRIBUTION CENTRES/WAREHOUSES/PUSAT PENGEDARAN/GUDANG BERNAS

No.	Company/Syarikat	Address/Alamat	Contact/Talian
Central/Tengah			
1	Gudang BSS 1	Lot 30, Lengkongan Sultan Hishamuddin 1 Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor	TEL : 03-3176 0361 FAX : 03-3176 0375
2	Gudang BSS 2 (Century 1)	No. 7, Jalan Hishamuddin 2, Kawasan 20 42000 Pelabuhan Klang, Selangor	TEL : 03-3176 4763 FAX : 03-3176 4791
3	Gudang EBN	Lot 30, Lengkongan Sultan Hishamuddin 1 Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor	TEL : 03-3176 3311 FAX : 03-3176 2154
4	Gudang Century 2 (DC4)	Lot 4, Solok Sultan Hishamuddin 8, Kawasan 20 Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor	TEL : 03-3176 0739 FAX : 03-3176 0740
5	Gudang Markono	Lot 12, Jalan Sultan Mohamad 6, Kawasan Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor	TEL : 03-3176 0214 FAX : 03-3176 0224
6	Gudang ITG	PT 119979 & 119980, Jalan Canang Emas, 8/KS10 Telok Gong, 42000 Pelabuhan Klang, Selangor	TEL : 03-3167 3520 FAX : 03-3167 3526

BERNAS DISTRIBUTION CENTRES/WAREHOUSES/PUSAT PENGEDARAN/GUDANG BERNAS (cont'd./samb.)

No.	Company/Syarikat	Address/Alamat	Contact/Talian
Central/Tengah (cont'd./samb.)			
7	Gudang Tamadam	Lot 23, Solok Hishamuddin 4 Kawasan Perusahaan Selat Kelang Utara 42000 Pelabuhan Klang, Selangor	TEL : 03-3176 0739 FAX : 03-3176 0740
8	Gudang Global Grit	Lot 11778 & 11780, Jalan Mata Ikan Duyung Telok Gong, 42000 Pelabuhan Klang, Selangor	TEL : 03-3134 1243 FAX : 03-3134 1242
9	Gudang BSS 4 (Gubahan Jaya)	Lot 8980, Jalan Ikan Bawal, Off Jalan Telok Gong 42000 Pelabuhan Klang, Selangor	TEL : 03-3167 3520 FAX : 03-3167 3526
10	Gudang BERNAS Gebeng	Gudang Gebeng 2, Lot 63-66, Jalan Gebeng 1/6 Kaw. Perindustrian Gebeng, Kuantan, Pahang	TEL : 09-5833 632 FAX : 09-5833 445
North/Utara			
11	Gudang BERNAS PR/DC (1,2)	Lot 331, MK 1, Solok Perusahaan 4 Perindustrian Perai, Seberang Prai Tengah 13600 Prai, Pulau Pinang	TEL : 04-397 3287 FAX : 04-397 2148
12	Gudang BERNAS PR/DC (3,4,5)	Lot 331, MK 1, Solok Perusahaan 4 Perindustrian Perai, Seberang Prai Tengah 13600 Prai, Pulau Pinang	TEL : 04-399 0801 FAX : 04-397 2148
13	Gudang BERNAS PR/RAY (A&B)	2521, Tingkat Perusahaan 6, Perai Industrial Estate 13600 Prai, Pulau Pinang	TEL : 04-398 7923 FAX : 04-398 7904
14	Gudang BERNAS PR/RAY (C&D)	Mukim 1, 1026 Lorong Perusahaan 2 Kawasan Perindustrian Prai, Seberang Prai Tengah 13600 Prai, Pulau Pinang	TEL : 04-390 0566 FAX : 04-390 0584
Pasir Gudang			
15	Gudang BERNAS PGU/DC (1,2,3,4,5)	Lot 86, Jalan Pasir Putih 81707 Pasir Gudang, Johor	TEL : 07-252 9798 FAX : 07-251 5457
16	Gudang BERNAS PGU/JYP-A	Lot 259, Jalan Tembaga 2, Pasir Gudang Industrial Area 81700 Pasir Gudang, Johor	TEL : 07-254 6195 FAX : 07-254 6196
17	Gudang BERNAS PGU/JYP-B	Lot 306, Jalan Tembaga 2, Pasir Gudang Industrial Area 81700 Pasir Gudang, Johor	TEL : 07-254 6195 FAX : 07-254 6196
18	Gudang PGU/DN	Plot 271, Jalan Gangsa 81700 Pasir Gudang, Johor	TEL : 07-251 5300 FAX : 07-251 5300
19	Gudang BERNAS PGU/USB-A	Blok A, HSD 444056, PTD 194763 Mukim Plentong, Johor Bahru, Johor	TEL : 07-386 1581 FAX : 07-386 1582
20	Gudang Pasir Gudang	Blok B, HSD 444056, PTD 194763 Mukim Plentong, Johor Bahru, Johor	TEL : 07-386 1581 FAX : 07-386 1582

BERNAS DISTRIBUTION CENTRES/WAREHOUSES/PUSAT PENGEDARAN/GUDANG BERNAS (cont'd./samb.)

No.	Company/Syarikat	Address/Alamat	Contact/Talian
Pasir Gudang (cont'd./samb.)			
21	Gudang Lendu A & B (EBN)	Lot 451, Mukim Kelemak, 78000 Alor Gajah, Melaka	TEL : 06-556 2868 FAX : 06-556 2505
22	Gudang Kempas A, B & C (EBN)	Lot 6600, Jalan Kempas Baru, 81200 Johor	TEL : 07-234 4526 FAX : 07-254 4527
23	Gudang Chendering A & B (EBN)	Gudang EBN, Jalan Kubang Ikan, 21080 Kuala Terengganu Terengganu	TEL : 09-616 1551 FAX : 09-616 1552
24	Gudang Bukit Raya (BERNAS)	Lot PT S28 & 30, Mukim Bukit Raya, Pendang, Kedah	TEL : 04-759 6227 FAX : 04-759 7429
Sabah			
1	Gudang Kota Kinabalu (1)	Gudang Bandar (B5), Kota Kinabalu, Sabah	TEL : 088-423 267 FAX : 088-422 322
2	Gudang Kota Kinabalu (2)	BCSB, Lot 85, Komplek Perindustrian Sedco Likas Inanam Kota Kinabalu, Sabah	TEL : 088-423 267 FAX : 088-422 322
3	Gudang Kota Kinabalu (3)	BCSB, Batu 17½, Kg Nongkolod, Jalan Tuaran Tuaran, Sabah	TEL : 088-423 267 FAX : 088-422 322
4	Gudang Sandakan (1)	BCSB, Gdg By 3 ABC, Jalan Bomba, Bt 3, Jalan Labuk Sandakan, Sabah	TEL : 089-213 500 FAX : 089-219 311
5	Gudang Sandakan (2)	BCSB, Gdg Bandar JKR, Jalan Dewan Masyarakat Sandakan, Sabah	TEL : 089-213 500 FAX : 089-219 311
6	Gudang Tawau	BCSB, TB 1774, Gdg Apas, KM 5.5, Jalan Apas Tawau, Sabah	TEL : 089-911 017 FAX : 089-912 952
7	Gudang Lahad Datu	BCSB, MDLD 2637 KK 5, Jln Kastam Baru Lahad Datu, Sabah	TEL : 089-881 452 FAX : 089-881 411
8	Gudang Labuan	BCSB, Lot 12, Jln Arshat Ranca-Ranca Wilayah Persekutuan Labuan	TEL : 087-424 493 FAX : 087-421 929
9	Gudang Kudat	BCSB, Jln Pantai Bandar, WDT 33, Kudat, Sabah	TEL : 088-612 987 FAX : 088-621 214
Sarawak			
1	Gudang Kuching	BCSB, Lot 895, Jalan Belian Biawak, Kuching, Sarawak	TEL : 082-349 672 FAX : 082-343 745
2	Gudang Sibu	BCSB, Lot 478, Jalan Lanang Ulu, Sibu, Sarawak	TEL : 084-212 733 FAX : 084-216 251
3	Gudang Bintulu	BCSB, Lot 1019, Kaw. Perindustrian Kidurong, Sarawak	TEL : 086-253 934 FAX : 086-253 842

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 18th Annual General Meeting ("AGM") of Padiberas Nasional Berhad ("the Company") will be held at Mutiara Ballroom 1, Ballroom Level, Hotel Istana Kuala Lumpur, Jalan Raja Chulan, 50200 Kuala Lumpur on Monday, 25 June 2012 at 10.00 a.m. for the following purposes:-

As Ordinary Business, to consider and if thought fit, to pass the following resolutions:

Ordinary Resolutions

- | | |
|--|---------------------------|
| 1. "THAT the Audited Financial Statements of the Company for the financial year ended 31 December 2011 and the Directors' Report and Auditors' Report thereon be and are hereby received." | Refer to Explanatory Note |
| 2. "THAT the final dividend of 5% less tax of 25% for the financial year ended 31 December 2011 be and is hereby approved and declared payable on 13 July 2012 to the members of the Company registered at the close of business on 29 June 2012." | Resolution 1 |
| 3. "THAT Dato' Dr. Mohd Irwan Serigar bin Abdullah, who was appointed after the last AGM and retires pursuant to Article 110 (2) of the Company's Articles of Association, be and is hereby re-elected a Director of the Company." | Resolution 2 |
| 4. "THAT YB Dato' Abdul Rahman bin Datuk Haji Dahlan, who retires in accordance with Article 115 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company." | Resolution 3 |
| 5. "THAT Dato' Wira Syed Abdul Jabbar bin Syed Hassan, a Director whose office shall become vacant at the conclusion of this AGM pursuant to Section 129 (2) of the Companies Act, 1965 ("Act") be and is hereby re-appointed as a Director of the Company pursuant to Section 129 (6) of the Act, to hold office until the conclusion of the next AGM." | Resolution 4 |
| 6. Notice of Nomination pursuant to Section 172 (11) of the Act, a copy of which is included in the Annual Report 2011 has been received by the Company for the nomination of Messrs Ernst & Young, who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolutions:- | |
| "THAT Messrs Ernst & Young be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs Hanafiah Raslan & Mohamad and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors." | Resolution 5 |

As Special Business, to consider and if thought fit, to pass the following resolutions:

Ordinary Resolution

- Proposed Shareholders' Mandate for the Company and its subsidiary Companies ("BERNAS Group") to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature specified in the Circular to Shareholders dated 30 May 2012:

"THAT the approval be and is hereby given to the BERNAS Group to enter into the recurrent related party transactions of a revenue or trading in nature specified and set out in Section 3.2 of the Circular ("Mandate") provided that such transactions are (i) in the ordinary course of business and necessary for day-to-day operations of the BERNAS Group and (ii) on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company AND THAT unless revoked or varied by the resolutions of the shareholders of the Company in general meeting, the Mandate shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the said Act) whichever is earlier.

AND FURTHER THAT the BERNAS Group be and are hereby authorised to enter into and execute all such agreements, instruments, documents and deeds and to do all acts, deeds and things necessary, expedient and advisable for and in respect of the Mandate and the transactions contemplated and/or authorised by the Mandate".

NOTICE OF BOOK CLOSURE AND NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT shareholders who are registered in the Record of Depositors at the close of business on 29 June 2012 shall be entitled to the final dividend which will be paid on 13 July 2012.

A depositor shall qualify for entitlement to the dividend only in respect of:

- (i) Shares transferred into the Depositors' Securities Account before 4.00 p.m. on 29 June 2012 in respect of ordinary transfers.
- (ii) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

NASLIZA BINTI MOHD NASIR (LS0008653)
Company Secretary
Kuala Lumpur
30 May 2012

Resolution 6

Explanatory Notes on Resolutions:

Agenda 1

This Agenda item is for discussion only under the provisions of Section 169(1) of the Companies Act, 1965 and Company's Articles of Association, the audited financial statements do not require the formal approval of shareholders and hence, the matter will not be put forward for voting.

Resolution 6

For further information, please refer to the Circular to Shareholders dated 30 May 2012 accompanying this Annual Report 2011.

Proxy:

- i. In respect of deposited securities only members whose names appear in the Record of Depositors on 19 June 2012 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 18th AGM.
- ii. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- iii. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- iv. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorised.
- v. The instrument appointing a proxy must be deposited at the Share Registrar's office, Shareworks Sdn Bhd of No.10-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur not less than forty eight (48) hours before the meeting.

NOTIS MESYUARAT AGUNG TAHUNAN

DENGAN INI DIMAKLUMKAN BAHAWA Mesyuarat Agung Tahunan Padiberas Nasional Berhad ("Syarikat") yang ke-18 akan diadakan di Mutiara Ballroom 1, Ballroom Level, Hotel Istana Kuala Lumpur, Jalan Raja Chulan, 50200 Kuala Lumpur pada hari Isnin, 25 Jun 2012 jam 10.00 pagi, bagi tujuan berikut:-

Sebagai Urusan Biasa, untuk pertimbangan dan jika difikirkan wajar, meluluskan resolusi-resolusi berikut:

Resolusi-resolusi Biasa

- | | |
|--|---------------------------------|
| 1. "BAHAWA Penyata Kewangan Yang Telah Diaudit bagi tahun kewangan berakhir 31 Disember 2011 beserta Laporan Pengarah dan Juruaudit mengenainya diterima." | Rujuk kepada
Nota Penerangan |
| 2. "BAHAWA dividen akhir sebanyak 5% ditolak cukai 25% bagi tahun kewangan berakhir 31 Disember 2011 diluluskan dan dibayar pada 13 Julai 2012 kepada pemegang saham Syarikat yang berdaftar pada 29 Jun 2012." | Resolusi 1 |
| 3. "BAHAWA Dato' Dr. Mohd Irwan Serigar bin Abdullah, yang dilantik selepas Mesyuarat Agung Tahunan yang lalu dan bersara menurut Artikel 110 (2), Tataurusan Syarikat, dengan ini dilantik semula sebagai Pengarah Syarikat." | Resolusi 2 |
| 4. "BAHAWA YB Dato' Abdul Rahman bin Datuk Haji Dahlan, yang bersara menurut Artikel 115, Tataurusan Syarikat, dengan ini dilantik semula sebagai Pengarah." | Resolusi 3 |
| 5. "BAHAWA Dato' Wira Syed Abdul Jabbar bin Syed Hassan, Pengarah yang mana jawatannya dikosongkan pada berakhirnya Mesyuarat Agung Tahunan ini menurut Seksyen 129(2) Akta Syarikat, 1965 ("Akta Syarikat"), dengan ini dilantik semula menurut Seksyen 129(6), Akta Syarikat sebagai Pengarah Syarikat dan kekal sebagai Pengarah sehingga berakhirnya tempoh Mesyuarat Agung Tahunan yang akan datang." | Resolusi 4 |
| 6. Sesalanan notis penamaan menurut Seksyen 172 (11), Akta Syarikat disertakan di dalam Laporan Tahunan 2011 ini yang diterima oleh Syarikat bagi penamaan Tetuan Ernst & Young, yang telah memberikan persetujuannya untuk dilantik sebagai Juruaudit dan untuk pertimbangan resolusi biasa berikut:

"Bahawa Tetuan Ernst & Young, dilantik Juruaudit Syarikat menggantikan Tetuan Hanafiah Raslan dan Mohamad untuk memegang jawatan sehingga berakhirnya Mesyuarat Agung Tahunan yang akan datang dan memberi kuasa kepada para Pengarah untuk menetapkan imbuhan mereka." | Resolusi 5 |

Sebagai Urusan Khas, untuk pertimbangan dan jika difikirkan wajar, meluluskan resolusi-resolusi berikut:

Resolusi Biasa

- Cadangan Mandat daripada Pemegang-Pemegang Saham bagi Membenarkan Syarikat dan Subsidiarinya ("Kumpulan BERNAS") untuk Memasuki Transaksi yang Berulang yang Melibatkan Pihak Berkaitan yang Menjana Hasil atau Perdagangan sepertimana yang dinyatakan di dalam Pekeliling kepada Pemegang-Pemegang Saham bertarikh 30 Mei 2012:

“BAHAWA kelulusan diberikan kepada Syarikat untuk memasuki transaksi berulang yang menjana hasil atau perdagangan dengan pihak yang berkaitan sebagaimana yang dinyatakan pada Seksyen 3.2, Pekeliling kepada Pemegang-Pemegang Saham bertarikh 30 Mei 2012 yang diperlukan untuk urusan biasa dan urusan niaga harian Syarikat (“Mandat”) dengan syarat (i) transaksi adalah di dalam urusan niaga biasa Kumpulan BERNAS dan (ii) berasaskan terma-terma perdagangan biasa yang tidak memberi sebarang kelebihan kepada pihak berkaitan berbanding dengan terma-terma umum yang biasa tersedia bagi orang awam dan tidak menjejaskan pemegang-pemegang saham minoriti Syarikat DAN BAHAWA melainkan dibatalkan atau dipinda menerusi resolusi yang diluluskan oleh pemegang saham dalam mesyuarat agung, Mandat ini akan berkuatkuasa sehingga Mesyuarat Agung Tahunan Syarikat yang akan datang atau berakhirnya tempoh di mana Mesyuarat Agung Tahunan Syarikat sepatutnya diadakan menurut Seksyen 143, Akta Syarikat, 1965 (“Akta”) (tetapi tempoh lanjutan tidak boleh melebihi tempoh yang dibenarkan di dalam Akta tersebut).”

DAN SETERUSNYA BAHAWA Kumpulan BERNAS diberi kuasa untuk memasuki dan menandatangani semua perjanjian, suratcara, dokumen dan surat ikatan dan melaksanakan tindakan, perbuatan dan perkara yang perlu, bermanfaat dan baik bagi dan berkenaan Mandat dan memberi kesan kepada urusan niaga yang dinyatakan di dan/atau sepertimana yang dibenarkan oleh Mandat ini”.

NOTIS PENUTUPAN BUKU DAN NOTIS KELAYAKAN DIVIDEN

NOTIS INI TURUT MEMAKLUMKAN BAHAWA, pemegang saham yang berdaftar dalam Rekod Pendeposit pada penutupan perniagaan pada 29 Jun 2012 adalah layak untuk menerima dividen akhir yang akan dibayar pada 13 Julai 2012.

Pendeposit layak untuk menerima dividen berhubung dengan:

- (i) Saham-saham yang dipindahkan ke dalam Akaun Sekuriti Pendeposit sebelum jam 4.00 petang pada 29 Jun 2012 berhubung dengan pindahan biasa.
- (ii) Saham-saham yang dibeli di Bursa Malaysia Securities Berhad atas dasar hak bersama mengikut peraturan-peraturan yang ditetapkan oleh Bursa Malaysia Securities Berhad.

DENGAN PERINTAH LEMBAGA

NASLIZA BINTI MOHD NASIR (LS0008653)

Setiausaha Syarikat
Kuala Lumpur
30 Mei 2012

Resolusi 6

Nota Penerangan Resolusi:

Agenda 1

Agenda ini adalah untuk perbincangan sahaja di bawah peruntukan Seksyen 169(1), Akta Syarikat, 1965 dan Artikel Syarikat, Penyata Kewangan Yang Telah DiAudit tidak memerlukan kelulusan daripada Pemegang Saham. Oleh itu, agenda ini tidak dikemukakan untuk pengundian.

Resolusi 6

Untuk maklumat sepenuhnya, rujuk pada Pekeliling kepada Pemegang-Pemegang Saham bertarikh 30 Mei 2012 yang disertakan bersama Laporan Tahunan 2011 ini.

Proksi:

- i. Berkenaan dengan sekuriti, yang didepositkan, ahli-ahli yang nama mereka tersenarai dalam Rekod Pendeposit pada 19 Jun 2012 (Rekod Pendeposit Mesyuarat Agung) yang berhak menghadiri, bercakap dan mengundi di Mesyuarat Agung ke 18 ini.
- ii. Seseorang Pemegang saham Syarikat yang layak hadir dan mengundi adalah layak untuk melantik seorang proksi atau tidak melebihi dua (2) orang proksi untuk menghadiri dan mengundi bagi pihaknya. Proksi tidak semestinya pemegang saham Syarikat.
- iii. Apabila seseorang pemegang saham melantik dua (2) orang proksi, perlantikan tersebut akan menjadi tidak sah kecuali nisbah pegangan beliau yang akan diwakili oleh setiap proksi dinyatakan.
- iv. Suratcara perlantikan proksi mestilah dibuat secara bertulis di bawah tandatangan orang yang melantik atau peguamnya yang telah diberi kuasa sewajarnya secara bertulis atau jika pihak yang melantik itu sebuah perbadanan, sama ada dimeterai rasmi atau ditandatangani oleh pegawai atau peguam yang dilantik yang telah diberi kuasa.
- v. Suratcara perlantikan proksi mestilah dihantar ke Pendaftar Saham, Shareworks Sdn Bhd beralamat di No.10-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur tidak lewat dari empat puluh lapan (48) jam sebelum bermulanya mesyuarat atau sebarang penangguhannya.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Paragraph 8.27(2) of the Main Market Requirement of Bursa Malaysia Securities Berhad)

1. Dato' Dr. Mohd Irwan bin Abdullah was appointed on 26 August 2011 and is seeking for re-election at the 18th Annual General Meeting of the Company. His profile is set out in the Profile of Directors on page 19.
2. YB Dato' Abdul Rahman bin Datuk Haji Dahlan was appointed on 15 October 2002 and is seeking for re-election at the 18th Annual General Meeting of the Company. His profile is set out in the Profile of Directors on page 22.
3. Dato' Wira Syed Abdul Jabbar bin Syed Hassan was appointed on 10 July 2006 and who is over the age of 70 years is seeking for re-appointment at the 18th Annual General Meeting pursuant to the Companies Act, 1965. His profile is set out in the Profile of Directors on page 16.

Penyata yang Disertakan Bersama Notis Mesyuarat Agung Tahunan

(Para 8.27(2), Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad)

1. Dato' Dr. Mohd Irwan bin Abdullah dilantik pada 26 Ogos 2011 dan menawarkan diri untuk dilantik semula pada Mesyuarat Agung Tahunan Syarikat ke-18. Profil beliau dirujuk pada mukasurat 19.
2. YB Dato' Abdul Rahman bin Datuk Haji Dahlan dilantik pada 15 Oktober 2002 dan menawarkan diri untuk dilantik semula pada Mesyuarat Agung Tahunan Syarikat ke-18. Profil beliau dirujuk pada mukasurat 22.
3. Dato' Wira Syed Abdul Jabbar bin Syed Hassan dilantik pada 10 Julai 2006, kini berusia lebih 70 tahun menawarkan diri untuk dilantik semula pada Mesyuarat Agung Tahunan Syarikat ke-18 menurut Akta Syarikat, 1965. Profil beliau dirujuk pada mukasurat 16.



Level 12, Menara HLA,
No. 3, Jalan Kia Peng, 50450 Kuala Lumpur.
Tel : 603-2179 7777 Fax : 603-2179 7730

Date: 15 MAY 2012

The Board of Directors
Padiberas Nasional Berhad
Level 31, Menara HLA
No.3, Jalan Kia Peng
50450 Kuala Lumpur.

Dear Sirs,

NOTICE OF NOMINATION OF MESSRS. ERNST & YOUNG AS AUDITORS

We hereby give notice, pursuant to Section 172(11) of the Companies Act, 1965 of our nomination of Messrs. Ernst & Young as auditors of the Company in place of the retiring auditors, Messrs. Hanafiah Raslan & Mohamad, and our intention to propose the following resolution as an ordinary resolution at the next Annual General Meeting of the Company:-

CHANGE OF AUDITORS

"THAT Messrs. Ernst & Young be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs. Hanafiah Raslan & Mohamad and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Yours faithfully,
for **Tradewinds (M) Berhad**

A handwritten signature in black ink, appearing to read "Bakry Bin Hamzah".

BAKRY BIN HAMZAH
Group Managing Director

PROXY FORM

Borang Proksi

Total number of proxy(ies) appointed Jumlah proksi dilantik		
Proportion of his holding to be presented by each proxy Pegangan saham yang diwakilkan kepada setiap proksi	Proxy 1 %	Proxy 2 %
Total number of ordinary shares held Jumlah Pegangan Saham Biasa		
CDS Account No. No Akaun CDS		

I/We/Saya/Kami _____
(NAME AS PER NRIC/PASSPORT/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS) / (NAMA SEPERTI TERTERA PADA KAD PENGENALAN/PASPORT/SIJIL PENDAFTARAN SYARIKAT DALAM HURUF BESAR)

(NEW NRIC NO/ NO KAD PENGENALAN BARU) _____ (OLD NRIC NO/ NO KAD PENGENALAN LAMA) _____

(PASSPORT NO/ NO PASPORT) _____ (COMPANY NO/ NO SYARIKAT) _____

of address/ beralamat _____

being a member of PADIBERAS NASIONAL BERHAD hereby appoint/ sebagai pemegang saham PADIBERAS NASIONAL BERHAD dengan ini melantik _____

(NAME AS PER NRIC/PASSPORT IN CAPITAL LETTERS) / (NAMA SEPERTI TERTERA PADA KAD PENGENALAN/PASPORT DALAM HURUF BESAR)

with (NEW NRIC NO/ NO KAD PENGENALAN BARU) _____ (OLD NRIC NO/ NO KAD PENGENALAN LAMA) _____

(PASSPORT NO/ NO PASPORT) _____ of address/ beralamat _____

or failing him/her/ atau ketiadaan beliau _____

(NAME AS PER NRIC/PASSPORT IN CAPITAL LETTERS) / (NAMA SEPERTI TERTERA PADA KAD PENGENALAN/PASPORT DALAM HURUF BESAR)

with (NEW NRIC NO/ NO KAD PENGENALAN BARU) _____ (OLD NRIC NO/ NO KAD PENGENALAN LAMA) _____

(PASSPORT NO/ NO PASPORT) _____ of address/ beralamat _____

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us on my/our behalf at the 18th Annual General Meeting of Padiberas Nasional Berhad ("the Company") to be held at **Mutiara Ballroom 1, Ballroom Level, Hotel Istana Kuala Lumpur, Jalan Raja Chulan, 50200 Kuala Lumpur on Monday, 25 June 2012 at 10.00 a.m.** and at any adjournment thereof, in the manner indicated below:-
atau ketiadaan beliau, Pengerusi sebagai proksi saya/kami, untuk mengundi bagi pihak saya/kami pada Mesyuarat Agung Tahunan Padiberas Nasional Berhad ("Syarikat") yang ke-18 yang akan diadakan di **Mutiara Ballroom 1, Ballroom Level, Hotel Istana Kuala Lumpur, Jalan Raja Chulan, 50200 Kuala Lumpur pada hari Isnin, 25 Jun 2012 jam 10.00 pagi** dan mana-mana penangguhannya, mengundi seperti berikut:-

Audited Financial Statements and the Reports of the Directors and Auditors for the financial year ended 31 December 2011 – discussion only. Penyata Kewangan Yang Telah DiAudit berserta Laporan Pengarah dan Juruaudit bagi tahun kewangan berakhir 31 Disember 2011 – perbincangan sahaja.		
Ordinary Resolutions Resolusi Biasa	For Setuju	Against Menentang
Declaration of Final Dividend Pengisytiharan Dividen Akhir (Resolution 1)		
Re-election of Dato' Dr. Mohd Irwan Serigar bin Abdullah as Director pursuant to Article 110(2) of the Company's Articles of Association. Pemilihan semula Dato' Dr. Mohd Irwan Serigar bin Abdullah sebagai Pengarah menurut Artikel 110(2), Tataurusan Syarikat. (Resolution 2)		
Re-election of YB Dato' Abdul Rahman bin Datuk Haji Dahlan as Director pursuant to Article 115 of the Company's Articles of Association. Pemilihan semula YB Dato' Abdul Rahman bin Datuk Haji sebagai Pengarah menurut Artikel 115, Tataurusan Syarikat. (Resolution 3)		
Re-appointment of Dato' Wira Syed Abdul Jabbar bin Syed Hassan as Director pursuant to Section 129(6) of the Companies Act, 1965. Perlantikan semula Dato' Wira Syed Abdul Jabbar bin Syed Hassan menurut Seksyen 129(6), Akta Syarikat, 1965. (Resolution 4)		
Appointment of Auditors. Perlantikan Juruaudit. (Resolution 5)		
Proposed Shareholders' Mandate for the Company and its Subsidiary Companies (BERNAS Group) to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature specified in the Circular to Shareholders dated 30 May 2012. Cadangan Mandat Pemegang Saham Membenarkan Syarikat Memasuki Transaksi Berulang Dengan Pihak Berkaitan sepertimana yang dinyatakan di dalam Pekeliling Kepada Pemegang Saham bertarikh 30 Mei 2012. (Resolution 6)		

(Please indicate with "X" how you wish to cast your vote/ Sila tandakan "X" pada ruangan yang disediakan)

Dated this/ bertarikh _____ 2012

Signature/Seal/ Tandatangan/Meterai

Notes:-

- i. In respect of deposited securities only members whose names appear in the Record of Depositors on 19 June 2012 (General Meeting Record of Depositors) shall entitled to attend, speak and vote at this 18th AGM.
- ii. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- iii. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- iv. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorised.
- v. The instrument appointing a proxy must be deposited at the Share Registrar's office, Shareworks Sdn Bhd of No.10-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur not less than forty eight (48) hours before the meeting.

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Nota:-

- i. Berkaitan dengan deposit sekuriti, hanya ahli-ahli Syarikat yang nama tertera di dalam Rekod Pendeposit pada 19 Jun 2012 (Rekod Pendeposit Mesyuarat Agung) yang layak hadir, bercakap dan mengundi di Mesyuarat Agung ke 18 ini.
- ii. Seseorang ahli Syarikat yang layak hadir dan mengundi adalah layak untuk melantik seorang proksi atau tidak melebihi dua (2) orang proksi untuk menghadiri dan mengundi bagi pihaknya. Proksi tidak semestinya pemegang saham Syarikat.
- iii. Apabila seseorang pemegang saham melantik dua (2) orang proksi, perlantikan tersebut akan menjadi tidak sah kecuali nisbah pegangan beliau yang akan diwakilkan oleh setiap proksi dinyatakan.
- iv. Suratcara perlantikan proksi mestilah dibuat secara bertulis di bawah tandatangan orang yang melantik atau peguamnya yang telah diberi kuasa sewajarnya secara bertulis atau jika pihak yang melantik itu sebuah perbadanan, sama ada dimeterai rasmi atau ditandatangani oleh pegawai atau peguam yang dilantik yang telah diberi kuasa.
- v. Suratcara perlantikan proksi mestilah dihantar ke Pendaftar Saham, Shareworks Sdn Bhd beralamat di No.10-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur tidak lewat dari empat puluh lapan (48) jam sebelum bermulanya mesyuarat atau sebarang penangguhannya.

STAMP
SETEM

PADIBERAS NASIONAL BERHAD
c/o Share Registrar
Shareworks Sdn. Bhd.
No. 10-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur

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