

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

2.20 Financial assets (cont'd.)

(d) Available-for-sale financial assets

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

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

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

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

The Group and the Company have classified their investments in securities as available-for-sale financial assets. The Company has also classified its investments in subsidiaries as available-for-sale financial assets.

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 gains or losses 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 market place concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date the Group and the Company commit to purchase or sell the asset.

2.21 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 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.

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

2.21 Impairment of financial assets (cont'd)

(a) Trade and other receivables carried at amortised cost (cont'd.)

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 renewal date. The amount of reversal is recognised in profit or loss.

(b) Unquoted equity security carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

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

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

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

2.22 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 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. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

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

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

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

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

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

2.22 Financial liabilities (cont'd.)

(b) Other financial liabilities

The Group's and the Company's financial liabilities include trade payables and other payables. All financial liabilities of the Group and of the Company are classified as other financial liabilities and as summarised in Note 22.

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.

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.

2.23 Leases

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. Leased 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.

2.24 Segment reporting

The principal activities of the Group are the cultivation of oil palms, production and sale of fresh fruit bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia. The management of the Company regularly reviews the segment performance. Additional disclosures on the segment is shown in Note 27, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of 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.

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

2.26 Fair value measurement

The Group and the Company measure certain of their financial instruments and non-financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial instruments takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities.
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Board of Directors ("the Board") determines the policies and procedures for both recurring fair value measurement, such as biological assets and unquoted available-for-sale financial assets (investments in subsidiaries). External valuers are involved for valuation of significant assets, such as land and biological assets. Involvement of external valuers is decided upon annually by the Board and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the Board analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Board verifies inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents which also includes comparison with other relevant external sources to determine if any change is reasonable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above in the individual notes relating to the assets and liabilities whose fair value were determined.

3. Significant accounting judgements and estimates

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and 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.

Key sources of estimation uncertainty

(a) Fair value of biological assets

The biological assets are measured at their fair values less estimated point-of-sale costs annually. This requires an estimation of the value in use of the biological assets which involves management's assumptions on the crude palm oil prices, fresh fruit bunches yield and oil ratio over the remaining useful life of the biological assets adjusted based on indirect observable market data.

The accredited independent valuers are appointed in assessing value in use and required to make an estimate of the expected future cash flows from the biological assets and also to choose a suitable discount rate in order to calculate to their present value of those cash flows. The details are as disclosed in Note 14.

(b) Carrying value of the investments in subsidiaries

Investments in subsidiaries as disclosed in Note 15 are classified as available-for-sale financial assets and carried at fair value.

The fair value is measured using the adjusted net assets of the subsidiaries which comprise the fair value of the biological assets, land, quoted investments and other financial instruments. The inputs to this model are taken from observable market prices where possible, but where this is not feasible, a degree of judgement and assumptions about the model inputs, including forecast cash flows, the discount rate, pricing data received from third party on recently observed prices in inactive market and volatility were required.

(c) Revaluation of freehold and leasehold land

The freehold and leasehold land of the Group and of the Company as disclosed in Note 13 are measured at fair value. This requires an estimation of the fair values.

Valuations are performed with sufficient regularity by accredited independent valuer by reference to open market value using the market comparison method. Judgement is required in selecting any comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, size, shape and terrain of land, tenure and restrictions if any, availability of infrastructure, soil type and drainage, age and density of plantings and other relevant characteristics.

During the year, a revaluation of the freehold and leasehold land of the Group and the Company is performed ahead of the five-yearly assessment that is due in financial year ending 2016. The details are as disclosed in Note 13.

(d) Impairment of investment in a joint venture

The Group determines at each reporting date whether there is any objective evidence that the investment in a joint venture is impaired.

The harvesting of young mature palms of the joint venture engaged in oil palm plantation in South Sumatera Province, Indonesia has been delayed due to unrest in the villages neighbouring the estate. The joint venture has maintained its existing staff force to enable it to commence harvesting which is pending clearance by the relevant authorities. As such, the directors are of the view that the clearance from the authorities will be obtained soon and that that impairment is not necessary at this juncture. The carrying amount of the investment in a joint venture is disclosed in Note 17.

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4. Revenue and cost of sales

Revenue of the Group represents the invoiced value of sales of crude palm oil, palm kernel and fresh fruit bunches. The cost of sales in relation to the Group's invoiced value of sales consists of cost of cultivation, raw materials, labour and overheads.

Revenue of the Company represents the invoiced value of sales of fresh fruit bunches. The cost of sales in relation to the Company's invoiced value of sales consists of cost of cultivation, labour and overheads.

5. Dividend income

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Dividend income from:				
Available-for-sale financial assets				
Subsidiaries	-	-	2,061,996	3,032,092
Quoted securities				
- Securities quoted in Malaysia	524,550	540,305	270,467	274,935
- Securities quoted outside Malaysia	2,297,532	1,761,714	-	-
	<u>2,822,082</u>	<u>2,302,019</u>	<u>2,332,463</u>	<u>3,307,027</u>

6. Other income

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Gain on sale of property, plant and equipment	250,954	25,000	-	25,000
Gain on foreign exchange				
- Realised	-	322	-	-
- Unrealised	3,303,721	108,012	16,400	1,105
Net fair value gain on available-for-sale investment securities (transferred from equity on disposal)	316,567	996,113	29,307	80,995
Rental	28,070	37,620	720	270
Miscellaneous	121,269	237,019	30,279	89,170
	<u>4,020,581</u>	<u>1,404,086</u>	<u>76,706</u>	<u>195,540</u>

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7. Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2015 RM	2014 RM (Restated)	2015 RM	2014 RM (Restated)
Auditors' remuneration				
- Statutory audit				
Current year	137,000	156,000	55,000	62,000
Overprovision in prior year	(25,000)	-	(9,000)	-
- Other services				
Current year	10,000	9,500	10,000	9,500
Overprovision in prior year	(1,500)	-	(1,500)	-
Depreciation of property, plant and equipment (Note 13)	5,732,229	4,796,391	2,068,716	1,738,055
Non-executive directors' remuneration (Note 8)	742,653	693,873	449,000	404,000
Employee benefits expense (Note 9)	17,880,841	18,292,009	6,246,567	5,932,779
Realised foreign exchange loss	-	126	-	-
Property, plant and equipment written off	-	7,242	-	7,242

8. Directors' remuneration

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Directors of the Company				
Executive directors:				
Fees	256,000	256,000	112,000	112,000
Salaries	1,290,000	1,284,000	894,000	888,000
Commission	125,194	194,819	28,993	87,610
Other emoluments	113,000	96,000	60,000	48,000
	<u>1,784,194</u>	<u>1,830,819</u>	<u>1,094,993</u>	<u>1,135,610</u>
Non-executive directors (Note 7):				
Fees	356,000	356,000	260,000	260,000
Salaries	144,000	144,000	-	-
Commission	16,653	13,873	-	-
Other emoluments	226,000	180,000	189,000	144,000
	<u>742,653</u>	<u>693,873</u>	<u>449,000</u>	<u>404,000</u>
	<u>2,526,847</u>	<u>2,524,692</u>	<u>1,543,993</u>	<u>1,539,610</u>

NOTES TO THE FINANCIAL STATEMENTS
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8. Directors' remuneration (cont'd.)

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

	Number of Directors	
	2015	2014
Executive directors:		
RM250,001 – RM300,000	1	1
RM300,001 – RM350,000	-	-
RM350,001 – RM400,000	-	-
RM400,001 – RM450,000	1	1
RM450,001 – RM500,000	1	1
RM500,001 – RM550,000	-	-
RM550,001 – RM600,000	-	-
RM600,001 – RM650,000	1	1
	<u>4</u>	<u>4</u>
Non-executive directors:		
RM50,000 and below	1	1
RM50,001 – RM100,000	3	5
RM100,001 – RM150,000	2	-
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	1	1
	<u>7</u>	<u>7</u>
	<u>11</u>	<u>11</u>

9. Employee benefits expense

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Wages and salaries	15,173,290	14,839,324	5,742,288	4,908,167
Social security contributions	81,392	81,202	14,827	17,959
Employees Provident Fund	763,004	781,640	193,587	234,432
Other staff related expenses	1,863,155	2,589,843	295,865	772,221
	<u>17,880,841</u>	<u>18,292,009</u>	<u>6,246,567</u>	<u>5,932,779</u>

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,784,194 (2014: RM1,830,819) and RM1,094,993 (2014: RM1,135,610) respectively, as further disclosed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS
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10. Income tax expense/(credit)

	Group		Company	
	2015 RM	2014 RM (Restated)	2015 RM	2014 RM (Restated)
Current income tax:				
Malaysian income tax	636,418	2,015,054	265,354	625,521
Under/(over) provision in respect of previous years	30,661	38,808	8,903	(10,987)
	<u>667,079</u>	<u>2,053,862</u>	<u>274,257</u>	<u>614,534</u>
Deferred income tax (Note 26):				
Origination and reversal of temporary differences	(9,868)	(5,044,045)	1,531,065	(996,857)
Changes in tax rates	(12,024)	194,648	(66,967)	36,426
Under/(over) provision in respect of previous years	139,473	(102,108)	135,749	(20,509)
	<u>117,581</u>	<u>(4,951,505)</u>	<u>1,599,847</u>	<u>(980,940)</u>
Income tax expense/(credit) recognised in profit or loss	<u>784,660</u>	<u>(2,897,643)</u>	<u>1,874,104</u>	<u>(366,406)</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% from the current year's tax rate of 25%, effective from the year of assessment 2016. The computation of deferred tax as at 31 December 2015 has reflected these changes.

The reconciliation between income tax expense/(credit) and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2015 and 31 December 2014 are as follows:

	Group		Company	
	2015 RM	2014 RM (Restated)	2015 RM	2014 RM (Restated)
Profit/(loss) before tax, representing accounting profit/(loss) before tax	<u>6,901,560</u>	<u>(8,463,447)</u>	<u>8,360,730</u>	<u>2,535,450</u>
Tax at Malaysian statutory rate of 25%	1,725,390	(2,115,862)	2,090,183	633,863
Adjustments:				
Non-deductible expenses	466,649	150,206	304,029	84,572
Income not subject to tax	(1,716,073)	(1,112,402)	(597,793)	(1,089,771)
Share of results of associates and a joint venture	150,584	49,067	-	-
Under/(over) provision of deferred tax in respect of previous years	139,473	(102,108)	135,749	(20,509)
Under/(over) provision of income tax in respect of previous years	30,661	38,808	8,903	(10,987)
Effect of change in tax rates on deferred tax	(12,024)	194,648	(86,967)	36,426
Income tax expense/(credit) recognised in profit or loss	<u>784,660</u>	<u>(2,897,643)</u>	<u>1,874,104</u>	<u>(366,406)</u>

NOTES TO THE FINANCIAL STATEMENTS
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11. Earnings/(loss) per stock unit

Basic earnings/(loss) per stock unit amounts are calculated by dividing profit/(loss) for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary stock units outstanding during the financial year.

	Group	
	2015	2014
	RM	RM
		(Restated)
Profit/(loss) attributable to owners of the parent used in the computation of basic and diluted earnings/(loss) per stock unit	5,261,252	(4,020,661)
	Number of ordinary stock units	Number of ordinary stock units
Weighted average number of ordinary stock units for basic and diluted earnings/(loss) per stock unit computation	70,201,962	70,201,962
Basic and diluted earnings/(loss) per stock unit (sen)	7.49	(5.73)

The respective profit/(loss) attributable to owners of the parent used in the computation of basic and diluted earnings/(loss) per stock unit and the weighted average number of ordinary stock units for basic and diluted earnings/(loss) per stock unit is similar as there is no potential dilutive ordinary stock units outstanding as at end of the financial years.

12. Dividends

	Dividends		Dividends	
	in respect of year		recognised in year	
	2015	2014	2015	2014
	RM	RM	RM	RM
First interim single tier dividend of 5% declared on 29 May 2014 and paid on 30 June 2014	-	3,510,098	-	3,510,098
Second interim single tier dividend of 4% declared on 27 November 2014 and paid on 31 December 2014	-	2,808,079	-	2,808,079
First interim single tier dividend of 3% declared on 28 May 2015 and paid on 30 June 2015	2,106,059	-	2,106,059	-
Second interim single tier dividend of 3% declared on 26 November 2015 and paid on 31 December 2015	2,106,059	-	2,106,059	-
	4,212,118	6,318,177	4,212,118	6,318,177

NOTES TO THE FINANCIAL STATEMENTS
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13. Property, plant and equipment

Group	At valuation		At cost					Total RM
	Freehold land RM	Leasehold land RM	Buildings RM	Motor vehicles and fittings RM	Office equipment and furniture and fittings RM	Plant and machinery and estate equipment RM	Capital work- in-progress RM	
Valuation or cost								
At 1 January 2014 (Restated)	155,500,000	145,600,000	10,647,537	6,740,690	681,925	15,816,887	-	334,987,039
Additions	-	-	1,349,720	2,153,225	57,428	1,364,232	-	4,924,605
Write off	-	-	-	(105,250)	-	-	-	(105,250)
Elimination of accumulated depreciation on revaluation	-	(2,309,179)	-	-	-	-	-	(2,309,179)
Revaluation surplus	32,600,000	33,709,179	-	-	-	-	-	66,309,179
At 31 December 2014 (Restated)	188,100,000	177,000,000	11,997,257	8,788,665	739,353	17,181,119	-	403,806,394
At 1 January 2015 (Restated)	188,100,000	177,000,000	11,997,257	8,788,665	739,353	17,181,119	-	403,806,394
Additions	-	-	191,500	585,119	46,236	1,723,186	599,345	3,145,386
Disposal	(28,526)	-	-	-	-	-	-	(28,526)
Elimination of accumulated depreciation on revaluation	-	(2,861,697)	-	-	-	-	-	(2,861,697)
Revaluation surplus	36,028,526	30,461,697	-	-	-	-	-	66,490,223
At 31 December 2015	224,100,000	204,600,000	12,188,757	9,373,784	785,589	18,904,305	599,345	470,551,780

NOTES TO THE FINANCIAL STATEMENTS
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13. Property, plant and equipment (cont'd.)

Group	At valuation		At cost					Total RM
	Freehold land RM	Leasehold land RM	Buildings RM	Motor vehicles RM	Office equipment and furniture and fittings RM	Plant and machinery and estate equipment RM	Capital work- in-progress RM	
Accumulated depreciation								
At 1 January 2014 (Restated)	-	-	5,845,565	3,954,770	516,909	11,249,728	-	21,566,972
Charge for the year	-	2,309,179	501,535	1,043,825	41,697	900,155	-	4,796,391
Write off	-	-	-	(98,008)	-	-	-	(98,008)
Elimination of accumulated depreciation on revaluation	-	(2,309,179)	-	-	-	-	-	(2,309,179)
At 31 December 2014 (Restated)	-	-	6,347,100	4,900,587	558,606	12,149,883	-	23,956,176
At 1 January 2015 (Restated)	-	-	6,347,100	4,900,587	558,606	12,149,883	-	23,956,176
Charge for the year	-	2,861,697	565,973	1,297,147	44,010	963,402	-	5,382,229
Elimination of accumulated depreciation on revaluation	-	(2,861,697)	-	-	-	-	-	(2,861,697)
At 31 December 2015	-	-	6,913,073	6,197,734	602,616	13,113,285	-	26,826,708
Net carrying amount								
At 1 January 2014 (Restated)	155,500,000	145,600,000	4,801,972	2,785,920	165,016	4,567,159	-	313,420,067
At 31 December 2014 (Restated)	188,100,000	177,000,000	5,650,157	3,888,078	180,747	5,031,236	-	379,850,218
At 31 December 2015	224,100,000	204,600,000	5,275,684	3,176,050	182,973	5,791,020	599,345	443,725,072

NOTES TO THE FINANCIAL STATEMENTS
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13. Property, plant and equipment (cont'd.)

Company	At valuation		At cost					Total RM
	Freehold land RM	Leasehold land RM	Buildings RM	Motor vehicles RM	Office equipment and furniture and fittings RM	Plant and machinery and estate equipment RM	Capital work- in-progress RM	
Valuation or cost								
At 1 January 2014 (Restated)	49,500,000	81,800,000	2,274,113	2,625,347	238,532	895,989	-	137,333,981
Additions	-	-	787,820	928,200	34,276	160,460	-	1,910,756
Write off	-	-	-	(105,250)	-	-	-	(105,250)
Elimination of accumulated depreciation on revaluation	-	(1,105,405)	-	-	-	-	-	(1,105,405)
Revaluation surplus	7,000,000	17,305,405	-	-	-	-	-	24,305,405
At 31 December 2014 (Restated)	56,500,000	98,000,000	3,061,933	3,448,297	272,808	1,056,449	-	162,339,487
At 1 January 2015 (Restated)	56,500,000	98,000,000	3,061,933	3,448,297	272,808	1,056,449	-	162,339,487
Additions	-	-	142,000	262,931	16,055	8,878	300,162	730,026
Elimination of accumulated depreciation on revaluation	-	(1,342,466)	-	-	-	-	-	(1,342,466)
Revaluation surplus	9,500,000	15,642,466	-	-	-	-	-	25,142,466
At 31 December 2015	66,000,000	112,300,000	3,203,933	3,711,228	288,863	1,065,327	300,162	186,869,513

NOTES TO THE FINANCIAL STATEMENTS
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13. Property, plant and equipment (cont'd.)

Company	At valuation		At cost					Total RM
	Freehold land RM	Leasehold land RM	Buildings RM	Motor vehicles RM	Office equipment and furniture and fittings RM	Plant and machinery and estate equipment RM	Capital work- in-progress RM	
Accumulated depreciation								
At 1 January 2014 (Restated)	-	-	1,613,293	1,407,898	155,939	702,340	-	3,879,470
Charge for the year	-	1,105,405	86,237	484,223	20,059	42,131	-	1,738,055
Write off	-	-	-	(98,008)	-	-	-	(98,008)
Elimination of accumulated depreciation on revaluation	-	(1,105,405)	-	-	-	-	-	(1,105,405)
At 31 December 2014 (Restated)	-	-	1,699,530	1,794,113	175,998	744,471	-	4,414,112
At 1 January 2015 (Restated)	-	-	1,699,530	1,794,113	175,998	744,471	-	4,414,112
Charge for the year	-	1,342,466	104,319	554,796	20,320	46,815	-	2,068,716
Elimination of accumulated depreciation on revaluation	-	(1,342,466)	-	-	-	-	-	(1,342,466)
At 31 December 2015	-	-	1,803,849	2,348,909	196,318	791,286	-	5,140,362
Net carrying amount								
At 1 January 2014 (Restated)	49,500,000	81,800,000	660,820	1,217,449	82,593	193,649	-	133,454,511
At 31 December 2014 (Restated)	56,500,000	98,000,000	1,362,403	1,654,184	96,810	311,978	-	157,925,375
At 31 December 2015	66,000,000	112,300,000	1,400,084	1,362,319	92,545	274,041	300,162	181,729,151

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

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

Freehold and leasehold lands are revalued on 31 December 2015 based on valuations performed by accredited independent valuers. The valuations are determined by reference to open market value using the market comparison method.

The net carrying amount of the freehold and leasehold land had these revalued land been carried at historical cost has not been disclosed as such information and records relating to the periods prior to the previous revaluation in 1978 are no longer available for review, except for a parcel of leasehold land had it been carried at historical cost, its net carrying amount that would have been included in the financial statements of the Group and of the Company as at 31 December 2015 would be RM8,704,517 (2014: RM8,735,587) and RM8,901,788 (2014: RM8,932,858) respectively.

The fair value measurement of the freehold and leasehold lands have been categorised as Level 3 using significant unobservable inputs. There have been no transfers between Level 1 and Level 2 during the financial year

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable input used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Market comparison technique:</i>		
Entails analysis on recent transactions and asking prices of properties in and around the locality for comparison to derive unimproved land values for all estates and market value with adjustments made for differences in location, terrain, size, shape of land, tenure, title restrictions if any, cultivation and other relevant characteristics to arrive at the market value.	<ul style="list-style-type: none"> • Estimated basic land value per hectare • Risk adjusted discount rate 	The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none"> • the estimated basic land value per hectare were higher/(lower) • the risk-adjusted discount rates were lower/(higher)

Included in the above property, plant and equipment are fully depreciated assets of the Group and of the Company costing RM14,716,150 (2014:RM14,431,360) and RM2,438,971 (2014:RM1,902,830) respectively, which are still in use.

14. Biological assets

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
At valuation				
At 1 January	38,400,000	56,300,000	15,500,000	17,700,000
Fair value adjustments	1,600,000	(17,900,000)	7,200,000	(2,200,000)
At 31 December	40,000,000	38,400,000	22,700,000	15,500,000

The biological assets are revalued on 31 December 2015 based on valuations performed by accredited independent valuers.

The fair value of the biological assets is determined based on the value in use calculations using cash flow projections, covering a twenty five-year period. The discount rate used is based on the expected rate of return of the biological assets, determined by the accredited independent valuers.

The fair value measurement for biological assets have been categorised as Level 3 using significant unobservable inputs. There have been no transfers between Level 1 and Level 2 during the financial year.

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14. Biological assets (cont'd.)

The reconciliation of Level 3 fair value is as shown below.

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
At 1 January	38,400,000	56,300,000	15,500,000	17,700,000
Remeasurement recognised in profit or loss	1,600,000	(17,900,000)	7,200,000	(2,200,000)
At 31 December	<u>40,000,000</u>	<u>38,400,000</u>	<u>22,700,000</u>	<u>15,500,000</u>

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable input used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p><i>Discounted cash flows:</i></p> <p>The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for 25 years. The expected net cash flows are discounted using a risk-adjusted discounted rate.</p>	<ul style="list-style-type: none"> Estimated future crude palm oil ("CPO") prices per tonne range from RM2,250 to RM3,000 (2014:RM2,300 to RM3,000), with a weighted average of RM2,300 (2014:RM2,300) Estimated future palm kernel ("PK") prices per tonne range from RM1,495 to RM1,950 (2014:RM1,380 to RM1,690), with a weighted average of RM1,495 (2014:RM1,380) Estimated future CPO and PK production cost per tonne Estimated production costs per tonne Risk adjusted discount rate 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> the estimated CPO prices per tonne were higher/(lower) the estimated PK prices per tonne were higher/(lower) the estimated CPO and PK production cost per tonne were (higher)/lower the estimated production costs per tonne were lower/(higher) the risk-adjusted discount rates were lower/(higher)
<p><i>Market comparison technique:</i></p> <p>Entails analysis on recent transactions and asking prices of properties in and around the locality for comparison to derive unimproved land values for all estates and market value with adjustments made for differences in location, terrain, size, shape of land, tenure, title restrictions if any, cultivation and other relevant characteristics to arrive at the market value.</p>	<ul style="list-style-type: none"> Estimated basic land value per hectare Risk adjusted discount rate 	<p>The estimated fair value of biological assets would increase/(decrease) if:</p> <ul style="list-style-type: none"> the estimated basic land value per hectare were lower/(higher) the risk-adjusted discount rates were lower/(higher)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

15. Investments in subsidiaries

	Company	
	2015	2014
	RM	RM
Unquoted shares, at valuation		
At 1 January	277,021,177	253,017,442
Revaluation surplus	26,750,393	24,003,735
At 31 December	<u>303,771,570</u>	<u>277,021,177</u>

Details of the subsidiaries which are incorporated in Malaysia are as follows:

Name of subsidiary	Proportion of ownership interest (%)		Principal activities
	2015	2014	
Eng Thye Plantations Berhad ("ETP")	83.3	83.3	Cultivation of oil palms, process and sale of crude palm oil and palm kernel
Timor Oil Palm Plantation Berhad ("TOP")	58.0	58.0	

Equity interest held by non-controlling interests in subsidiaries are provided below:

	ETP		TOP	
	2015	2014	2015	2014
	%	%	%	%
Non-controlling interests	16.70	16.70	42.00	42.00

The summarised financial information relating to the subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

	ETP		TOP	
	2015	2014	2015	2014
	RM	RM	RM	RM
		(Restated)		(Restated)
(i) Summarised statements of financial position				
Non-current assets	220,665,856	201,303,458	134,656,284	120,396,432
Current assets	45,102,066	42,298,692	45,840,079	44,081,505
Total assets	<u>265,767,922</u>	<u>243,602,150</u>	<u>180,496,363</u>	<u>164,477,937</u>
Non-current liabilities	9,823,811	9,834,804	22,455,097	19,043,329
Current liabilities	3,412,941	3,595,033	3,070,238	2,669,759
Total liabilities	<u>13,236,752</u>	<u>13,429,837</u>	<u>25,525,335</u>	<u>21,713,088</u>
Equity attributable to owners of the parent	164,880,317	166,514,365	73,895,666	73,878,504
Equity attributable to non-controlling interests	87,650,853	63,657,948	81,075,362	68,886,345
Total equity	<u>252,531,170</u>	<u>230,172,313</u>	<u>154,971,028</u>	<u>142,764,849</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

15. Investments in subsidiaries (cont'd.)

	ETP		TOP	
	2015 RM	2014 RM (Restated)	2015 RM	2014 RM (Restated)
(ii) Summarised statements of comprehensive income				
Revenue	35,703,436	35,731,912	31,902,811	36,100,243
(Loss)/profit for the year	(847,763)	(3,303,821)	2,264,540	(2,489,018)
Other comprehensive income/(loss) ("OCI")	25,096,620	26,680,693	10,781,639	14,852,115
(Loss)/profit attributable to owners of the parent	(706,356)	(2,752,744)	1,313,433	(1,443,630)
(Loss)/profit attributable to non-controlling interests	(141,407)	(551,077)	951,107	(1,045,388)
OCI attributable to owners of the parent	20,910,504	22,230,353	6,253,350	8,614,226
OCI attributable to non-controlling interest	4,186,116	4,450,340	4,528,289	6,237,889
(iii) Summarised cash flows information				
Cash flow generated from/(used in):				
Operating activities	205,325	2,297,735	(868,674)	1,227,816
Investing activities	1,446,497	(3,281,158)	117,601	(2,824,372)
Financing activities	(1,890,000)	(2,835,000)	(840,000)	(1,155,000)
Net decrease in cash and cash equivalents	(238,178)	(3,818,423)	(1,591,073)	(2,751,556)

The reconciliation of Level 3 fair value is as summarised below:

	Company	
	2015 RM	2014 RM
At 1 January	277,021,177	253,017,442
Remeasurement recognised in revaluation reserve	26,750,393	24,003,735
At 31 December	303,771,570	277,021,177

16. Investments in associates

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Unquoted shares, at cost	15,391,742	15,391,742	11,063,584	11,063,584
Share of post acquisition reserves	4,454,861	3,290,794	-	-
Currency translation differences	7,254,342	4,007,130	-	-
	27,100,945	22,689,666	11,063,584	11,063,584

NOTES TO THE FINANCIAL STATEMENTS
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16. Investments in associates (cont'd.)

Details of the associates are as follows:

Name of associate	Proportion of ownership interest (%)		Proportion of voting power (%)		Principal activities
	2015	2014	2015	2014	
Sin Thye Oil Mills Sdn. Bhd. #	50.0	50.0	50.0	50.0	To process and sell crude palm oil and palm kernel. The associate has not commenced operations.
Sin Thye Management Sdn. Bhd. #	30.0	30.0	30.0	30.0	Provision of management and advisory services and acting as an insurance agent.
Huay Guan Investment Pte. Ltd.***	35.4*	35.4*	37.5**	37.5**	Trading in stocks and shares.

Incorporated in Malaysia
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Year end of 31 December

* Includes interest held by a subsidiary, Eng Thye Plantations Berhad

** The proportion of voting power is higher than the proportion of ownership interest as it includes interest held by a non-wholly owned subsidiary of the Group

*** Incorporated in the Republic of Singapore
Audited by a firm of auditors other than Ernst & Young
Year end of 31 December

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

	2015 RM	2014 RM
Assets and liabilities		
Current assets	72,846,442	60,999,089
Non-current assets	2,295,965	2,325,158
Total assets	<u>75,142,407</u>	<u>63,324,247</u>
Current liabilities, representing total liabilities	<u>2,235,792</u>	<u>2,351,166</u>
Results		
Revenue	29,735,709	15,368,790
Profit for the year	<u>3,588,734</u>	<u>2,423,250</u>

Summarised financial information representing adjusted proportion of ownership interest held by the Group in respect of the Group's material associate is stated below:

At 31 December 2015	Huay Guan Investment Pte. Ltd. RM	Other individually immaterial associates RM	Total RM
(i) Summarised statements of financial position			
Current assets	26,081,130	1,022,814	27,103,944
Non-current assets	-	688,790	688,790
Current liabilities, representing total liabilities	102,075	589,714	691,789
Net assets	<u>25,979,055</u>	<u>1,121,890</u>	<u>27,100,945</u>

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16. Investments in associates (cont'd.)

At 31 December 2015	Huay Guan Investment Pte. Ltd. RM	Other individually immaterial associates RM	Total RM
(ii) Summarised statements of comprehensive income			
Revenue	8,279,352	2,297,231	10,576,583
Profit for the year	826,410	326,914	1,153,324
Other comprehensive income	-	10,743	10,743
At 31 December 2014			
(i) Summarised statements of financial position			
Current assets	21,954,126	753,717	22,707,843
Non-current assets	-	697,547	697,547
Current liabilities, representing total liabilities	48,691	667,033	715,724
Net assets	21,905,435	784,231	22,689,666
(ii) Summarised statements of comprehensive income			
Revenue	5,510,024	202,618	5,712,642
Profit/(loss) for the year	923,049	(12,239)	910,810
Other comprehensive income	-	6,564	6,564

17. Investment in a joint venture

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Unquoted shares, at cost	27,630,955	27,630,955	13,781,480	13,781,480
Share of post acquisition reserve	(8,083,618)	(6,334,957)	-	-
Currency translation differences	563,310	(1,938,491)	-	-
	20,110,647	19,357,507	13,781,480	13,781,480

Details of the joint venture in which the Group participates are as follows:

Name of joint venture	Proportion of ownership interest (%)		Proportion of voting power (%)		Principal activity
	2015	2014	2015	2014	
Chin Thye Investment Pte Ltd *	34.6**	34.6**	40.0***	40.0***	Investment holding

* Incorporated in the Republic of Singapore
Audited by an affiliate of Ernst & Young
Year end of 31 December

** Includes interests held by subsidiaries

*** The proportion of voting power is higher than the proportion of ownership interest as it includes interests held by non-wholly owned subsidiaries of the Group

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17. Investment in a joint venture (cont'd.)

The Group's aggregate share of current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the joint venture are as follows:

	Group	
	2015	2014
	RM	RM
Assets and liabilities		
Current assets	9,225,065	8,052,224
Non-current assets	13,898,699	13,784,431
Total assets	<u>23,123,764</u>	<u>21,836,655</u>
Current liabilities	2,061,886	1,367,734
Non-current liabilities	951,231	1,111,414
Total liabilities	<u>3,013,117</u>	<u>2,479,148</u>
Results		
Revenue (other income)	77,404	40,626
Expenses	(1,833,065)	(1,147,702)
Loss for the year	<u>(1,755,661)</u>	<u>(1,107,076)</u>

18. Investment securities

	2015		2014	
	Carrying amount	Market value of quoted investments	Carrying amount	Market value of quoted investments
	RM	RM	RM	RM
Group				
Available-for-sale financial assets				
Securities quoted In Malaysia	14,493,701	14,493,701	14,759,145	14,759,145
Securities quoted outside Malaysia	54,804,013	54,804,013	55,856,916	55,856,916
Total investment securities	<u>69,297,714</u>	<u>69,297,714</u>	<u>70,616,061</u>	<u>70,616,061</u>
Company				
Available-for-sale financial assets				
Securities quoted In Malaysia, representing total investment securities	<u>8,096,428</u>	<u>8,096,428</u>	<u>8,189,377</u>	<u>8,189,377</u>

19. Inventories

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
At cost:				
Oil palm produce	1,112,568	1,158,840	-	-
Estate stores	1,194,142	1,022,353	201,609	236,722
	<u>2,306,710</u>	<u>2,181,193</u>	<u>201,609</u>	<u>236,722</u>

The amount of inventories of the Group and of the Company recognised as an expense during the financial year in the income statements were RM58,843,105 (2014:RM57,486,382) and RM9,376,826 (2014:RM8,108,087) respectively.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

20. Receivables

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade receivables				
Third parties	4,390,631	3,123,420	-	-
A related corporation	1,519,854	1,312,950	1,519,854	1,312,950
	<u>5,910,485</u>	<u>4,436,370</u>	<u>1,519,854</u>	<u>1,312,950</u>
Other receivables				
Interest receivable	409,893	330,145	211,105	138,763
Deposits, prepayment and sundry receivables	631,174	382,855	330,972	262,748
	<u>1,041,067</u>	<u>713,000</u>	<u>542,077</u>	<u>401,511</u>
Total trade and other receivables	6,951,552	5,149,370	2,061,931	1,714,461
Add: Cash and bank balances (Note 21)	117,122,167	118,345,720	36,446,770	39,075,676
Less: Prepayment	(3,445)	(6,309)	(3,445)	(4,189)
Total loans and receivables	<u>124,070,274</u>	<u>123,488,781</u>	<u>38,505,256</u>	<u>40,785,948</u>

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30-day (2014:30-day) terms. Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group's and the Company's trade receivables as at reporting date are neither past due nor impaired. These have also not been renegotiated during the financial year.

These receivables are creditworthy customers with good payment records with the Group and the Company. The Group's and the Company's trade receivables arise from customers with more than ten years of experience with the Group and the Company and losses have occurred infrequently.

(b) Other receivables

The Group's and the Company's other receivables as at reporting date are neither past due nor impaired.

Other information on financial risks of trade and other receivables are disclosed in Note 31.

(c) Amount due from a related corporation

The amount due from a related corporation are trade in nature, non-interest bearing, unsecured and are normally settled on 30-day (2014:30-day) terms.

Further details on related party transactions are disclosed in Note 28.

The carrying amounts of loan and receivables are reasonable approximation of fair value due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

21. Cash and bank balances

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash on hand and at banks	25,711,759	19,783,640	4,088,504	4,199,320
Deposits with:				
Licensed banks	71,653,658	83,208,900	32,358,266	34,876,356
Other financial institutions	19,756,750	15,353,180	-	-
	<u>91,410,408</u>	<u>98,562,080</u>	<u>32,358,266</u>	<u>34,876,356</u>
Cash and bank balances	<u>117,122,167</u>	<u>118,345,720</u>	<u>36,446,770</u>	<u>39,075,676</u>

Deposits are made for varying periods of between 1 day and 365 days depending on the immediate cash requirements of the Group and of the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2015 for the Group and the Company were 2.67% (2014: 2.69%) and 3.10% (2014: 3.08%) respectively.

Included in deposits with licensed banks are deposits pledged to banks for bank guarantee facilities provided to the Group and the Company amounting to RM335,447 (2014: RM381,494) and RM230,632 (2014: RM223,962) respectively. The deposits with other financial institutions relate to placements with foreign banks.

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

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash and bank balances	117,122,167	118,345,720	36,446,770	39,075,676
Less: Deposits pledged for banks guarantee facilities	(335,447)	(381,494)	(230,632)	(223,962)
Cash and cash equivalents	<u>116,786,720</u>	<u>117,964,226</u>	<u>36,216,138</u>	<u>38,851,714</u>

22. Payables

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Trade payables				
Third parties	1,836,090	1,362,304	80,751	-
Other payables				
Accruals and sundry payables				
Third parties	6,402,840	6,364,209	1,897,078	1,819,819
An associate	-	629,975	-	271,877
	<u>6,402,840</u>	<u>6,994,184</u>	<u>1,897,078</u>	<u>2,091,696</u>
Total financial liabilities carried at amortised cost	<u>8,238,930</u>	<u>8,356,488</u>	<u>1,977,829</u>	<u>2,091,696</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

22. Payables (cont'd.)

(a) Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 90-day (2014: 30 to 90-day) terms.

(b) Other payables

Other payables are non-interest bearing and are normally settled on an average term of three to six months (2014: average term of three to six months).

(c) Amount due to related parties

The amount due to an associate is unsecured, non-interest bearing and is normally settled on 30 to 90-day (2014: 30 to 90-day) terms.

The carrying amounts of these payables are reasonable approximation of fair value due to their short-term nature.

23. Share capital and share premium

	Company			
	Number of ordinary shares of RM1 each		<----- Amount ----->	
	2015	2014	2015 RM	2014 RM
Authorised ordinary share capital				
At 1 January and 31 December	150,000,000	150,000,000	150,000,000	150,000,000

	Company		
	Number of ordinary stock units of RM1 each	<----- Amount ----->	
		Share capital RM	Share premium RM
Issued and fully paid			
At 1 January 2015/2014 and 31 December 2015/2014		70,201,962	4,335,840

The holders of ordinary stock units are entitled to receive dividends as declared from time to time and are entitled to one vote per stock unit at meetings of the Company. All ordinary stock units rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

24. Other reserves

Group	Asset revaluation reserve - land RM	Foreign currency translation reserve RM	Fair value adjustment reserve RM	Employee benefits plan reserve of a joint venture RM	Total RM
At 1 January 2014 (Restated)	175,143,458	1,509,320	13,752,036	-	190,404,814
Revaluation reserve of leasehold land realised	(1,193,875)	-	-	-	(1,193,875)
Other comprehensive income/(loss)					
Foreign currency translation	-	797,872	-	-	797,872
Net gain on fair value changes of available-for-sale investment securities	-	-	2,156,820	-	2,156,820
- Transfer to profit or loss upon disposal	-	-	(734,939)	-	(734,939)
- Gain on fair value changes	-	-	2,891,759	-	2,891,759
Share of other comprehensive income of a joint venture	-	-	-	52,782	52,782
Revaluation surplus	47,296,315	-	-	-	47,296,315
At 31 December 2014 (Restated)	221,245,898	2,307,192	15,908,856	52,782	239,514,728
At 1 January 2015 (Restated)	221,245,898	2,307,192	15,908,856	52,782	239,514,728
Revaluation reserve of leasehold land realised	(1,517,649)	-	-	-	(1,517,649)
Other comprehensive income/(loss)					
Foreign currency translation	-	5,233,125	-	-	5,233,125
Net loss on fair value changes of available-for-sale investment securities	-	-	(1,516,760)	-	(1,516,760)
- Transfer to profit or loss upon disposal	-	-	(232,151)	-	(232,151)
- Loss on fair value changes	-	-	(1,284,609)	-	(1,284,609)
Share of other comprehensive income of a joint venture	-	-	-	6,062	6,062
Revaluation surplus	48,443,981	-	-	-	48,443,981
At 31 December 2015	268,172,230	7,540,317	14,392,096	58,844	290,163,487

NOTES TO THE FINANCIAL STATEMENTS
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24. Other reserves (cont'd.)

Company	Asset revaluation reserve - land RM	Asset revaluation reserve - investments in subsidiaries RM	Fair value adjustment reserve RM	Total RM
At 1 January 2014 (Restated)	86,572,544	217,164,791	4,946,704	308,684,039
Revaluation reserve of leasehold land realised	(621,741)	-	-	(621,741)
Other comprehensive income				
Net gain on fair value changes of available-for-sale investments in subsidiaries	-	24,003,735	-	24,003,735
Net loss on fair value changes of available-for-sale investment securities	-	-	(902,632)	(902,632)
- Transfer to profit or loss upon disposal	-	-	(80,995)	(80,995)
- Loss on fair value changes	-	-	(821,637)	(821,637)
Revaluation surplus	19,802,108	-	-	19,802,108
At 31 December 2014 (Restated)	105,752,911	241,168,526	4,044,072	350,965,509
At 1 January 2015 (Restated)	105,752,911	241,168,526	4,044,072	350,965,509
Revaluation reserve of leasehold land realised	(803,928)	-	-	(803,928)
Other comprehensive income				
Net gain on fair value changes of available-for-sale investments in subsidiaries	-	26,750,393	-	26,750,393
Net loss on fair value changes of available-for-sale investment securities	-	-	(242,531)	(242,531)
- Transfer to profit or loss upon disposal	-	-	(29,307)	(29,307)
- Loss on fair value changes	-	-	(213,224)	(213,224)
Revaluation surplus	20,913,274	-	-	20,913,274
At 31 December 2015	125,862,257	267,918,919	3,801,541	397,582,717

(a) Asset revaluation reserve - land

The asset revaluation reserve - land represents increases in the fair value of freehold and leasehold land and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in statement of comprehensive income.

(b) Asset revaluation reserve - investments in subsidiaries

The asset revaluation reserve - investments in subsidiaries represents the cumulative fair value changes of investments in subsidiaries until they are disposed of or impaired.

(c) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS
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24. Other reserves (cont'd.)

(d) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes of available-for-sale investment securities until they are disposed of or impaired.

(e) Employee benefits plan reserve of a joint venture

Employee benefits plan reserve of a joint venture represents the Group's share of the cumulative fair value changes in the pension related assets and liabilities of a joint venture.

25. Retained profits

The Company will be able to distribute dividends out of its entire retained earnings under the single tier system.

26. Deferred tax liabilities

Deferred income tax as at 31 December relates to the following:

	Property, plant and equipment RM	Revaluation of land and biological assets RM	Total RM
Group			
At 1 January 2014 (Restated)	911,101	49,350,205	50,261,306
Recognised in income statement	(113,905)	(4,837,600)	(4,951,505)
Recognised in equity	-	9,720,203	9,720,203
At 31 December 2014/1 January 2015 (Restated)	797,196	54,232,808	55,030,004
Recognised in income statement	379,802	(262,221)	117,581
Recognised in equity	-	9,112,234	9,112,234
At 31 December 2015	<u>1,176,998</u>	<u>63,082,821</u>	<u>64,259,819</u>
Company			
At 1 January 2014 (Restated)	215,375	22,414,138	22,629,513
Recognised in income statement	(201,322)	(779,618)	(980,940)
Recognised in equity	-	4,503,297	4,503,297
At 31 December 2014/1 January 2015 (Restated)	14,053	26,137,817	26,151,870
Recognised in income statement	167,635	1,432,212	1,599,847
Recognised in equity	-	4,229,192	4,229,192
At 31 December 2015	<u>181,688</u>	<u>31,799,221</u>	<u>31,980,909</u>

NOTES TO THE FINANCIAL STATEMENTS
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27. Segment information

The chief operating decision-maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocation of resources. The Group's principal activities are the cultivation of oil palms, production and sale of fresh fruit bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia.

	Group	
	2015	2014
	RM	RM
		(Restated)
Revenue from external customers	84,893,912	89,057,139
Reportable loss	(1,431,140)	(14,348,364)
Reportable segment assets	502,667,044	431,582,373
Reportable segment liabilities	8,238,930	8,356,488
<hr/>		
Reportable segment loss is reconciled as follows:		
Total loss for reportable segment	(1,431,140)	(14,348,364)
Share of results of associates	1,153,324	910,810
Share of loss of a joint venture	(1,755,661)	(1,107,076)
Interest income	2,492,667	2,677,585
Dividend income	2,822,082	2,302,019
Other income	3,620,288	1,108,947
Other expenses	-	(7,368)
Profit/(loss) before tax	6,901,560	(8,463,447)
<hr/>		
Reportable segment assets are reconciled as follows:		
Total assets for reportable segment	502,667,044	431,582,373
Investments in associates	27,100,945	22,689,666
Investment in a joint venture	20,110,647	19,357,507
Investment securities	69,297,714	70,616,061
Unallocated assets	110,829,031	114,349,381
Total assets	730,005,381	658,594,988
<hr/>		
Reportable segment liabilities are reconciled as follows:		
Total liabilities for reportable segment	8,238,930	8,356,488
Deferred tax liabilities	64,259,819	55,030,004
Total liabilities	72,498,749	63,386,492
<hr/>		

Revenue from four (2014: four) major customers amounted to RM69,344,237 (2014: RM69,583,774).

NOTES TO THE FINANCIAL STATEMENTS
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28. Related party transactions

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
A related corporation in which certain directors and substantial shareholders have interest:				
- Sale of oil palm produce	18,819,297	17,515,645	18,819,297	17,515,645
- Purchase of oil palm produce	654,654	-	-	-
- Service charge on seedlings cultivation	-	51,240	-	28,440
An associate in which certain directors and substantial shareholders have interest:				
- Management fee	2,303,990	177,380	994,370	76,490
Companies in which certain directors and substantial shareholders have interest:				
- Marketing consultancy fee	522,277	456,818	175,623	143,653
- Purchase of oil palm produce	1,324,128	535,695	-	-
- Sale of oil palm produce	-	111,383	-	-
A subsidiary in which certain directors and substantial shareholders have interest:				
- Sale of oil palm produce	-	-	-	2,019,293

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly and indirectly.

Total remuneration of key management personnel

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total	2,526,847	2,524,692	1,543,993	1,539,610

For the details of Board of Directors' remuneration, please refer to Note 8.

29. Capital commitments

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Capital expenditure				
Approved and contracted for:				
Capital and investment outlay in a joint venture	22,769,045	22,769,045	11,418,520	11,418,520
Purchase of property, plant and equipment	375,000	-	-	-
	<u>23,144,045</u>	<u>22,769,045</u>	<u>11,418,520</u>	<u>11,418,520</u>
Approved and not contracted for:				
Property, plant and equipment	4,038,000	6,398,200	1,930,000	1,703,200

NOTES TO THE FINANCIAL STATEMENTS
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30. Fair value measurement

Financial instruments

The following table provides the fair value measurement hierarchy of the Group's and of the Company's assets as at reporting date.

(i) The following table shows carrying amounts of financial assets measured at fair value including their levels in the fair value hierarchy.

	Carrying amount		Fair value measurement using				
	Available-for-sale RM	Other financial assets RM	Total RM	Quoted prices in active markets (Level 1) RM	Significant observable input (Level 2) RM	Significant unobservable input (Level 3) RM	Total RM
As at 31 December 2015							
Group							
Financial assets measured at fair value							
Investment securities (Note 18)	69,297,714	-	69,297,714	69,297,714	-	-	69,297,714
Company							
Financial assets measured at fair value							
Investments in subsidiaries (Note 15)	303,771,570	-	303,771,570	-	-	303,771,570	303,771,570
Investment securities (Note 18)	8,096,428	-	8,096,428	8,096,428	-	-	8,096,428
As at 31 December 2014							
Group							
Financial assets measured at fair value							
Investment securities (Note 18)	70,616,061	-	70,616,061	70,616,061	-	-	70,616,061
Company							
Financial assets measured at fair value							
Investments in subsidiaries (Note 15)	277,021,177	-	277,021,177	-	-	277,021,177	277,021,177
Investment securities (Note 18)	8,189,377	-	8,189,377	8,189,377	-	-	8,189,377

There have been no transfers between Level 1, Level 2 and Level 3 during the financial year.

Reconciliation of Level 3 fair value is disclosed in Note 15.

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30. Fair value measurements (cont'd.)

Financial instruments (cont'd.)

(ii) The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement		Effect on fair value Increase/(Decrease)	
		Sensitivity level 2015	2014	2015 RM	2014 RM
Investments in subsidiaries					
<i>Adjusted net assets value:</i>					
Valuation methodology which entails adjustment to the carrying values of individual subsidiary's assets and liabilities to arrive at their value reflecting the specific characteristics that market participants would consider in pricing the equity instrument.	<ul style="list-style-type: none"> Estimated basic land value per hectare Estimated present value of the net cash flows expected to be generated by the plantation CPO price per MT 	+5% -5%	+5% -5%	12,520,000 (12,520,000)	10,530,000 (10,530,000)
		+RM100 - RM100	+RM100 - RM100	11,500,000 (11,500,000)	9,000,000 (9,000,000)

Non-financial instrument measurement

The Group's and the Company's non-financial instrument measured at fair value comprise biological assets and property, plant and equipment. Fair value measurement hierarchy, valuation techniques as well as the significant unobservable inputs used are disclosed in Note 13 and Note 14, respectively.

31. Financial risk management objectives and policies

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

The Group's overall financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst minimising the potential adverse impact arising from key financial risks.

The Group operates within clearly defined guidelines that are approved by the Board of Directors and it does not engage in speculative transactions. Financial risk management is further enhanced by effective internal controls and adherence to the financial risk management policies.

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

(a) 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 and the Company's exposures to credit risk arises primarily from trade and other receivables and other financial assets such as cash and bank balances.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade and have dealings only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant. For other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

At the reporting date, 100% (2014: 100%) of the Company's trade receivables were due from one related corporation (2014: one) in which payment were subsequently received in January 2016 (2014: January 2015). Other than this, the Company has no significant concentration of credit risk as at reporting date. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risks related to any financial assets other than an amount due from a related corporation which amounts to approximately 26% (2014: 30%) of the Group's trade receivables as disclosed in Note 20.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks and other financial institutions, all of which 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.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain sufficient levels of cash including fixed deposits to meet its working capital requirements.

At the reporting date, the Group and the Company do not have any borrowings (including overdrafts) from financial institutions. The maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations are on demand or within one year.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

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

(c) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from its deposits with financial institutions.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the Group's and of the Company's profit/(loss) net of tax to a reasonably possible change in interest rate resulting in changes in interest income from deposits with financial institutions.

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Increase/(decrease) in profit/(loss) net of tax				
Interest rate				
25 basis point higher	183,742	(194,400)	60,672	65,393
25 basis point lower	(183,742)	194,400	(60,672)	(65,393)

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's business is predominantly located in Malaysia. The functional currency in foreign bank balances and quoted investments outside Malaysia are predominantly denominated in Singapore Dollar ("SGD"), which give rise to conversion exposure. The foreign currency exposures are not hedged.

The unhedged financial assets of the Group that are not denominated in Ringgit Malaysia are as follows:

	Cash and bank balances	Investment securities	Total
	RM	RM	RM
Singapore Dollar			
At 31 December 2015	26,880,114	54,804,013	81,684,127
At 31 December 2014	21,409,746	55,856,916	77,266,662

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's other reserves and profit/(loss) net of tax to a reasonably possible change in the SGD exchange rate against the functional currency of the Group, with all other variables held constant.

	Other reserves		Profit/(loss) net of tax	
	2015	2014	2015	2014
	RM	RM	RM	RM
SGD/RM				
- strengthened 1% (2014: 1%)	388,189	395,607	268,801	(214,097)
- weakened 1% (2014: 1%)	(388,189)	(395,607)	(268,801)	214,097

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

(e) Market price risk

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

(i) Securities price risk

The Group and the Company are exposed to securities price risk from its investment in quoted securities classified as available-for-sale financial assets. These securities are listed on the Bursa Malaysia and Singapore Exchange Limited.

The Group's and the Company's objective are to manage investment returns and the price risk by investing in investment grade shares with steady yield.

Sensitivity analysis for security price risk

At the reporting date, if the market prices for available-for-sale investment had been 1% higher/lower, with all other variables being held constant, the Group's and the Company's other reserves in equity would have been RM556,020 and RM80,964 (2014:RM525,713 and RM81,894), respectively higher/lower, arising as a result of an increase/decrease in the fair value of quoted securities classified as available-for-sale.

(ii) Commodity price risk

The Group and the Company are exposed to price volatility arising from fluctuation in the prices of fresh fruit bunches ("FFB"), crude palm oil ("CPO") and palm kernel ("PK") in the commodity market.

The Group manages and mitigates price volatility by monitoring the fluctuation of CPO and PK prices daily and enter into physical forward selling commodity contracts.

The Company sells only FFB and these sales are transacted at market prices

Sensitivity analysis for commodity price risk

The following table demonstrates the sensitivity of the Group's and of the Company's profit/(loss) net of tax to a reasonably possible change in prices of FFB, CPO and PK at the reporting date, with all other variables held constant.

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Increase/(decrease) in profit/(loss) net of tax				
- FFB				
Price 5% higher	741,035	(689,429)	705,096	733,080
Price 5% lower	(741,035)	689,429	(705,096)	(733,080)
- CPO				
Price 5% higher	2,039,201	(2,232,220)	-	-
Price 5% lower	(2,039,201)	2,232,220	-	-
- PK				
Price 5% higher	403,003	(417,406)	-	-
Price 5% lower	(403,003)	417,406	-	-

The Group and the Company do not enter into commodity future contracts.

NOTES TO THE FINANCIAL STATEMENTS
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32. Capital management

The Group's objectives in managing its capital is to ensure that it maintains a strong and healthy capital to enable the Group to continue as a going concern in order to provide returns for shareholders and to maintain a debt free capital structure.

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 amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group did not have any borrowings for the years ended 31 December 2015 and 31 December 2014. The Group monitors capital using dividend payout ratio, which is amount of dividends paid divided by profit net of tax attributable to owners of the parent.

	Group		Company	
	2015 RM	2014 RM (Restated)	2015 RM	2014 RM (Restated)
Amount of dividends paid	4,212,118	6,318,177	4,212,118	6,318,177
Profit/(loss) net of tax attributable to owners of the parent	5,261,252	(4,020,661)	6,486,626	2,901,856
Dividend payout ratio	88.06%	N/A	64.94%	217.73%

The Group's and the Company's strategy in 2015, which was unchanged from 2014, were to maintain a debt free capital structure and to pay steady amount of dividends to shareholders.

	Group		Company	
	2015 RM	2014 RM (Restated)	2015 RM	2014 RM (Restated)
Amount of dividends paid	4,212,118	6,318,177	4,212,118	6,318,177
Profit net of tax attributable to owners of the parent (excluding fair value adjustment of biological assets)	3,470,054	6,592,435	1,014,626	4,573,856
Dividend payout ratio	121.38%	95.84%	415.14%	138.14%

33. Prior year adjustments

Freehold and leasehold land are measured at fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluation is performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Previously, the Group's policy is to perform valuation at least once every five years by an accredited independent valuer by reference to open market value using the market comparison method, which is due in financial year ending 31 December 2016. However, since the last revaluation on 31 December 2011, the fair values of the land have increased significantly, hence the fair value should have been reflected in the respective years when such increase was noted. Retrospective adjustments have been made to the opening balances and closing balances in the financial statements to attribute the increases in fair value to the respective financial years.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

33. Prior year adjustments (cont'd)

The effects of the above adjustments to the financial statements of the Group and of the Company are summarised below:

	Previously stated	Adjustment	Restated
Statements of profit or loss			
31 December 2014			
Group			
Cost of sales (RM)	(55,999,023)	(1,487,359)	(57,486,382)
Administrative expenses (RM)	(21,060,801)	746,053	(20,314,748)
Income tax credit (RM)	2,719,793	177,850	2,897,643
Earnings/(loss) per stock unit (sen)	(5.10)	(0.63)	(5.73)
Company			
Cost of sales (RM)	(7,002,682)	(1,105,405)	(8,108,087)
Administrative expenses (RM)	(8,515,526)	746,053	(7,769,473)
Income tax credit (RM)	280,188	86,218	366,408
	Previously stated RM	Adjustment RM	Restated RM
Statements of comprehensive income			
31 December 2014			
Group			
Other comprehensive income	4,411,680	56,588,976	61,000,656
Company			
Other comprehensive income	23,101,103	19,802,108	42,903,211
Statements of financial position			
31 December 2014			
Group			
Property, plant and equipment	219,926,599	159,923,619	379,850,218
Deferred tax liabilities	31,875,014	23,154,990	55,030,004
Other reserves	123,057,031	116,457,697	239,514,728
Retained profits	182,945,976	(380,425)	182,565,551
Non-controlling interests	77,899,058	20,691,357	98,590,415
Company			
Property, plant and equipment	91,787,216	66,138,159	157,925,375
Deferred tax liabilities	14,574,679	11,577,191	26,151,870
Other reserves	296,139,651	54,825,858	350,965,509
Retained profits	71,300,345	(264,890)	71,035,455
1 January 2014			
Group			
Property, plant and equipment	219,064,321	94,355,746	313,420,067
Deferred tax liabilities	36,648,669	13,612,637	50,261,306
Other reserves	120,795,880	69,608,934	190,404,814
Retained profits	192,096,970	(386,456)	191,710,514
Non-controlling interests	78,875,968	11,520,631	90,396,599
Company			
Property, plant and equipment	91,262,405	42,192,106	133,454,511
Deferred tax liabilities	15,469,401	7,160,112	22,629,513
Other reserves	273,384,131	35,299,908	308,684,039
Retained profits	74,097,949	(267,914)	73,830,035

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

34. Breakdown of retained earnings into realised and unrealised

The breakdown of the retained profits as at 31 December 2015 and 31 December 2014 into realised and unrealised profits or losses are follows:

	Group		Company	
	2015 RM	2014 RM (Restated)	2015 RM	2014 RM (Restated)
Total retained profits of the Company and subsidiaries				
Realised	203,999,963	203,925,579	61,907,758	64,155,195
Unrealised	26,266,472	22,550,921	12,206,133	6,880,260
	<u>230,266,435</u>	<u>226,476,500</u>	<u>74,113,891</u>	<u>71,035,455</u>
Total shares of retained profits from associates				
Realised profits	4,061,995	2,530,004	-	-
Unrealised profits	114,356	538,971	-	-
Total shares of retained profits/(accumulated losses) from a joint venture				
Realised losses	(11,533,191)	(10,069,807)	-	-
Unrealised profits	4,474,256	4,531,205	-	-
	<u>227,383,851</u>	<u>224,006,873</u>	<u>74,113,891</u>	<u>71,035,455</u>
Less: Consolidation adjustments	(42,251,517)	(41,441,322)	-	-
Total retained profits as per financial statements	<u>185,132,334</u>	<u>182,565,551</u>	<u>74,113,891</u>	<u>71,035,455</u>

The disclosure of realised and unrealised profits or losses above has been made solely for complying with the disclosure requirements as stipulated in the directives of Bursa Malaysia and should not be applied for any other purposes.

SHAREHOLDINGS STATISTICS

Share Capital As At 31 March 2016

Authorised	: RM150,000,000
Issued and fully paid	: RM70,201,962
Class of stock units	: Ordinary stock units of RM1.00 each
Voting rights	: One vote per stock unit
No. of shareholders	: 2,400

Distribution schedule of issued and paid-up share capital as at 31 March 2016

No. of Holders	%	Holdings	Total Holdings	%
81	3.38	Less than 100	729	*
484	20.17	100 to 1,000	395,709	0.56
1,434	59.75	1,001 to 10,000	5,203,810	7.41
368	15.33	10,001 to 100,000	9,408,405	13.40
32	1.33	100,001 to less than 5% of the issued shares	16,492,300	23.50
1	0.04	5% and above of the issued shares	38,701,009	55.13
2,400	100.00		70,201,962	100.00

Substantial shareholders (excluding bare trustees) as shown in the register of substantial shareholders as at 31 March 2016.

Name of Substantial Shareholders	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Stock Units	%	No. of Stock Units	%
Tiong Thye Company Sdn Bhd	38,701,009	55.13	-	-
Goh Eng Chew	-	-	39,101,009	55.70
Gho Lian Chin	2,200	*	38,852,673	55.34
Tai Chuan Company (Private) Limited	-	-	38,701,009	55.13

(A) Interests of directors in the stock units of the Company as at 31 March 2016.

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Stock Units	%	No. of Stock Units	%
Goh Eng Chew	-	-	39,101,009	55.70
Goh Pock Ai	401,100	0.57	-	-
Wong Aun Phui	645,850	0.92	59,785	0.09
Goh Wei Lei	-	-	-	-
Gho Lian Chin	2,200	*	38,852,673	55.34
Sio Sit Po	608,968	0.87	-	-
Goh Yeok Beng	400,000	0.57	-	-
Dato' Ong Bok Lim	-	-	-	-
Keong Choon Keat	-	-	-	-
Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong	-	-	-	-
Gho Eng Liang	400,000	0.57	-	-
Gho Bun Tjin	2,200	*	-	-

* Less than 0.01%

SHAREHOLDINGS STATISTICS

(B) Interests of directors in the shares of the related corporations as at 31 March 2016.

(i) Eng Thye Plantations Berhad, subsidiary of the Company.

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1 Each	%	No. of Ordinary Shares of RM1 Each	%
Goh Eng Chew	-	-	15,783,250	83.51
Goh Pock Ai	-	-	-	-
Wong Aun Phui	3,500	0.02	-	-
Goh Wei Lei	-	-	-	-
Gho Lian Chin	-	-	15,783,250	83.51
Sio Sit Po	-	-	-	-
Goh Yeok Beng	-	-	-	-
Dato' Ong Bok Lim	35,000	0.19	-	-
Keong Choon Keat	-	-	-	-
Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong	-	-	-	-
Gho Eng Liong	3,500	0.02	-	-
Gho Bun Tjin	-	-	-	-

(ii) Timor Oil Palm Plantation Berhad, subsidiary of the Company.

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1 Each	%	No. of Ordinary Shares of RM1 Each	%
Goh Eng Chew	10,000	0.10	6,132,300	58.40
Goh Pock Ai	10,000	0.10	-	-
Wong Aun Phui	1,000	0.01	39,000	0.37
Goh Wei Lei	-	-	-	-
Gho Lian Chin	10,000	0.10	6,132,300	58.40
Sio Sit Po	-	-	-	-
Goh Yeok Beng	10,000	0.10	-	-
Dato' Ong Bok Lim	-	-	-	-
Keong Choon Keat	-	-	-	-
Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong	10,000	0.10	-	-
Gho Eng Liong	-	-	-	-
Gho Bun Tjin	-	-	-	-

SHAREHOLDINGS STATISTICS

(B) Interests of directors in the shares of the related corporations as at 31 March 2016. (cont'd.)

Immediate and ultimate holding company and other related corporations.

Tiong Thye Company Sdn Bhd, immediate and ultimate holding company.

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1 Each	%	No. of Ordinary Shares of RM1 Each	%
Goh Eng Chew	-	-	17,150,000	81.67
Gho Lian Chin	1,000	*	9,233,000	43.97
Gho Bun Tjin	1,000	*	-	-

* Less than 0.01%

Goh Eng Chew and Gho Lian Chin by virtue of their interests in the immediate and ultimate holding company, are also deemed interested in the shares of all its subsidiaries to the extent the immediate and ultimate holding company has an interest.

The interests of Goh Eng Chew and Gho Lian Chin in other related corporations are as follows:

Name of other related corporation	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1 Each	%	No. of Ordinary Shares of RM1 Each	%
Seong Thye Plantations Sdn Bhd	-	-	43,474,500	100.00
Seong Thye Development & Oil Mills Sdn Bhd	-	-	6,000,000	100.00
Masai Tinggi Deveiopments Sdn Bhd	-	-	2	100.00

Other than as disclosed above, none of the other directors have any shareholdings in the immediate and ultimate holding company and other related corporations.

SHAREHOLDINGS STATISTICS

List of 30 largest securities account holders according to the Record of Depositors (without aggregating the securities from different securities accounts belonging to the same person) as at 31 March 2016

Name	No. of Stock Units	%
1. Tiong Thye Company Sdn Bhd	38,701,009	55.13
2. Nam Heng Oil Mill Company Sdn. Berhad	3,500,000	4.99
3. Goh Beng Hwa @ Gho Bin Hoa	1,602,202	2.28
4. Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited (Client A/C-NR)	1,321,006	1.88
5. UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	1,309,348	1.86
6. Guan Brothers Realty Sdn Bhd	709,888	1.01
7. Wong Aun Phui	645,850	0.92
8. Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Sio Sit Po	608,968	0.87
9. Wong Taek Boon @ Guan Taek Boon	520,888	0.74
10. Seah Mok Khoon	510,000	0.73
11. Chew Huaipin Sdn Bhd	445,500	0.63
12. Goh Pock Ai	401,100	0.57
13. Affin Hwang Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Great Eastern Trading Company Pte Ltd	400,000	0.57
14. Goh Eng Hian	400,000	0.57
15. Goh Yeok Beng	400,000	0.57
16. RHB Nominees (Tempatan) Sdn Bhd RHB Securities Singapore Pte Ltd for Gho Eng Liong	400,000	0.57
17. Lim Kian Huat	371,200	0.53
18. Lim Sian Yew & Sons Sdn. Berhad	325,250	0.46
19. RHB Nominees (Asing) Sdn Bhd RHB Securities Singapore Pte Ltd for Goh Hooi Min @ Gho Hooi Min	300,000	0.43
20. Leong Kok Tai	253,300	0.36
21. Lai Beng Chu	249,000	0.36
22. Hup Lee Bakery Sdn Bhd	247,500	0.36
23. Ng Poh Cheng	204,400	0.29
24. Ang Swee Kiat	194,100	0.28
25. Guan Bian Leng	150,000	0.21
26. Teoh Peng Heong & Sons Sdn Bhd	149,000	0.21
27. Low Kim Seng	136,600	0.19
28. Thiam Loy Sdn Bhd	129,800	0.18
29. Tan Ai Leng	126,000	0.18
30. Foo Hee Wei	125,400	0.18
	54,837,309	78.11

OTHER INFORMATION

(a) Material Contracts

Material contracts entered into by the Company and its subsidiaries which involved the directors' and major shareholders' interests either still subsisting at the end of the financial year ended 31 December 2015 or entered into since the end of the previous financial year: -

Related party transactions of a revenue or trading nature entered into by the Company and its subsidiaries during the financial year ended 31 December 2015: -

	RM
Transactions with Seong Thye Plantations Sdn. Bhd., a related corporation in which the substantial shareholders (Tiong Thye Company Sdn Bhd, Tai Chuan Company Pte Ltd, Goh Eng Chew and Gho Lian Chin) and several directors (Goh Eng Chew, Goh Pock Ai, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong and Gho Bun Tjin) have interests.	
Sale of oil palm produce	18,819,297
Purchase of oil palm produce	<u>654,654</u>
Transaction with Chin Teck Plantations Berhad, a company in which the substantial shareholders (Tiong Thye Company Sdn Bhd, Tai Chuan Company Pte Ltd, Goh Eng Chew and Gho Lian Chin) and several directors (Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Sio Sit Po, Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong and Gho Bun Tjin) have interests.	
Purchase of oil palm produce	<u>1,324,128</u>
Marketing consultancy fees paid to Tat Lee Commodities Pte. Ltd., a company incorporated in the Republic of Singapore, in which the substantial shareholders (Goh Eng Chew and Gho Lian Chin) and several directors (Goh Eng Chew, Goh Pock Ai, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong and Gho Bun Tjin) have interests.	<u>522,277</u>
Management fees paid to Sin Thye Management Sdn. Bhd., an associate in which the substantial shareholders (Tiong Thye Company Sdn Bhd, Tai Chuan Company Pte Ltd, Goh Eng Chew and Gho Lian Chin) and several directors (Goh Eng Chew, Goh Pock Ai, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong, Gho Bun Tjin) have interests.	<u>2,303,990</u>

(b) Sanctions and /or penalties

No sanctions and/or penalties were imposed on the Company and its subsidiaries, Directors or management by relevant authorities during the financial year, other than an amount of fine of RM15,000 imposed on a subsidiary for committing an offence under Section 16(1) of the Environmental Quality Act, 1974.

(c) Non-audit fees paid to external auditors for the financial year ended 31 December 2015

During the financial year ended 31 December 2015, non-audit fees paid or payable to the external auditors amounted to RM10,000.

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FORM OF PROXY

I / We
of
being a member of NEGRI SEMBILAN OIL PALMS BERHAD hereby appoint
.....
of
or failing him / her
of

as my / our proxy to attend and vote on my / our behalf at the Eighty Fourth Annual General Meeting of the Company to be held at the Conference Room, Suite 2B-3A-3, Block 2B, Level 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Friday, 27 May 2016 at 10.30 am and at any adjournment thereof.

Resolutions		For	Against
1.	To receive the Directors' Report and the Financial Statements for the financial year ended 31 December 2015 and the Independent Auditors' Report thereon.		
2.	To approve the directors' fees for the financial year ended 31 December 2015 and to authorise the directors to divide such fees in the proportions and manner to be determined by them		
	To re-elect the following directors retiring under Article 94 of the Articles of Association of the Company:-		
3.	Mr Goh Yeok Beng		
4.	Mr Goh Wei Lei		
	To re-appoint the following directors pursuant to Section 129(6) of the Companies Act, 1965:-		
5.	Mr Goh Eng Chew		
6.	Mr Wong Aun Phui		
7.	Dato' Ong Bok Lim		
8.	Mr Goh Pock Ai		
9.	Mr Keong Choon Keat		
10.	To re-appoint auditors and authorise the directors to fix their remuneration.		
	Proposed renewal of shareholders' mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with:-		
11.	Seong Thye Plantations Sdn Bhd		
	To retain the following directors as Independent Non-Executive Directors:-		
12.	Mr Sio Sit Po		
13.	Dato' Ong Bok Lim		
14.	Mr Keong Choon Keat		

(Please indicate with "X" or "√" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion)

Signature(s)

Date:

No. of stock units held

CDS No,

NOTES:

1. A depositor shall not be regarded as a member entitled to attend this Meeting and to speak and vote thereat unless his/her name appears in the Record of Depositors as at 20 May 2016 issued by Bursa Malaysia Depository Sdn Bhd ('Bursa Depository') upon request by the Company in accordance with the rules of Bursa Depository.
2. A member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
3. If the member is a corporation, the Form of Proxy must be executed under its common seal or under the hand of a person duly authorised in writing.
4. The Form of Proxy must be deposited at the Registered Office, Suite 2B-3A-2, Block 2B, Level 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.



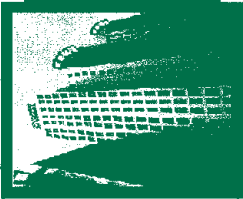
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AFFIX
STAMP

NEGRI SEMBILAN OIL PALMS BERHAD
Suite 2B-3A-2
Block 2B Level 3A
Plaza Sentral
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur

1st fold here



Conference Room,
Suite 2B-3A-3, Block 2B,
Level 3A, Plaza Sentral,
Jalan Stesen Sentral 5,
Kuala Lumpur Sentral,
50470 Kuala Lumpur.



