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BOUSTEAD PLANTATIONS BERHAD (1245-M)

ANNUAL REPORT 2015

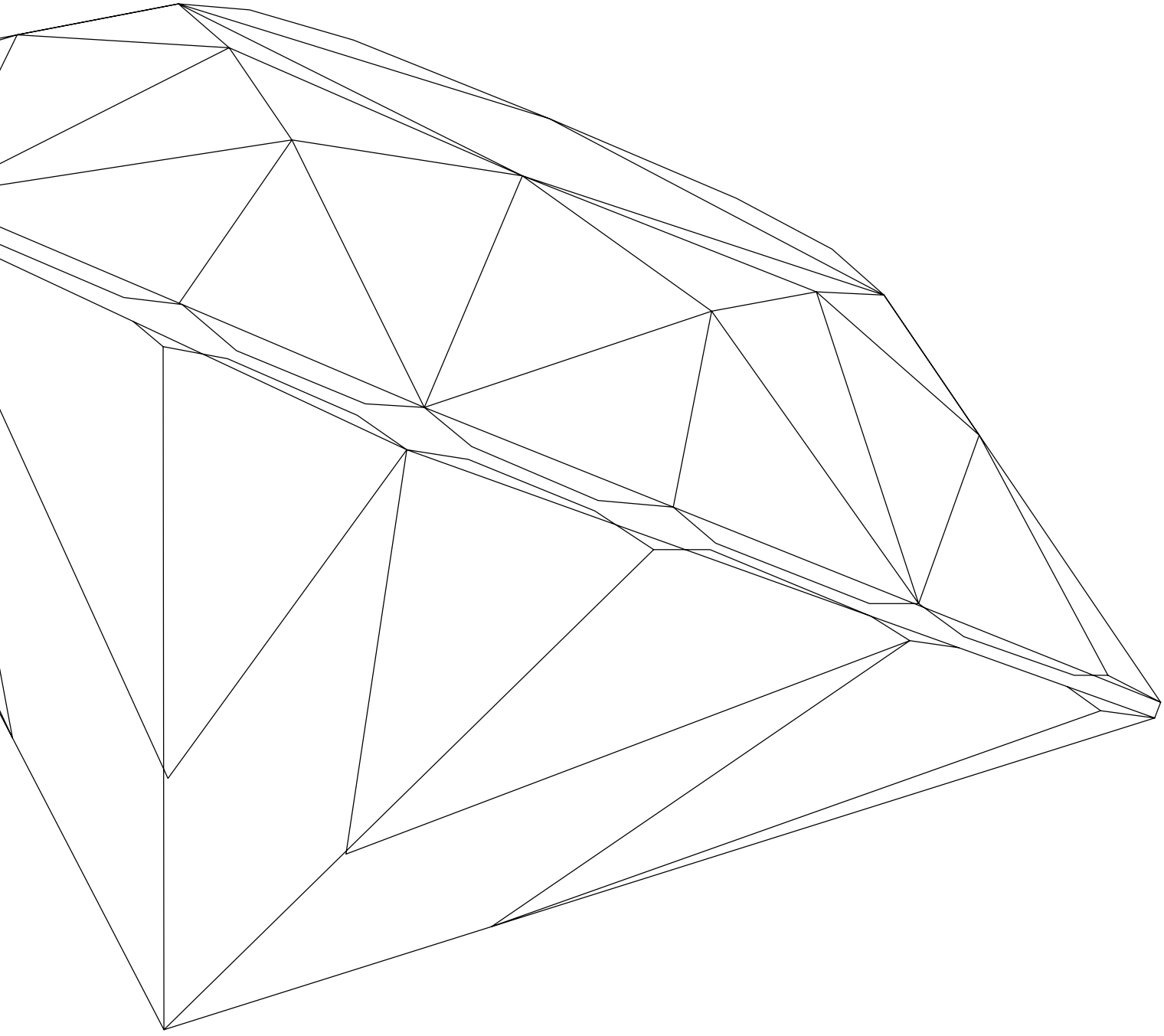
Plantations

DRIVEN BY RESILIENCE

ANNUAL REPORT 2015

DERIVING VALUE FROM STRENGTH

Our commitment to excellence is unwavering. With a foundation of strength built over the years, we are dedicated to deriving value from our core businesses, allowing us to grow stronger with time.








INSIDE THIS REPORT

CHAIRMAN'S STATEMENT

FEATURES

THE GROUP IS STRONGLY COMMITTED TO CONSISTENTLY DELIVERING VALUE TO OUR SHAREHOLDERS VIA POSITIVE DIVIDEND YIELD.

Rationale:

DRIVEN BY RESILIENCE

The resilient nature of Boustead Plantations Berhad enabled us to successfully weather through a challenging year, delivering a stable performance. The diamond-shaped imagery depicted on the cover aptly represents the strength of the Group's solid foundation. We will be driven by resilience as we move forward, seizing viable opportunities.

ABOUT US

Boustead Plantations Berhad (BPB) is an established and experienced upstream oil palm plantation company in Malaysia. As a listed subsidiary of Boustead Holdings Berhad, one of Malaysia's oldest and largest diversified conglomerates, BPB is backed by over 100 years of experience in plantation management and more than 50 years in oil palm plantation estate management.

We have a total of 41 oil palm plantation estates in the country, with 20 in Peninsular Malaysia and 21 in East Malaysia. Additionally, our operations include 10 palm oil mills with four in Peninsular Malaysia and six in East Malaysia. Our total land bank encompasses over 83,000 ha. We are also involved in oil palm agricultural and agronomic research via our associate research arm, Applied Agricultural Resources Sdn Bhd.

AT A GLANCE

REVENUE
RM615 MILLION

EBITDA
RM162 MILLION

PROFIT BEFORE TAX
RM95 MILLION

PROFIT AFTER TAX
RM72 MILLION

DIVIDEND
13 SEN

TOTAL ASSETS
RM3.3 BILLION

CAPEX & ACQUISITION
RM35 MILLION

EMPLOYEES
8,725

CHAIRMAN'S STATEMENT

GEN. TAN SRI DATO' MOHD GHAZALI HJ. CHE MAT (R)
Chairman

DEAR SHAREHOLDER,

WHILE WE WERE FACED WITH AN UNDOUBTEDLY CHALLENGING YEAR, BOUSTEAD PLANTATIONS BERHAD CONTINUED TO BUILD ON OUR SOLID FOUNDATION WITHIN THE PLANTATIONS SECTOR. THE LOWER GLOBAL COMMODITY PRICES AND VOLATILE ECONOMIC ENVIRONMENT IMPACTED US; NONETHELESS, WE ACHIEVED A SATISFACTORY PROFIT FOR THE FINANCIAL YEAR UNDER REVIEW.

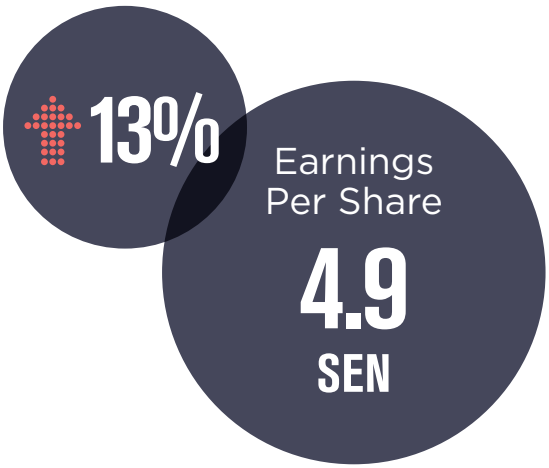
ECONOMIC LANDSCAPE

Throughout the year, 2015 presented multiple challenges that affected the global economy. The interest rate hike by the US Federal Reserve and the dramatic slowdown of the Chinese economy, not to mention the rapid slump in Brent crude oil prices, negatively impacted crude palm oil (CPO) prices.

Despite the mild El Nino weather phenomenon, CPO prices remained sluggish as production continued to outperform demand. Decreasing exports as well as a narrow price differential against competing vegetable oils caused CPO prices to drop significantly reaching a low of RM1,834 per metric tonne during the financial year.

The economic ecosystem that influences the palm oil sector is indeed a dynamic one. During the year, Malaysia and Indonesia jointly agreed to the set-up of the Council of Palm Oil Producing Countries to implement steps that will benefit two of the world's largest producers of palm oil.

These efforts include coordination of palm oil production and stock management with a view towards stabilising CPO prices. Both nations have also agreed to harmonise the standards of the Malaysian and Indonesian Sustainable Palm Oil.



FINANCIAL PERFORMANCE

We completed our first full year of operations since our listing with a profit of RM95 million, compared with RM90 million in 2014. While the Group's earnings were indeed impacted by lower CPO prices, this was offset by gains from disposal of non-core land. Revenue for the year was RM615 million, a 14% reduction from the year before.

For the year under review, earnings per share was 4.9 sen, while net assets closed at RM1.36 per share.

DIVIDEND

The Group is strongly committed to consistently delivering value to our shareholders via positive dividend yields.

Dividend was 13 sen per share, which represented a 8.7% yield based on the closing stock price for the financial year ended 31 December 2015. To date, the Group has paid out dividends totalling 10 sen to shareholders. The remaining 3 sen will be paid on 25 March 2016 to shareholders on the register as at 9 March 2016.

HUMAN CAPITAL

A strong, skilled and driven talent pool is integral in realising our plans for further growth and to drive the Group forward.

While we implemented various initiatives focused on talent development over the course of the year, we also placed importance in maintaining a close employer-employee relationship.

UNDOUBTEDLY, THERE WILL BE CHALLENGES TO BE FACED. REGARDLESS, WE REMAIN FOCUSED IN OUR PLANS, CONFIDENT IN OUR GROWTH STRATEGIES, AND MORE DETERMINED THAN EVER TO CONCENTRATE OUR EFFORTS ON DRIVING THE GROUP TO GREATER HEIGHTS.

OUTLOOK

Global forecasts predict a year of dampened growth in 2016, while on the domestic front, overall sentiment remains cautious. However, analysts and industry experts have taken a bullish view of palm oil prices in the upcoming months.

Analysts are expecting a recovery in global demand particularly in the food sector paired with lower CPO production as a result of vagaries in weather conditions such as the haze and drought arising from the El Nino phenomenon.

More pressure on stocks is projected should the effects of the drought brought about by El Nino become severe. Palm oil prices are expected to be further strengthened with the successful implementation of increased biofuel mandates in Malaysia and Indonesia.

Undoubtedly, there will be challenges to be faced. Regardless, we remain focused in our plans, confident in our growth strategies, and more determined than ever to concentrate our efforts on driving the Group to greater heights.

ACKNOWLEDGEMENT

My sincere appreciation to our dedicated Board members, for their guidance and invaluable expertise in guiding the Group through the year's challenges.

As always, the stalwart leadership of our Management team, not to mention the unwavering loyalty and support of our employees, have been fundamental to delivering a solid performance. I would like to express my deep gratitude for their contributions and continuous efforts in ensuring the Group's success.

Last but not least, to our shareholders, financiers, business associates, consultants and regulatory bodies, thank you for your support and confidence in Boustead Plantations Berhad.

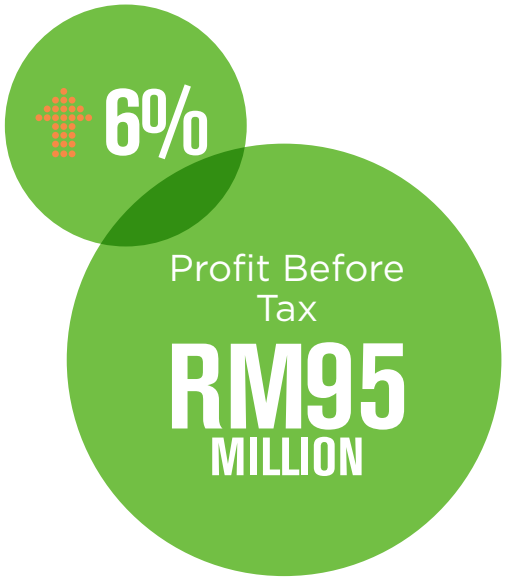
GEN. TAN SRI DATO' MOHD GHAZALI HJ. CHE MAT (R)
Chairman
25 February 2016

CEO'S REVIEW

FAHMY ISMAIL
Chief Executive Officer

DEAR SHAREHOLDER,

AS WE COMPLETE OUR FIRST FULL YEAR OF OPERATIONS SINCE LISTING, WE HAVE ONCE AGAIN PROVEN OUR RESILIENCE WITH A SOUND PROFIT DESPITE THE CHALLENGING YEAR IT HAS BEEN FOR THE COMMODITIES SECTOR.



Earnings per share ended at 4.9 sen and net assets was RM1.36 per share, while market capitalisation as at 31 December 2015 was RM2.4 billion. Our gearing ratio stood at 0.4 times.

FINANCIAL PERFORMANCE

Boustead Plantations Berhad's profit for the year under review stood at RM95 million compared with the previous year's RM90 million.

The Group's results for this year included gains on disposal of non-core land amounting to RM57 million. The disposal was part of our continuous drive to unlock the value of our land bank which is non-essential to our core business.

Operationally, the Group's results for the year were mainly impacted by lower palm product prices.

We are committed to enhancing shareholder value and to this end, we will be paying out a total dividend of 13 sen per share for the financial year. This represents a cumulative pay-out of RM208 million.

MARKET REVIEW

Commencing the year at RM2,283 per metric tonne (MT), CPO prices hovered between RM2,076 and RM2,400 throughout the first half of the year before dropping sharply to RM1,834 per MT in August.

CPO prices were impacted by the abundance of edible oil globally combined with strong CPO production from Malaysia and Indonesia, demand deceleration, inability to achieve biodiesel consumption objectives and the milder than expected El Nino phenomenon.

CPO prices rallied to a high of RM2,445 per MT in October as a result of a moderate increase in export demand. The increase was attributed to consumer reaction to the predicted dry weather cutting down output throughout Southeast Asia.

Rounding off the year, CPO prices ended at RM2,485 per MT. Average CPO price for the year stood at RM2,153 per MT.

The Group achieved an average net CPO price of RM2,148 per MT, representing a 11% decline when compared with RM2,401 in 2014. Palm kernel prices dropped by 9% to average at RM1,533 per MT for 2015.

OPERATIONS REVIEW

At the close of the year, our operations spanned over 41 estates located in Peninsular Malaysia, Sabah and Sarawak with a combined land bank of 83,200 ha.

REVENUE

RM615 MILLION

PROFIT BEFORE TAX

RM95 MILLION

Area under cultivation stood at 65,700 ha comprising 59,100 ha of mature palms and 6,600 ha of immature palms. Area under cultivation excludes 12,800 ha for buildings and infrastructure, unplanted areas and reserves. For the financial year, the Group has further excluded 4,700 ha, as the area was unproductive resulting from the native disputes in Sarawak.

We completed the disposal of non-core land during the year which consisted of 121 ha of primarily quarry land in Kulai, Johor. Additionally, 9 ha of land was acquired by the Government for TNB transmission lines in Kota Tinggi, Johor.

Applied Agricultural Resources Sdn Bhd in Kota Damansara

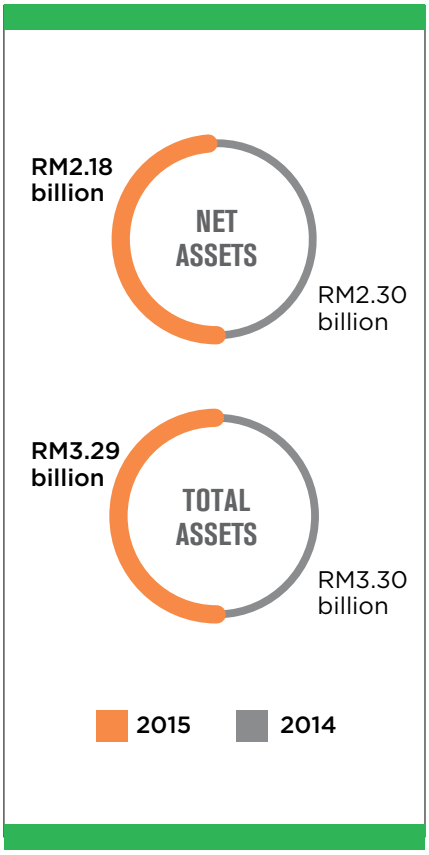
The average age profile of our oil palms is approximately 14 years. As part of our yield improvement efforts, we replanted 2,200 ha using clonal and semi-clonal planting materials comprising 700 ha in Peninsular Malaysia and 1,500 ha in Sabah.

Fresh fruit bunches (FFB) production was stable at 1,037,000 MT for 2015. Yield per ha recorded an improvement to 17.6 MT per ha from 16.2 last year.

With a total processing capacity of 425 MT FFB per hour, we processed 1,120,000 MT, of which 87% comprised fruits from our own estates. This was a slight reduction compared with 2014's volume of 1,135,000 MT.

Our FFB production costs averaged at RM297 per MT (2014: RM306) due to effective cost control measures, while milling costs increased by 5% to RM67 per MT FFB as a result of higher operational costs. Palm oil production cost stood at RM1,471 per MT compared with RM1,435 last year.

CPO production of 245,000 MT was marginally lower compared with the previous year's production of 247,000 MT as a result of the lower FFB processed.



Average oil extraction rate (OER) for the Group on the other hand was maintained at 21.9% compared with 21.8% attained in 2014, making it higher than the Malaysian Palm Oil Board's (MPOB) national average of 20.45%.

Palm kernel production stood at 51,000 MT, lower than last year's production of 52,000 MT while our average palm kernel extraction rate increased to 4.6% compared with 2014's average of 4.5%. However, it was lower than MPOB's national average of 5.04%. This is mainly due to smaller nuts in the FFB fruit composition given the selected characteristic of our planting material.

In alleviating labour shortage issues as well as rising costs, we continued with efforts to mechanise our field operations.

Controlled droplet applicators and power sprayers were utilised to address weeds, pests and diseases while we used 'very low volume' knapsack sprayers and 'ultra low volume' spraying equipment to increase workforce productivity. In terms of fertiliser application, mechanical spreaders were utilised. As for in-field FFB collection, we employed a mini-tractor and grabber system where feasible.

In addition, our utilisation of mechanised harvesting tools continued to be effective in scaling down labour dependence and increasing productivity in the harvesting of medium height palms up to six metres.

For tall palms with heights exceeding six metres, we employed considerably nimbler carbon fibre harvesting poles.

As part of our efforts to speed up FFB evacuation from the fields to the mills within 24 hours after harvesting, the bin transportation system implemented at a selection of our estates and mill complexes is progressing well and has proven effective.

RESEARCH AND DEVELOPMENT ON OIL PALM BREEDING REMAINS A KEY FOCUS AS WE EXPLORE NOVEL WAYS TO DEVELOP HIGH YIELDING PLANTING MATERIALS. THIS AREA OF RESEARCH HAS BEEN HIGHLY SUCCESSFUL FOR THE GROUP AS DEMONSTRATED BY THE RESULTS PRODUCED BY OUR VARIOUS PLANTING MATERIALS.

FFB collection using agricultural loader

During the year, our Engineering Department provided consultancy services to reputable companies for the construction of three palm oil mills in Keningau, Sabah; Bintulu, Sarawak; and Kalimantan Utara, Indonesia with a processing capacity of 40/60 MT per hour.

In addition, we provided plantation management services for plantations not owned by the Group, totalling 4,800 ha of oil palms in Peninsular Malaysia.

Peninsular Malaysia

We have a land bank of 27,700 ha in Peninsular Malaysia operated by a total of 20 estates. Of this amount, 25,900 ha are planted with oil palms with an average age profile of 13 years.

FFB production for the region stood at 457,000 MT, a 7% increment from the previous year while average FFB yield per ha was 19.8 MT against 2014's average of 18.7 MT.

Yields for the first two months of the year were lower as a result of lingering adverse effects of the severe floods in December 2014.

Our east coast estates namely Lepan Kabu, LTT-Terengganu and Bebar were most affected. This was compounded by dry weather conditions in January and February 2015.

Nevertheless, crop production recovered strongly between March and August, particularly for the northern estates.

Harvesting using carbon fibre pole

The crop production pattern started to trend lower from September onwards. This was attributed partially to the scarceness of skilled harvesters.

Our Peninsular Malaysia mills recorded an OER of 22.1%, an improvement from last year's average of 21.9% as well as the Peninsular MPOB average of 20%. Our Sungai Jernih mill achieved the Group's highest OER for the year of 25.1%.

Sabah

Our 12 estates in Sabah cover an area of 29,000 ha with 26,500 ha planted with oil palms producing 412,000 MT FFB, 6% lower than last year's production of 438,000 MT.

The average age profile of our oil palm trees in Sabah is 14 years. FFB yield for the region stood at 18 MT per ha, a reduction from last year's yield of 18.7 MT.

This reduction was due to the El Nino phenomenon, which triggered dry weather as we experienced a lower average rainfall level for the most part of the year.

Lack of skilled harvesters especially for our tall palm areas also curtailed production.

As for young mature palms, we achieved a minimum of three harvesting rounds with harvested crop sent to our mills within a 24-hour period.

Our Sabah mills recorded an average OER of 22.5%, an improvement over last year's 22.2% with our Segaria mill recording the highest OER of 24.8% for the region's mills.

Sarawak

Our total land bank in Sarawak stood at 26,500 ha over the span of nine estates. Of this, only 13,300 ha is planted with oil palms which have an average age profile of 18 years.

Our Sarawak operations produced 167,600 MT FFB, 2% lower than the last year's 171,000 MT FFB. Average FFB yield per ha was 12.8 MT compared with 9.6 MT achieved last year.

Prolonged field blockades have affected our operations in Sarawak especially at our Bukit Limau, Sungai Lelak, Kelimut and Maong estates. This is in spite of the fact that the Courts have ruled in favour of the Group that the claimants are not entitled to occupy our land.

In addition, we faced a high turnover of harvesters, extreme rainfall during the extended monsoon season in the fourth quarter, reduced field accessibility in some areas in addition to the acute shortage of tall palm harvesters.

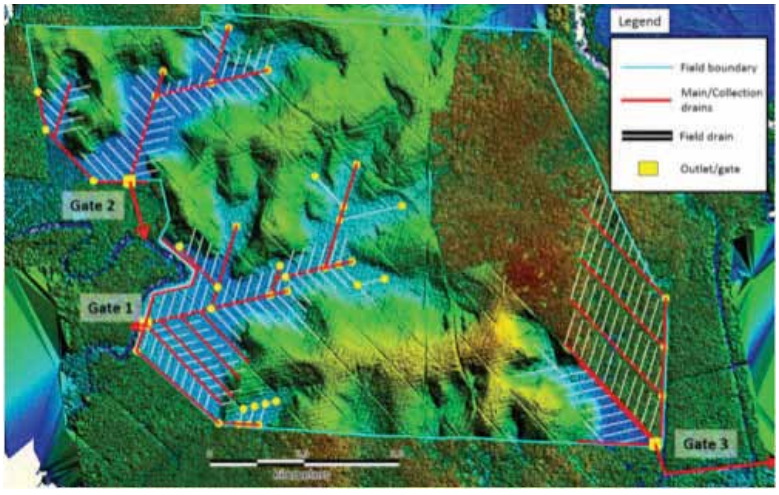
Our mills in the region achieved an OER of 20.0%, which was marginally below last year's rate of 20.5% and the Sarawak MPOB average OER of 20.2%.

RESEARCH & DEVELOPMENT

Research and development (R&D) efforts led by our associate company, Applied Agricultural Resources Sdn Bhd (AAR) play an important role in the Group's sustainable growth.

AAR's work allows us to look into new ways to increase our efficiency and yields while ensuring our business model remains viable in the long run.

R&D on oil palm breeding remains a key focus as we explore novel ways to develop high yielding planting materials. This area of research has been highly successful for the Group as demonstrated by the results produced by our various planting materials.



Design of site-specific drainage system for oil palms and flood control using the latest geospatial technology

The AA Hybrida IS and AA Hybrida II candidates have achieved 22% and 34% more oil yield respectively than our previous AA.

AAR's Tissue Culture laboratory, through its certified ISO management system routinely produces high yielding ramets while methodically sustaining its production quality. Reclones feature high oil-to-bunch ratios of 34% or 29% OER equivalent.

To date, we have 20,300 ha of oil palms planted with clonal planting materials.

In addition, our genomic selection process allows us expedited breeding selection by no less than two years compared with traditional breeding methods. Genomic selection is a form of molecular marker selection for quantitative traits including oil yield.

Improving fertiliser usage efficiency remains a key focus for our R&D team in order to provide the best growing environment that will promote optimal nutrient uptake and a reduction of surface run-off and leaching losses.

Employing the latest geospatial technology, we are also able to design site-specific drainage systems for oil palms in addition to flood control.

AAR has made significant progress in its study of the correlation between microorganisms and soil fertility as well as plant health. The anticipated benefits from this study include enhanced palm growth and better yields derived from beneficial microbes.

AAR has developed new ways to capture and study insects, enhancing our understanding of the biological diversity within our oil palm ecosystem. This allows us to distinguish between insects that can be beneficial and those that are pests.

Advances were made in our on-going research to contain Ganoderma disease through Ganoderma antagonistic microbes. One of the candidates discovered by AAR to deter and reduce Ganoderma infection, a novel species, Scytalidium parasiticum, has been patented.

During the year, we utilised unmanned aerial vehicles to capture satellite imagery at higher spatial and temporal resolutions. We have been able to utilise these images for mapping and drainage planning in our estates.

We have also been able to develop protocols for use in field assessment and to detect pest and disease outbreak. Moreover, the high resolution images taken are also used to accurately determine the planted hectarage and its density, particularly over challenging topography.

OUTLOOK

We are fortunate to have a wide talent pool of experts in the plantations sector who are working tirelessly to improve our production and effectively manage the usage of our land bank.

In order to improve our yield per ha, we maintain a replanting programme for palms between the ages of 23 and 25 years old as well as low yielding palms with high oil yielding tissue culture ramets and semi-clonal hybrid DxP seeds. We aim to carry out the replanting of 2,000 ha in 2016.

In line with our strategy to expand our land bank to complement existing operations, we recently acquired 533 ha of a prime mature oil palm plantation adjacent to our estates in the Sugut region.

Optimising the value of our land bank is a foremost consideration. On this score, we expect to complete the disposal of a further 230 ha of non-core land bank, which will allow us to achieve gains of approximately RM120 million in 2016. We will continue to assess the effective usage of our land bank while keeping in mind the objective of staying true to our core business.

Shortage of skilled harvesters is a major concern for the sector. To address this we look to continue advancing the mechanisation of our field operations.

The year under review was a challenging one for the sector. CPO prices have bottomed out and are expected to transact at RM2,200 to RM2,600 per tonne in 2016 as demand is supported by a weaker Ringgit.

CPO prices reaching RM2,600 for a brief period is anticipated if the Ringgit drops to below RM4.50 against the USD. This is not expected to be sustained unless Brent crude oil rises to above USD60 per barrel. Nevertheless, analysts anticipate that competition from soy oil will prevent palm oil from rallying too high.

While analysts are expecting prospects for the sector to improve in 2016, assessing how CPO prices will actually fare remains a complex undertaking.

We are encouraged that the Governments of both Indonesia and Malaysia have introduced measures to assist the palm oil industry. Indonesia is targeting biodiesel consumption of 5.4-7.9 million kilolitres for 2016 under its B20 target.

The Malaysian government targets to implement the B10 biodiesel programme with the aim of one million tonnes of CPO usage per year. This effort is expected to contribute to increased domestic consumption of CPO, a reduction of stock build-up and the strengthening of domestic CPO prices. In addition, Malaysia plans to restrict CPO imports to reduce stocks.

Keeping in mind the need to be focused on our long-term growth plans, we will implement cost-saving measures and heighten productivity while keeping a keen eye for prospects that will benefit the Group holistically.

FAHMY ISMAIL
Chief Executive Officer
25 February 2016

CORPORATE RESPONSIBILITY

As we strive to grow within the industry, we recognise the need to do so in a conscientious, ethical and sustainable manner. As a responsible corporate citizen, we consider it our utmost priority to contribute to the society in which we operate via our various corporate responsibility initiatives.

Our focus for these initiatives can be segmented into three core areas, namely enhancing the skills set of our human capital, caring for the communities we operate within and championing sustainable measures that will protect the environment.

HUMAN CAPITAL

The Group believes that a motivated and engaged talent pool is paramount in ensuring our long-term growth.

We seek to continuously provide our employees with ample opportunities to hone their skills and expand their knowledge base, through various training and development initiatives.

To strengthen our employees' knowledge of and exposure to the latest developments within the plantations sector, we participated in multiple seminars, conventions and workshops. Among others, these included sessions related to topics on plantation management, from milling processes and waste management to the impact of green technology on the sector.

We were also pleased to participate in the biennial Malaysian Palm Oil Board International Palm Oil Congress (PIPOC) 2015, featuring five concurrent conferences on the industry, ranging from topics on Agriculture, Biotechnology and Sustainability, to Oleo and Specialty Chemicals, and more. With policy-makers, top executives and subject matter experts present, PIPOC 2015 was greatly beneficial in facilitating knowledge-sharing among the participants.

In line with the Group's core values and core competencies, we also endeavoured to implement in-depth training sessions, with an aim to facilitate greater productivity, efficiency and accountability.

In-house and external courses on information technology, specialised software, audit training, Goods and Services Tax training and more were also offered to employees.

MOVING FORWARD TO IMPROVE PRODUCTIVITY AND EFFICIENCY
BRAINSTORMING FOR SENIOR MANAGERS, MANAGERS & ACTING MANAGERS
22 - 24 OCTOBER 2015

In addition to improving the knowledge and skillset of our current workforce and in line with our aim to develop the nation's human capital, we provided young Malaysians with the opportunity to undergo their practical training within the Group.

We place strong emphasis on caring for the economical, physical, mental and social wellbeing of our employees. We do this by providing our valued employees, along with their families who reside within our plantations with a conducive living and working environment.

To this end, we provide an integrated housing complex that not only makes available the basic necessities, but also facilities to fulfil their needs be it social, spiritual, healthcare or recreational.

In addition, apart from donations for various special occasions, initiatives were also organised on a consistent basis to foster stronger relations within the Group.

Some of our efforts during the year included Family Days, where we presented our employees' children with new school bags and stationery, as well as Workers' Sports Day and company-wide gotong royong-style events.

COMMUNITY

The Group remains steadfast in our commitment to doing our part for the community. We firmly believe in the importance of creating a positive impact by reaching out to the needy or disadvantaged through tangible initiatives.

To encourage greater engagement, we held a stakeholder session with the Orang Asli community, creating the opportunity for open dialogue and feedback.

We organised Program Sukan Komuniti Perpaduan at our Maong estate, which served to build a stronger rapport with the neighbouring communities.

In line with our commitment to contribute positively to the education of young Malaysians, we organised a Back to School programme for underprivileged primary school students in Kanowit and Baram, Sarawak as well as in Beluran, Sabah.

Through this programme we contributed aid worth RM120,000 to families with children of school age ahead of the 2016 academic year. In all, 600 children received financial aid as well as donations in the form of school uniforms, shoes, bags, stationery and basic necessities.

Similarly, we contributed for a tuition programme in aid of Form Five students who sat for their Sijil Pelajaran Malaysia examinations in 2015 across 100 localities.

Understanding the importance of taking the time to give back to those less fortunate, we reached out to underprivileged members of society including single mothers and orphans especially during the festive season.

To show our gratitude to current and former members of the Royal Malaysia Police and the Malaysian Armed Forces, we provided contributions to the Paloh Hinai Police Station for Hari Polis celebrations as well as to Tabung Kebajikan Rejimen 22 Komando.

Following the disastrous floods that displaced families and affected livelihoods at the end of 2014, we participated in rehabilitation efforts, assisting with the redevelopment of various locations throughout Kelantan.

Merdeka Telematch in Lepan Kabu Estate, Kelantan

Palm Oil Mill Effluent (POME) and Biogas plant piping from and to the mill

ENVIRONMENT

To nurture a sustainable business, the Group acknowledges the role we play in the preservation of our environment.

To reduce our carbon footprint, we are committed to the zero burning policy. Under this initiative, we ensure that leftover palms are set aside for natural decomposition.

We have implemented the use of AA+ Plastic Mulch across all our plantation estates. This safeguards and protects palm roots from mechanical and chemical damage, and also encourages greater retention of fertilisers applied to the palms.

We continue to research methods to improve fertiliser usage efficiency in an effort to create a healthy and optimal growing environment for our oil palms.

Additionally, we reutilised empty fruit bunches as mulching, particularly in plantations located in the vicinity of our palm oil mills, thus further reducing the use of chemical fertilisers.

The Group continues to actively carry out sustainable practices with a view towards minimising soil erosion.

To reduce chemical use and fertiliser wastage, we aim to establish soil conservation terraces and cover crops within six months after land clearing and preparation.

Telok Sengat Mill Biogas plant – Bloating cover

As a member of the Roundtable on Sustainable Palm Oil (RSPO), we are dedicated in our efforts to adhere to sustainable good agricultural practices. This year, we successfully attained RSPO certification for our Nak business unit. Meanwhile, our Trong business unit is also on track towards obtaining certification in 2016.

Following the launch of our nation's Malaysian Sustainable Palm Oil (MSPO) standards during the year, the Group has taken steps towards achieving MSPO-certification for our estates and mills. Our Sungai Jernih Estate and the Sungai Jernih Palm Oil Mill were duly certified in 2015.

In adherence with the Environmental Quality Act 2012, trained, qualified employees manage the disposal of our Scheduled Waste in strict accordance with standard regulations.

The installation of our biogas plant at our Telok Sengat Mill in Kota Tinggi, Johor has progressed steadily. Testing and commissioning of the plant is in its final stages.

Telok Sengat Mill Biogas plant – Flaring of excess bio-gas

Upon final completion, the plant is expected to capture an estimated 11,000M^3 of biogas per day and reduce the emission of greenhouse gases to the environment. A portion of this captured biogas will be a source of fuel to power a 600kWe gas engine generating electrical power.

The remaining, unused biogas will be safely flared into the atmosphere. Ultimately, the biogas capture plant will lead to savings for the Group.

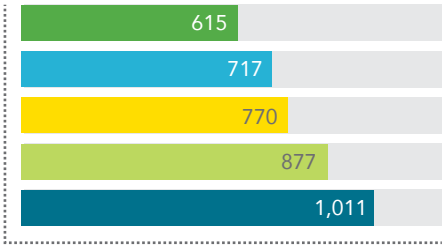
FIVE-YEAR FINANCIAL HIGHLIGHTS

		2015	2014	2013	2012	2011
FINANCIAL PERFORMANCE						
Revenue		615	717	770	877	1,011
Profit before taxation		95	90	359	184	332
Profit after taxation		72	52	331	144	308
Profit attributable to shareholders		79	57	333	131	268
Earnings per share	sen	4.9	4.3	32.7	12.8	26.3
Return on equity	%	3.5	3.1	23.6	9.8	23.1
Return on asset	%	3.6	4.1	13.7	8.9	20.8
Return on revenue	%	9.8	17.9	18.6	18.9	25.0
DIVIDENDS						
Dividend declared		208	96	90	59	186
Net dividend per share	sen	13	6	72	47	149
Dividend yield - net of tax	%	8.7	4.1	-	-	-
Dividend cover	times	0.4	0.6	3.7	2.2	1.4
GEARING						
Borrowings		915	841	977	679	160
Gearing	times	0.4	0.4	0.7	0.5	0.1
Interest cover	times	3.1	2.5	11.2	12.9	32.5
OTHER FINANCIAL STATISTICS						
Net assets per share	sen	136	143	1,116	1,154	980
Share price - high	sen	150	164	-	-	-
Share price - low	sen	116	140	-	-	-
Price earnings ratio	times	30.4	33.5	-	-	-
Paid up share capital		800	800	125	125	125
Numbers of issued share capital	million	1,600	1,600	125	125	125
Shareholders' equity		2,182	2,295	1,390	1,437	1,221
Total equity		2,228	2,348	1,449	1,498	1,269
Total assets		3,299	3,303	3,259	2,330	1,705

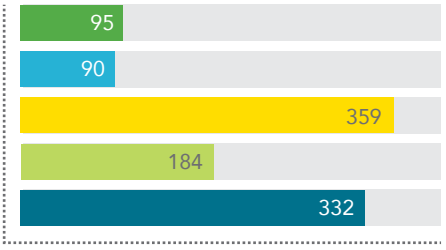
All figures are in RM million unless otherwise stated.

Note:
The above historical financial summary may not be comparable across the periods due to changes in the Group's structure as well as the effects of the intial public offering in 2014.

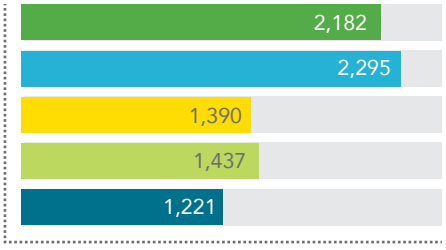
Revenue
(RM million)



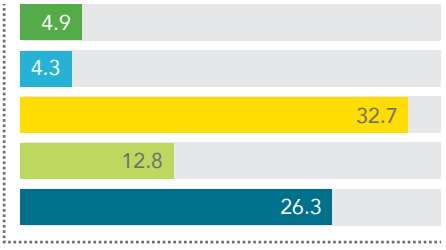
Profit before taxation
(RM million)



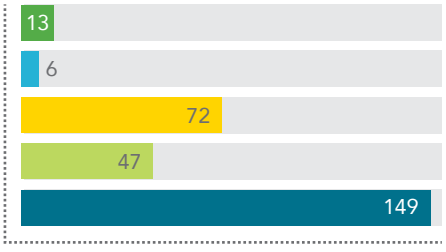
Shareholders' equity
(RM million)



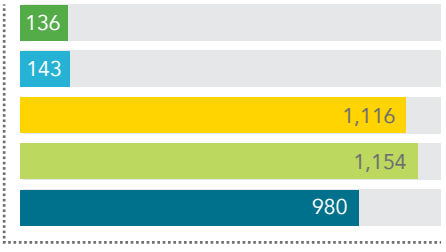
Earnings per share
(sen)



Dividend per share
(sen)



Net assets per share
(sen)



2015 2014 2013 2012 2011

CORPORATE INFORMATION

DIRECTORS

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)
Non-Independent Non-Executive Chairman

Tan Sri Dato' Seri Lodin Wok Kamaruddin
Non-Independent Non-Executive Vice Chairman

Dato' Mohzani Abdul Wahab
Senior Independent Non-Executive Director

Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.
Independent Non-Executive Director

Dr. Raja Abdul Malek Raja Jallaludin
Independent Non-Executive Director

Datuk Zakaria Sharif
Non-Independent Non-Executive Director

CHIEF EXECUTIVE OFFICER

Fahmy Ismail

REGISTERED OFFICE

28th Floor, Menara Boustead
69 Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia
Tel : (03) 2141 9044
Fax : (03) 2141 9750
www.bousteadplantations.com.my

REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : (03) 2783 9299
Fax : (03) 2783 9222

SECRETARY

Tasneem Mohd Dahalan

PRINCIPAL BANKERS

Affin Bank Berhad
Affin Islamic Bank Berhad
Alliance Bank Malaysia Berhad
Kuwait Finance House (Malaysia) Berhad
OCBC Bank (Malaysia) Berhad
United Overseas Bank Berhad

AUDITORS

Ernst & Young

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Stock name: BPLANT
Stock code: 5254

HOLDING CORPORATION

Boustead Holdings Berhad

FINANCIAL CALENDAR

FINANCIAL YEAR

1 January to
31 December 2015

RESULTS

First quarter

Announced
19 May 2015

Second quarter

Announced
20 August 2015

Third quarter

Announced
19 November 2015

Fourth quarter

Announced
19 February 2016

ANNUAL REPORT

Issued
9 March 2016

ANNUAL GENERAL MEETING

To be held
31 March 2016

DIVIDENDS

First interim

Announced
19 May 2015

Entitlement date
5 June 2015

Payment date
30 June 2015

Second interim

Announced
20 August 2015

Entitlement date
8 September 2015

Payment date
29 September 2015

Third interim

Announced
19 November 2015

Entitlement date
9 December 2015

Payment date
23 December 2015

Fourth interim

Announced
19 February 2016

Entitlement date
9 March 2016

Payment date
25 March 2016

PROFILE OF DIRECTORS

GEN. TAN SRI DATO' MOHD GHAZALI HJ. CHE MAT (R)

NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R), Malaysian, eighty-five years of age, was appointed to the Board on 18 January 1991. He is the Chairman of the Remuneration Committee and a member of the Nominating Committee.

Tan Sri Dato' Mohd Ghazali graduated from the Officer Cadet School Eaton Hall, United Kingdom, the Royal Military Academy, Sandhurst, United Kingdom and the Command and Staff College, Quetta, Pakistan. He served in various command and staff appointments in the Malaysian Armed Forces for more than 30 years culminating in his appointment as Chief of the Armed Forces from 1985 to 1987.

Tan Sri Dato' Mohd Ghazali was appointed as the Chairman of Lembaga Tabung Angkatan Tentera from 23 February 1988 until 22 February 2007. He is the Independent Non-Executive Chairman of Boustead Holdings Berhad (BHB), a public listed company and sits on the board of various companies within the BHB Group namely, UAC Berhad and Boustead Properties Berhad.

On 23 September 2013, he was awarded with Honorary Doctorate of Philosophy in Defence Studies by the National Defence University Malaysia.

Tan Sri Dato' Mohd Ghazali does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

TAN SRI DATO' SERI LODIN WOK KAMARUDDIN

NON-INDEPENDENT
NON-EXECUTIVE
VICE CHAIRMAN

Tan Sri Dato' Seri Lodin Wok Kamaruddin, Malaysian, sixty-six years of age, was appointed to the Board on 25 October 2013. He is a member of the Remuneration Committee.

He is currently the Chief Executive of Lembaga Tabung Angkatan Tentera and Deputy Chairman/Group Managing Director of Boustead Holdings Berhad.

Tan Sri Dato' Seri Lodin graduated from the University of Toledo, Ohio, USA with a Bachelor of Business Administration and Masters of Business Administration. He has extensive experience in not only managing a provident fund but also in the establishment, restructuring and management of various business interests ranging from plantation, trading and industrial, financial services, property development, oil and gas, pharmaceuticals to shipbuilding.

Tan Sri Dato' Seri Lodin is Chairman of Boustead Heavy Industries Corporation Berhad, Pharmaniaga Berhad, and is Deputy Chairman of Affin Holdings Berhad, which are public listed companies in Malaysia. He is also Chairman of MHS Aviation Berhad and Affin Hwang Asset Management Berhad. In addition, he holds directorships in UAC Berhad, Boustead Properties Berhad, FIDE Forum, Badan Pengawas Pemegang Saham Minoriti Berhad, Affin Bank Berhad, Affin Islamic Bank Berhad, Affin Hwang Investment Bank Berhad and AXA Affin Life Insurance Berhad.

Among the many awards Tan Sri Lodin has received to date include the Chevalier De La Legion D'Honneur from the French Government, the Malaysian Outstanding Entrepreneurship Award, the Degree of Doctor of Laws Honoris Causa from the University of Nottingham, United Kingdom, the UiTM Alumnus of the Year 2010 Award, The BrandLaureate Most Eminent Brand ICON Leadership Award 2012.

He is also a Chartered Banker, having been awarded with the professional qualification by the Asian Institute of Chartered Bankers in November 2015.

Tan Sri Dato' Seri Lodin does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

DATO' MOHZANI ABDUL WAHAB

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Mohzani Abdul Wahab, Malaysian, sixty-two years of age, was appointed to the Board on 25 October 2013. He is the Chairman of the Audit Committee and Nominating Committee.

Dato' Mohzani graduated from University Malaya with a Bachelors degree in Economics.

Dato' Mohzani has had a noteworthy 33 year long career span with Shell group of companies since 1976. During his service with the Shell Group, he assumed various senior positions in different divisions ranging from supply distribution, branding and communications, marketing and retail management under Shell's downstream oil products sector. From 2003 to 2009, he was involved in the management of the Shell Group's international retail business, namely in Singapore, Brunei, Hong Kong and Oman. His career progressed mainly within the Shell Group and he held his final position as Managing Director of Shell Malaysia Trading Sdn Bhd and Shell Timur Sdn Bhd in the year 2001 and 2005, respectively, until his retirement at the end of the year 2009.

Currently Dato' Mohzani is the Chairman of TH-Alam Management (M) Sdn Bhd, TH-Alam Holdings (L) Inc and TH Marine Sdn Bhd. He is also a Director of several other private limited companies, notably Pavilion REIT Management Sdn Bhd.

He serves as an Independent Non-Executive Director on the boards of Celcom Axiata Berhad and Hong Leong Investment Bank Berhad, both of which are subsidiaries of Axiata Group Berhad and Hong Leong Capital Berhad, respectively. These holding companies are public listed companies in Malaysia. In addition, Dato' Mohzani is the Chairman of the investment panel of Lembaga Tabung Haji.

Dato' Mohzani does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

MAJ. GEN. DATO' HJ. KHAIRUDDIN ABU BAKAR (R) J.P.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P., Malaysian, sixty-five years of age, was appointed to the Board on 10 April 2014. He is a member of Nominating Committee.

Dato' Hj. Khairuddin graduated from the Malaysian Armed Forces Staff College and Malaysian Armed Forces Defence College. He obtained his Diploma in Industrial Management from Universiti Kebangsaan Malaysia and Master of Business Administration from Charles Sturt University, Australia. He has also attended the Commonwealth and Foreign Ordinance Officers' Course in United Kingdom, Senior Ordinance Officer (Management) Course in India and Ordinance Officer Advance Course in United States of America. He is a member of the Malaysian Institute of Management since 1978.

He joined the Malaysian Armed Forces in 1971 where he served in various capacities such as Senior Officer, Logistics Plan & Operations for the United Nations' operations in Somalia, Deputy Commandant of the Malaysian Armed Forces Staff College, Director of Defence Logistics Policy and Assistant Chief of Staff, Logistics before he retired from military service in 2006 with his last position as General Officer Commanding of the Logistics Division. During his tenure with Malaysian Armed Forces, he was responsible for the planning, management, financial control and implementation of the logistics, inventory, procurement and transportation of the army in the Malaysian Armed Forces.

Currently he is the Executive Chairman of Intake Eighteen Security Sdn Bhd, a security services company.

Dato' Hj. Khairuddin does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

DR. RAJA ABDUL MALEK RAJA JALLALUDIN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. Raja Abdul Malek Raja Jallaludin, Malaysian, seventy years of age, was appointed to the Board on 23 December 2013. He is a member of Audit Committee and Remuneration Committee.

Dr. Raja Abdul Malek graduated with Bachelor of Medicine and Bachelor of Surgery from Universiti Malaya. He has served in various peer and academic activities, amongst others, as a clinical tutor in the Faculty of Medicine, Universiti Malaya, a member of the Ethical Committee of the Malaysian Medical Council, Ministry of Health and also the Chairman of Council, Academy of Family Physicians, Malaysia.

Early in his career, he worked at the General Hospital, Kuala Lumpur and the Faculty of Medicine, Universiti Kebangsaan Malaysia. In late 1975, he went into private medical practice and became a senior partner of Drs. Catterall, Khoo, Raja Malek & Partners.

From 1984 to 2000, he was the Medical Director (Malaysia-Singapore) for Parke Davis-Warner Lambert, and had continued with Pfizer Malaysia after the two corporations merged in 2001. In 2003, he resigned from Drs. Catterall, Khoo, Raja Malek & Partners and joined HOE Pharmaceuticals Sdn Bhd, a multinational pharmaceutical firm as the Director of Medical and Scientific Affairs and holds this position to-date.

Currently, his other public listed directorship is StemLife Berhad.

Dr. Raja Abdul Malek does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

DATUK ZAKARIA SHARIF

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Datuk Zakaria Sharif, Malaysian, fifty-eight years of age, was appointed to the Board on 15 April 2014. He is a member of the Audit Committee.

He is currently the Deputy Chief Executive of Lembaga Tabung Angkatan Tentera (LTAT).

Datuk Zakaria graduated from Monash University, Australia with a Bachelors degree in Economics majoring in Accountancy. He is a Fellow of the Australian Society of Certified Public Accountant (FSCPA) since 2009, an associate of the Malaysian Institute of Certified Public Accountant (MICPA) since 1989 as well as a member of the Malaysian Institute of Accountants (MIA) since 1984.

He started his career with Price Waterhouse & Co in 1980 and joined Arab Malaysian Finance Berhad in 1984 where he served in various positions until 1987. He subsequently joined LTAT in 1988 where he served as an Investment Manager until 1991. He joined the Boustead Holdings Berhad's Group (BHB) in 1992 as the General Manager of Emastulin Automobile Sdn Bhd, a subsidiary of BHB involved in the distribution of passenger cars and light and heavy vehicles before joining another subsidiary of BHB, Boustead Trading Sdn Bhd in 2000 as General Manager. From 2000 to 2003, he served as a General Manager at Perbadanan Hal Ehwal Bekas Angkatan Tentera, a wholly owned corporation of LTAT involved in providing training of retiring servicemen of the Malaysia Armed Forces. He later joined Perbadanan Perwira Harta Malaysia, another wholly owned corporation of LTAT involved in construction, property development and property management, as General Manager. He returned to LTAT in 2007 as General Manager Investment where he was responsible for managing LTAT's investments. He was later promoted as LTAT's Deputy Chief Executive in 2011, a position he holds to-date.

Currently Datuk Zakaria sits on the board of various companies including Labuan Reinsurance (L) Ltd, Chery Holdings (Malaysia) Sdn Bhd, Jendela Hikmat Sdn Bhd, A.T.E.S Sdn Bhd, Beta Tegap Sdn Bhd and LTP Wibawa Sdn Bhd.

Datuk Zakaria does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

PROFILE OF CEO

FAHMY ISMAIL
CHIEF EXECUTIVE OFFICER

Fahmy Ismail, Malaysian, thirty-nine years of age, was appointed as the Chief Executive Officer on 1 March 2014.

He graduated with a Bachelor of Commerce in Accounting and Finance from University of Sydney, Australia in 1999. He is a Chartered Accountant under Malaysian Institute of Accountants (MIA) and is also a Certified Practicing Accountant under CPA Australia.

Fahmy Ismail began his career as a management trainee in the Renong Group (currently known as the UEM Group) in the year 1999. He assumed several finance roles within the Renong Group and one of its subsidiaries, Crest Petroleum Berhad, ranging from accounting, performance reporting, treasury and corporate finance. His last held position prior to joining Boustead Holdings Berhad (BHB), was Assistant Manager, Corporate Finance for SapuraCrest Petroleum Bhd.

Fahmy Ismail joined BHB in January 2006 as its Corporate Planning Manager. In addition to his corporate planning role, his responsibilities included amongst others, investor relations, corporate finance, institutional relations, head of transformation office for the GLC Transformation Programme and several CSR initiatives within the BHB Group.

In the year 2007, he was appointed as Deputy Chief Executive Officer of Boustead REIT Managers Sdn Bhd (BRMSB) and subsequently, on 15 January 2009, he was appointed as the Chief Executive Officer of BRMSB.

Following the completion of the BREIT Privatisation in January 2014, he was then appointed as the Chief Executive Officer of Boustead Plantations Berhad.

Currently, he holds several directorships within the Boustead Group including Johan Ceramics Berhad, a public company.

Fahmy Ismail holds 506,300 shares in the Company. He does not hold any share in any subsidiary of the Company.

He does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

SENIOR MANAGEMENT TEAM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1 **En. Fahmy Ismail**
Chief Executive Officer

2 **Mr. Chow Kok Choy**
Chief Operating Officer

Managing Director,
Boustead Estates Agency

3 **Tn. Hj. Abd Halim Abd Majid**
Deputy Managing Director,
Boustead Estates Agency

4 **Ms. Chin Sup Chien**
Chief Financial Officer

5 **Mr. Teng Peng Khen**
Senior General Manager,
Sales and Marketing

6 **Dato' Shoib Abdullah**
Senior General Manager,
Human Resource &
Corporate Communication

7 **Tn. Hj. Sharudin Jaffar**
Planting Director

8 **Mr. Loh Wai Cheong**
Group Engineer

AUDIT COMMITTEE REPORT

MEMBERS AND MEETINGS

A total of four meetings were held during the financial year ended 31 December 2015. Details of the composition of the Committee and the attendance by each member at the Committee meetings are set out below:

Name of Director	Status of Directorship	Independent	Attendance of Meetings
Dato' Mohzani Abdul Wahab	Senior Independent Non-Executive Director Chairman of the Committee	Yes	4/4
Dr. Raja Abdul Malek Raja Jallaludin	Independent Non-Executive Director	Yes	4/4
Datuk Zakaria Sharif	Non-Independent Non-Executive Director	No	4/4

During the financial year, the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Head of Internal Audit had attended the meetings. The Audit Committee met with the external auditors twice during the year without the presence of management. The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification.

The Audit Committee Chairman reports to the Board on principal matters deliberated at the Audit Committee meetings. Minutes of each meeting are circulated to the Board at the next Board meeting.

TERMS OF REFERENCE

Membership

The Committee shall comprise at least three Non-Executive Directors, the majority of whom are independent, including the Chairman. The Chairman shall be elected by the members of the Committee. No alternate director shall be appointed as a member of the Committee. All members of the Audit Committee shall be financially literate and at least one member shall be a professional or qualified accountant. Any vacancy resulting in there being no majority of Independent Directors shall be filled within three months.

Authority

In carrying out their duties and responsibilities, the Audit Committee shall have the authority to:

- investigate any matter within its terms of reference;
- have the resources which are required to perform its duties and to obtain independent professional or other advice it deems necessary;
- have full and unrestricted access to any information pertaining to the Group as well as direct communication with the internal and external auditors and Senior Management of the Group;
- obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

Key Functions and Responsibilities

A summary of the key functions and responsibilities of the Audit Committee in accordance with the terms of reference of the Audit Committee is as follows:

1. Review the external auditors' audit plan, the scope of their audits and audit report.
2. Review the evaluation of the system of internal control with the internal and external auditors.
3. Review the adequacy of the scope, functions, competency and resources of the internal audit function, including whether it has the necessary authority to carry out its work.
4. Review the internal audit plan and results of the internal audit plan or investigation undertaken and follow-up on the recommendations contained in the internal audit reports.
5. Review the Group's quarterly results and the annual financial statements prior to the approval by the Board of Directors, focusing particularly on:
    - changes in or implementation of major accounting policies;
    - significant and unusual events; and
    - compliance with accounting standards and other regulatory requirements.
6. Review any related party transactions and conflict of interest situations that may arise including any transaction, procedure or course of conduct that raises questions of Management integrity.
7. Review the procedures for recurrent related party transactions undertaken by the Company and the Group.
8. Review the Risk Management Committee's periodic report on key risk profiles and risk management activities.
9. Discuss with the external auditors with regards to problems and observations noted in their interim and final audits.

10. Assess the performance of the external auditors and make recommendations to the Board of Directors on their appointment and removal.

11. Recommend the nomination of a person or persons as external auditors.

12. Review any letter of resignation from the external auditors or suggestions for their dismissal.

13. Monitor the Group's compliance to the Main Market Listing Requirements (MMLR) and the Malaysian Code of Corporate Governance 2012 from assurances by the Company Secretary and the results of review by the external and internal audits.

14. Where the Audit Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the MMLR, the Audit Committee must promptly report such matter to Bursa Malaysia Securities Berhad.

15. Carry out any other functions that may be mutually agreed upon by the Committee and the Board of Directors.

ACTIVITIES DURING THE FINANCIAL YEAR

During the year, the Audit Committee carried out its duties as set out in its terms of reference. The main activities undertaken were as follows:

- Reviewed the internal and external auditors' scope of work and annual audit plans for the Group.

- Reviewed the management letters and the audit reports of the external auditors.

- Reviewed the quarterly and annual reports of the Group to ensure compliance with the MMLR, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board of Directors.

- Reviewed the Risk Management Committee's report on key risk profiles and risk management activities.

- Reviewed the Audit Committee Report, Statement on Corporate Governance and Statement on Risk Management and Internal Control and recommend to the Board for approval prior to their inclusion in the Company's annual report.

- Reviewed the adequacy of resource requirements and competencies of staff within the Company's internal audit function to execute the annual audit plan and the results of the work.

- Reviewed the related party transactions entered by the Company and the Group as well as the disclosure of and the procedures relating to related party transactions.

- Reviewed the Circular to Shareholders relating to shareholders' mandate for recurrent related party transactions of revenue or trading nature before recommending it for Board's approval.

- Reviewed and supported the annual internal audit plan including budget and resource planning. The audit is prepared based on risk based approach with focus on the areas with significant risks.

- Reviewed and deliberated internal audit reports and to monitor/follow-up on remedial action. Where required, members of the Audit Committee would carry out ground visits to verify significant issues highlighted in the internal audit reports.

- Reviewed the effectiveness of internal audit processes and the resources allocated to the audit.

- Met with the external auditors twice during the year in the absence of management.

INTERNAL AUDIT FUNCTION

The Audit Committee is assisted by the Group Internal Audit (GIA) of Boustead Holdings Berhad (the Immediate Holding Company of Boustead Plantations Berhad) whose principal responsibility is to evaluate and improve the effectiveness of risk management, control and governance processes. This is accomplished through a systematic and disciplined approach of regular reviews and appraisals of the management, control and governance processes based on the review plan that is approved by the Audit Committee annually. The GIA function adopts a risk-based methodology in planning and conducting audits by focusing on key risks areas and activities that are aligned with the Group's strategic plans.

The terms of reference of the GIA function are clearly spelt out in the Internal Audit Charter (Charter). GIA has operated and performed in accordance to the principles of the Charter that provides for its independence. The GIA function reports directly to the Audit Committee, and is independent of the activities it audits. GIA has an adequately resourced internal audit function to assist the Audit Committee and the Board in maintaining an effective system of internal control and overall governance practices within the Company and the Group.

During the financial year, the GIA function had undertaken the following activities:

- Prepared the annual audit plan for approval by the Audit Committee.
- Performed risk-based audits based on the annual audit plan, including follow-up of matters from previous internal audit reports.
- Issued internal audit reports to the Management on risk management, control and governance issues identified from the risk-based audits together with recommendations for improvements for these processes.
- Undertook investigations and special reviews of matters arising from the audits and/or requested by the Management and/or Audit Committee and issued reports accordingly to the Management.
- Reported on a quarterly basis to the Management Audit Committee on significant risk management, control and governance issues from the internal audit reports issued, the results of investigations and special reviews undertaken and the results of follow-up of matters reported.
- Reported on a quarterly basis to the Audit Committee the achievement of the audit plan and status of resources of the Group's internal audit function.
- Conducted follow-up of the recommendations by the external auditors in their management letter.
- Liaised with the external auditors to maximise the use of resources and for effective coverage of the audit risks.
- Reviewed the procedures relating to related party transactions.

The total cost incurred for the GIA function in respect of the financial year ended 31 December 2015 amounted to RM1.0 million.

STATEMENT ON CORPORATE GOVERNANCE

BOARD ROLES AND RESPONSIBILITIES

The Board is responsible for the corporate governance practices of the Group. It guides and monitors the affairs of the Group on behalf of the shareholders and retains full and effective control over the Group.

The Board manages the affairs of the Group guided by the principles of good corporate governance in accordance with the requirements and guidelines as per the Malaysian Code on Corporate Governance 2012 (Code) as well as the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia).

The Board of Directors is committed to uphold appropriate standards of corporate governance practices throughout the Group and believes that good governance practices are fundamental for the achievement of financial goals, enhancement of shareholders' value and safeguard stakeholders' interests.

The Board has approved this statement and is of the view that it has complied with the recommendations set out in the Code and the disclosure requirements under the MMLR. Set out below is the manner in which the Board has applied the principles of good governance and the extent to which it has complied with the Code and MMLR.

The key responsibilities of the Board cover:

- Reviewing the strategic direction for the Group;
- Overseeing and evaluating the conduct of business of the Group;
- Reviewing the adequacy of management information and internal control systems;
- Identifying principal risks and ensuring that the risks are properly managed;
- Establishing a succession plan for Senior Management; and
- Developing and implementing an investor relations programme.

The responsibility for matters material to the Group is in the hands of the Board, with no individuals having unfettered powers to make decisions.

The Board has approved a board charter (Board Charter) which sets out a list of specific functions that are reserved for the Board. The Board Charter addresses, among others, the following matters:

- Duties and responsibilities of the Board;
- Directors' Code of Ethics;
- Composition and Board balance;
- The role of Chairman and Chief Executive Officer;
- Appointments;
- Re-election;
- Supply of information;
- Separation of power;
- Board Committees;
- Remuneration;
- Financial reporting;
- General meetings;
- Investor relations and shareholder communication; and
- Relationship with other stakeholders (employees, environment, social responsibility).

The approval and adoption of the Board Charter and Directors' Code of Ethics formalises the standard of ethical values and behaviour that is expected of Directors at all times. The Board Charter and Directors' Code of Ethics are reviewed periodically to ensure their relevance and compliance.

The Board is guided by the approved Board Charter, terms of reference of the respective Board Committees and approved Limits of Authority which define matters which are specifically reserved for the Board and those delegated to the Chief Executive Officer for day-to-day management of the Group. This formal structure of delegation is further cascaded by the Chief Executive Officer to the Senior Management team within the Group. However, the Chief Executive Officer and the Senior Management team remain accountable to the Board for the authority that is delegated.

In performing their duties, all Directors have access to the advice and services of the Company Secretary and if necessary, may seek independent professional advice about the affairs of the Group. The Company Secretary attends all Board meetings and advises the Board on procedures and requirements under the Company's Memorandum and Articles of Association, the Companies' Act 1965 and the MMLR. The Company Secretary also ensures that there is good information flow within the Board and between the Board, Board Committees and Senior Management. Board members are provided with Board papers in advance before each Board meeting for decision, including the overall Group's strategy and direction, acquisitions and divestments, approval of major capital expenditure projects and significant financial matters.

The Group is also committed towards sustainable development with specific attention to environmental, social and governance attributes of the Group's businesses. Employees' welfare and the community responsibilities are also integral to the way in which the Group conducts its business. The report on the activities pertaining to corporate social responsibilities is set out on pages 18 to 21 of this annual report.

COMPOSITION OF THE BOARD

The Board currently has six members, who are all Non-Executive Directors. Three of the Directors are Independent Directors, which is in excess of the MMLR of one third. Together, the Directors bring characteristics which allow a mix of qualifications, skills and experience which is necessary for the successful direction of the Group.

A brief profile of each Director is presented on pages 26 to 31 of this annual report.

There is a division of functions between the Board and the Management. The Board plays a strategic role in overseeing Management in their discharging the delegated duties towards achieving the Group's corporate objectives and long term strategic business plans. The Chairman, who is not a Chief Executive Officer previously and a non-executive member of the Board, is primarily responsible for the orderly conduct and working of the Board whilst the Chief Executive Officer has the overall responsibility for the day-to-day running of the business, organisational effectiveness and implementation of Board policies and decisions.

The Independent, Non-Executive Directors provide impartial and independent views, advice and judgement concerning strategy, business performance, resources and standard of conduct and thus help to ensure that interest of shareholders and stakeholders of the Company are safeguarded.

Dato' Mohzani Abdul Wahab is the Senior Independent Non-Executive Director. Any concerns regarding the Group may be conveyed to him. The Senior Independent Director serves as the point of contact between the Independent Directors and the Chairman on sensitive issues and act as a designated contact to whom shareholders' concerns or queries may be raised.

The terms of the appointment of Directors include the procedures for dealing with conflict of interest and the availability of independent professional advice. The Board believes that the current size and composition is appropriate for its purpose, and is satisfied that the current Board composition fairly reflects the interest of minority shareholders within the Group.

The Board acknowledges the importance of board diversity, including gender diversity. The Board believes that for it to function effectively, the requisite skills, experience, knowledge and independence is vital, regardless of gender. Although no specific target has been set, the Board is mindful that any gender representation should be for the best interest of the Group.

BOARD MEETINGS

Board meetings are held at quarterly intervals with additional meetings convened for particular matters, when necessary. The Board records its deliberations, in terms of issues discussed, and the conclusions in discharging its duties and responsibilities. All Directors are fully briefed in advance of Board meetings on the matters to be discussed and have access to any further information they may require.

The number of meetings of the Board and Board Committees held during the year were:

Board of Directors	4 meetings
Audit Committee	4 meetings
Nominating Committee	1 meeting
Remuneration Committee	1 meeting

The composition of the Board and the attendance of each Director at the Board meetings held during the financial year are as follows:

Name of Director	Status of Directorship	Independent	Attendance of Meetings
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	Non-Executive Chairman	No	4/4
Tan Sri Dato' Seri Lodin Wok Kamaruddin	Non-Executive Vice Chairman	No	4/4
Datuk Zakaria Sharif	Non-Executive Director	No	4/4
Dato' Mohzani Abdul Wahab	Senior Independent Non-Executive Director	Yes	4/4
Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.	Non-Executive Director	Yes	4/4
Dr. Raja Abdul Malek Raja Jallaludin	Non-Executive Director	Yes	4/4

INFORMATION FOR THE BOARD

The Directors are provided with adequate Board reports on a timely manner prior to the Board meeting to enable the Directors to obtain further explanations, where necessary. These reports provide information on the Group's performance and major operational, financial and corporate issues. Minutes of meetings of the Board Committees are also tabled at the Board meetings for the Board's information and deliberation. The Directors have access to the advice and services of the Company Secretary whose terms of appointment permit removal and appointment only by the Board as a whole. The Board's rights to information and access to independent professional advice at the expense of the Company are stated in the Board Charter.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, all newly appointed Directors shall retire from office but shall be eligible for re-election in the next Annual General Meeting subsequent to their appointment. The Articles further provide that at least one third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting. Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

BOARD INDEPENDENCE

Independent Non-Executive Directors play a leading role in Board Committees. The Management and third parties are co-opted to the Committees as and when required.

The Group measures the independence of the Directors based on the criteria specified in the MMLR and none of the Independent Non-Executive Directors participate in any business dealings or are involved in any other relationships with the Group. This allows them to function independently and in an unbiased manner in discharging their duties and responsibilities.

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R) who is the Chairman of Boustead Holdings Berhad, has been an effective Non-Independent Non-Executive Chairman of Boustead Plantations Berhad. He exercises independent and broad judgment as well as provides independent opinions and constructive views on proposals from the Management and he has never assumed an executive position in the Group.

The Code recommends that if the Chairman of the Board is not an independent director, the Board must comprise a majority of independent directors. The Company's Chairman is Non-Independent Non-Executive Director and there are three (3) Independent Non-Executive Directors out of six (6) board members. The Board believes that the interests of shareholders are best served by a Chairman who is sanctioned by the shareholders and who will act in the best interests of shareholders as a whole. As the Chairman represents shareholders with a substantial interest in the Company, he is well placed to act on behalf of the shareholders and in their best interests. As of now, the Board does not believe that it should urgently increase independent directors to form a majority of the Board. However, the Board will continuously review and evaluate such recommendation.

The Board has not established any term limit for the Independent Non-Executive Directors as the Board believes that the term limit is not the absolute indicator of a Director's independence, of which is more related to the conduct and actions of the Director. Currently, none of the Independent Non-Executive Directors have served on the Board for cumulative of nine years as stipulated under the Code.

BOARD COMMITTEES

The Board may, whenever required, set up committees delegated with specific powers and responsibilities. The Board has established the following Committees to assist the Board in the discharging of its duties:

- Audit Committee
- Nominating Committee
- Remuneration Committee

The Board has also approved and adopted a formal charter that outlines the functions, duties and responsibilities of the Board Committees in line with the Board's objective in pursuing good governance practice.

Audit Committee

The Audit Committee was established on 23 December 2013 to serve as a Committee of the Board. The composition of the Audit Committee meets the MMLR, where Independent Directors form the majority. The members of the Audit Committee comprise:

Dato' Mohzani Abdul Wahab (Chairman)
Dr. Raja Abdul Malek Raja Jallaludin
Datuk Zakaria Sharif

The Audit Committee reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the internal audit function and ensures an objective and professional relationship is maintained with external auditors. The Audit Committee has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the Audit Committee. The role of the Audit Committee and the number of meetings held during the financial year as well as the attendance record of each member are set out in the Audit Committee Report in this annual report.

Nominating Committee

The Nominating Committee, established on 23 December 2013 comprises entirely Non-Executive Directors, majority of whom are independent and chaired by an Independent Director. The members of the Nominating Committee comprise:

Dato' Mohzani Abdul Wahab (Chairman)
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)
Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.

The Nominating Committee is responsible for proposing new nominees to the Board and Board Committees, for assessing on an ongoing basis, the contribution of each individual Director and the overall effectiveness of the Board. The final decision as to who shall be appointed as Director remains the responsibility of the full Board, after considering the recommendation of the Nominating Committee.

The terms of reference of the Nominating Committee are as follows:

- To assess and recommend to the Board candidates for directorship on the Board of the Company as well as membership of the Board Committees.
- To review and assess annually the overall composition of the Board in terms of appropriate size, required mix of skills, experience and core competencies, and the adequacy of balance between Executive Directors, Non-Executive Directors and Independent Directors.
- To establish the mechanism for the formal assessment of the effectiveness of individual Director, and to annually appraise the performance of Chief Executive Officer and Senior Management based on objective performance criteria as approved by the Board.
- Meetings of the Nominating Committee are held as and when necessary, and at least once a year. The Nominating Committee met once during the year whereby all members registered full attendance. For the year, the Committee recommended on the re-election and re-appointment of the Directors who retired at the 2015 Annual General Meeting.

Remuneration Committee

The Board has established a Remuneration Committee consisting of the following Directors, all of whom are Non-Executive Directors:

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R) (Chairman)
Tan Sri Dato' Seri Lodin Wok Kamaruddin
Dr. Raja Abdul Malek Raja Jallaludin

The Remuneration Committee reviews the remuneration packages, reward structure and fringe benefits applicable to the Chief Executive Officer and Senior Management on an annual basis and makes recommendations to the Board. The Board as a whole determines the remuneration of the Chief Executive Officer with each individual Director abstaining from decisions in respect of his own remuneration. In establishing the level of remuneration for the Chief Executive Officer and Senior Management, the Remuneration Committee has regard to packages offered by comparable companies, and may obtain independent advice.

The remuneration of the Chief Executive Officer comprises a fixed salary and allowances, and a bonus approved by the Board, which is linked to the Company's performance. The remuneration for Non-Executive Directors comprises annual fees, meeting allowance for every meeting that they attend, and reimbursement of expenses for their services in connection with Board and Board Committee meetings.

The terms of reference of the Remuneration Committee are as follows:

- To review annually and make recommendations to the Board the remuneration packages, reward structure and fringe benefits applicable to Chief Executive Officer and Senior Management to ensure that the rewards commensurate with their contributions to the Group's growth and profitability.

- To review annually the performance of the Chief Executive Officer and Senior Management and recommend to the Board specific adjustments in remuneration and reward payments if any, to reflect their contributions for the year.

- To ensure that the level of remuneration of the Non-Executive Directors are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board.

- To keep abreast of the terms and conditions of service of the Chief Executive Officer and key Senior Management including their total remuneration packages for market comparability; and to review and recommend to the Board changes whenever necessary.

- To keep abreast of the remuneration packages of the Non-Executive Directors to ensure that they commensurate with the scope of responsibilities held and to review and recommend to the Board changes whenever necessary.

Meetings of the Remuneration Committee are held as and when necessary, and at least once a year. The Remuneration Committee met once during the year and all the members registered full attendance. For the year, the Committee recommended the Directors' fees which were tabled for approval at the 2015 Annual General Meeting.

BOARD APPOINTMENTS AND COMMITMENTS

As documented in the approved Board Charter, the appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation by the Nominating Committee. The Board appoints its members through a formal and transparent selection process which is consistent with the Articles of Association of the Company. All new appointees will be considered and evaluated by the Nominating Committee for the candidates' ability in terms of their skills, knowledge, experience, expertise and integrity to discharge responsibilities as expected of them. In the case of candidate for Independent Non-Executive Director, the Nominating Committee also evaluates the candidate's ability to discharge such responsibility or functions as expected of an Independent Non-Executive Director. The Company Secretary will ensure that all appointments are properly made and that legal and regulatory obligations are met. New Directors are expected to have such expertise so as to qualify them to make positive contribution to the Board, performance of duties and to give sufficient commitment, time and attention to the affairs of the Company.

The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointment of new Directors are properly executed. The Company has adopted an induction program for newly appointed Directors. The induction program aims at communicating to the newly appointed directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors.

DIRECTORS' TRAINING

The Company has adopted educational/training programs to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.

All Board members are also encouraged to attend training programs conducted by highly competent professionals that are relevant to the Company's operations and businesses. All Directors have successfully completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia. The Directors will continue to attend other relevant training programmes to keep abreast with developments on a continuous basis in compliance with the MMLR. Trainings attended by the Directors during the year are as follows:

Director	Course Title and Organiser	Date
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	• Maximising Board Effectiveness Through A Strong Board Risk Oversight Role - Beyond Financial Performance (Bursatra Sdn Bhd)	2 October 2015
	• Half day talk on: - Budget 2016 - MFRS 9 - Anti Money Laundering - Cybercriminals in the financial services sector (Affin Holdings Berhad and PricewaterhouseCoopers)	3 December 2015
Tan Sri Dato' Seri Lodin Wok Kamaruddin	• Affin Hwang Capital Conference Series 2015: Navigating Through Turbulent Times (Affin Hwang Investment Bank Berhad)	10 February 2015
	• 2nd Distinguished Board Leadership Series - Board's Strategic Leadership Innovation & Growth In Uncertain Times (FIDE Forum)	21 May 2015
	• The World Capital Markets Symposium (WCMS) 2015 - Markets And Technology: Driving Future Growth through Innovation (Securities Commission Malaysia)	3 September 2015
	• Capital Market Directors Training Programme (CDMP) 2015 - Module 2A: Business Challenges and Regulatory Expectations: What Directors need to know: Equities & Future Broking	29 September 2015
	– Module 4: Current and Emerging Regulatory Issues in the Capital Market (SIDC)	2 October 2015
	- Module 1: Directors as Gatekeepers of Market Participants (SIDC)	5 October 2015
	– Module 2B: Business Challenges and Regulatory Expectations – What Directors Need to Know (Fund Management) (SIDC)	7 October 2015
	- Module 3: Risk & Compliance Oversight - Action Plan For Board of Directors	20 October 2015

Director	Course Title and Organiser	Date
Tan Sri Dato' Seri Lodin Wok Kamaruddin (continued)	• Half Day Talk On: - Economy And Financial Market Post Global Financial Crisis; - Economic Outlook, Issues and Prospects; and - Addressing Concerns on TPPA. (Affin Holdings Berhad)	11 November 2015
	• Half day talk on: - Budget 2016; - MFRS 9; - Anti Money Laundering; and - Cybercriminals in the financial services sector. (Affin Holdings Berhad and PricewaterhouseCoopers)	3 December 2015
Dato' Mohzani Abdul Wahab	• Audit Committee Conference 2015 (Malaysian Institute of Accountants and The Institute of Internal Auditors Malaysia)	24 March 2015
	• Audit Oversight Board Conversation with Audit Committee (Securities Commission Malaysia)	7 May 2015
Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.	• National Seminar on Trans-Pacific Partnership Agreement (Federation of Public Listed Companies Berhad)	1 December 2015
Dr. Raja Abdul Malek Raja Jallaludin	• Cooking the Book – The Malaysian Recipe on Financial Fraud (Bursatra Sdn Bhd)	10 December 2015
Datuk Zakaria Sharif	• Audit Committee Conference 2015 (Malaysian Institute of Accountants and The Institute of Internal Auditors Malaysia)	24 March 2015

DIRECTORS' REMUNERATION

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal. The level of remuneration for the Chief Executive Officer is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.

The details on the aggregate remuneration of Directors for the financial year ended 31 December 2015 for the company and its subsidiary are as follows:

	Non-Executive Directors RM'000
Directors' fees	513
Meeting allowances	47
Total	560

Remuneration payable to Directors for financial year ended 31 December 2015 analysed into bands of RM50,000, which complies with the disclosure requirements under the MMLR is as follows:

	Non-Executive Directors Number
From RM50,001 to RM100,000	4
From RM100,001 to RM150,000	2

ACCOUNTABILITY AND AUDIT

The Audit Committee reviews the integrity of the financial reporting and oversees the independence of external auditors.

Transparency and Financial Reporting

In presenting the annual financial statements and quarterly announcements of results to the shareholders, the Board aims to present a balanced and understandable assessment of the Group's position and prospects. Before the financial statements were drawn up, the Directors have taken the necessary steps to ensure all the applicable accounting policies are applied consistently, and that the policies are supported by reasonable and prudent judgement and estimates. All accounting standards, which the Board considers to be applicable, have been followed. The role of the Audit Committee in the review and reporting of the financial information of the Group is outlined in the Audit Committee Report in this annual report.

Related Party Transactions

Directors recognise that they have to declare their respective interests in transactions with the Company and the Group, and abstain from deliberation and voting on the relevant resolution in respect of such transactions at the Board or at any general meetings convened to consider the matter. The Company has an internal framework to ensure it complies with the related party transactions and recurrent related party transactions as prescribed in the MMLR. The related party transactions are recorded and presented to the Audit Committee on a quarterly basis for review and discussion should any concern arise. All related party transactions are reviewed as part of the annual internal audit plan, and the Audit Committee reviews any related party transactions and conflict of interest situation that may arise within the Group including any transactions, procedure or course of conduct that causes questions of management integrity to arise. Details of related party transactions are set out in Note 31 to the annual financial statements.

Internal Control

The Board acknowledges its responsibilities for the Group's systems of internal control covering not only financial controls but also operational controls, compliance controls and risk management.

The information on the Group's internal control is presented in the Statement on Risk Management and Internal Control in this annual report.

Relationship with External Auditors

The Board is aware of the potential conflict of interest situation if the external auditors are also engaged in providing non-audit services to the Group. In this regard, a written confirmation from the external auditor is obtained that the external auditors are, and have been, independent throughout the audit engagement in accordance with relevant professional and regulatory requirements. The Board has established transparent and appropriate relationship with the external auditors through the Audit Committee. The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report in this annual report.

RECOGNISE AND MANAGE RISKS

Sound framework to manage material business risks

The Company has established policies and framework for the oversight and management of material business risks and has adopted a formal Risk Management Policy. As required by the Board, the Management has devised and implemented appropriate risk management systems and reports to the Board and Senior Management. Management is charged with monitoring the effectiveness of risk management systems and is required to report to the Board via the Risk Management Committee. The Board has received, and will continue to receive periodic reports through the Risk Management Committee, summarising the results of risk management issues and initiatives undertaken during the year.

The Company has maintained a high-level risks register which is reviewed and updated on quarterly basis where the focus areas of the risks are updated and deliberated at the Audit Committee meetings. The Risk Management Committee ensures continuous review of the Group's key risks and monitors the progress of mitigation action plans on a quarterly basis.

Internal audit function

The Group has an internal audit function that is independent of the Company activities and operations. The Head of Internal Audit reports directly to the Audit Committee who reviews and approves the internal audit department's annual audit plan, financial budget and human resource requirements to ensure that the department is adequately resourced with competent and proficient internal auditors.

Further details of the activities of the internal audit function are set out in the Statement of Risk Management and Internal Control of this annual report.

TIMELY DISCLOSURE AND INVESTOR RELATIONSHIP

The Company is fully committed to maintain a high standard for the dissemination of relevant and material information on the development of the Group. The Company also places strong emphasis on the importance of timely and equitable dissemination of information to shareholders. The Company uses a number of formal channels for effective dissemination of information to the shareholders and stakeholders particularly through the annual report, announcements to Bursa Malaysia, media releases, quarterly results, analyst briefings, company websites and investor relations.

The annual report has comprehensive information pertaining to the Company, while various disclosures on quarterly and annual results provide investors with financial information. Material information will be disseminated broadly and publicly via Bursa Malaysia. Interested parties may also obtain the full financial results and the Company's announcements from the Group's website at http://www.bousteadplantations.com.my.

The Group's investor relation activities are aimed at developing and maintaining a positive relationship with all the stakeholders through active two-way communication, and to promote and demonstrate a high standard of integrity and transparency through timely, accurate and full disclosure and to enhance the stakeholders' understanding of the Group, its core businesses and operations, thereby enabling investors to make informed decisions in valuing the Company's shares.

EFFECTIVE COMMUNICATION AND ENGAGEMENT WITH SHAREHOLDERS

The Board believes that the Group should at all times be transparent and accountable to the shareholders and stakeholders and is continuously evaluating the effectiveness of information dissemination to the shareholders and the investing public.

The Company is of the view that the Annual General Meeting and other general meetings are important opportunities for meeting investors and addressing their concerns. The Board, Senior Management and external auditors attend all such meetings. Registered shareholders are invited to attend and participate actively in such meetings, including clarifying and questioning the Group's strategic direction, business operations, performance and proposed resolutions.

Each shareholder can vote in person or by appointing a proxy to attend and vote on his/her behalf. Separate issues are tabled in separate resolutions at general meetings, voting is carried out systematically and resolutions are properly recorded.

This statement is made in accordance with a resolution of the Board of Directors dated 25 February 2016.

DIRECTORS' RESPONSIBILITY STATEMENT

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

In preparing these financial statements, the Directors have:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgements and estimates that are prudent and reasonable; and
- prepared the financial statements on the going concern basis.

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and comply with the Companies Act, 1965.

The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and the Company as well as to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 25 February 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets and for reviewing the adequacy and integrity of the system; including for Associates and Joint Operation.

The Group's system of internal control covers risk management and financial, operational and compliance controls. Notwithstanding these, due to the limitations that are inherent in any system of internal control, the Group's internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Except for insurable risks where insurance covers are purchased, other significant risks faced by the Group are reported to Board, and managed by the respective Boards within the Group. The internal control system of the Group is supported by an appropriate organisation structure with clear reporting lines, defined lines of responsibilities and authorities from respective operating units up to the Board level.

RISK MANAGEMENT

Risk management is regarded by the Board as an important aspect of the Group's operations with the objective of maintaining a sound internal control system and to ensure proper management of the risks that may impede the achievement of the Group's goals and objectives. The Group has established the appropriate risk management infrastructure to ensure that the Group's assets are well-protected and shareholders' value enhanced. The risk management process includes identifying principal business risks in critical areas, assessing the likelihood and impact of material exposures and determining its corresponding risk mitigation and treatment measures. These ongoing processes are co-ordinated by the Group Risk Management of Boustead Holdings Berhad (the Immediate Holding Company of Boustead Plantations Berhad) in conjunction with the business heads within the Group.

The Management is entrusted with the responsibility of implementing and maintaining the enterprise risk management framework to achieve the following objectives:

- communicate the vision, role, direction and priorities to all employees and key stakeholders;
- identify, assess, treat, report and monitor significant risks in an effective manner;
- enable systematic risk review and reporting on key risks, existing control measures and any proposed action plans; and
- create a risk-aware culture and building the necessary knowledge for risk management at every level of Management.

The enterprise risk management framework encompasses the following key elements:

- adoption of a structured and systematic risk assessment, monitoring and reporting framework as well as clearly defining the risk responsibilities and the escalation process;
- heightened risk awareness culture in the business processes through risk owners' accountability and sign-off for action plans and continuous monitoring;
- fostered a culture of continuous improvement in risk management through risk review meetings; and
- provided a system to manage the central accumulation of risk profiles data with risk significance rating for the profiles as a tool for prioritising risk action plans.

Amidst delivering growth for its stakeholders, the Group will continue its focus on sound risk assessment practices and internal controls to ensure that the Group is well equipped to manage the various challenges arising from the dynamic business and competitive environment.

KEY ELEMENTS OF INTERNAL CONTROL

Internal controls are embedded in the Group's operations as follows:

- Clear organisation structure with defined reporting lines.
- Defined level of authorities and lines of responsibilities from operating units up to the Board level to ensure accountabilities for risk management and control activities.
- Group Risk Management department of Boustead Holdings Berhad assists in reviewing and recommending the risk management policies, strategies, major risks review and risk mitigation actions for the Group as well as reporting to the Audit Committee and Board on a periodic basis.
- Training and development programmes are established to ensure that staff are kept up to date with the necessary competencies to carry out their responsibilities towards achieving the Group's objectives.
- Code of ethics for the Board and all employees to ensure high standards of conduct and ethical values in all business practices.
- Whistle blowing policy to provide an avenue for employees to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines in a safe and confidential manner.
- Regular Board and Management meetings to assess the Group's performance and controls.
- The Board is supported by a qualified and competent Company Secretary. The Company Secretary plays an advisory role to the Board particularly on issues relating to compliance with MMLR, the Companies Act, 1965 and other relevant laws and regulations.
- Group Internal Audit function assists in providing assurance of the effectiveness of the system of internal control within the Group. Regular internal audit visits to review the effectiveness of the control procedures and ensure accurate and timely financial management reporting. Internal audit efforts are directed towards areas with significant risks and the risk management process is being audited to provide assurance on the management of risks.
- Review of internal audit reports and follow-up on findings by Management Audit Committee. The internal audit reports are deliberated by the Audit Committee, and are subsequently presented to the Board on a quarterly basis or earlier, as appropriate.
- Review and award of major contracts by Tender Committee. A minimum of three quotations is called for and tenders are awarded based on criteria such as quality, track record and speed of delivery. The Tender Committee ensures transparency in the award of contracts.

- Clearly documented standard operating procedure manuals set out the policies and procedures for day to day operations. Regular reviews are performed to ensure that documentation remains current and relevant.

- Consolidated monthly management accounts and quarterly forecast performance which allow Management to focus on areas of concern.

- Regular visits to operating units by Planting Advisors, Visiting Engineers and Estates Agents, with emphasis on the monitoring and control of expenditure at operating units, agronomic practices and ad-hoc investigations.

- Strategic planning, target setting and detailed budgeting process for each operating unit which are approved both at the operating level and by the Board.

- Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary.

- Regular visits to the operating units by members of the Board and Senior Management.

MONITORING AND REVIEW OF THE ADEQUACY AND INTEGRITY OF THE SYSTEM OF INTERNAL CONTROL

The processes adopted to monitor and review the adequacy and integrity of the system of internal control include:

- Periodic confirmation by the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and/or Risk Officer on the effectiveness of the system of internal control, highlighting any weaknesses and changes in risk profile.

- Periodic examination of business processes and the state of internal control by the internal audit function. Reports on the reviews carried out by the internal audit function are submitted on a regular basis to the Management Audit Committee and Audit Committee.

The monitoring, review and reporting arrangements provide reasonable assurance that the structure of controls and its operations are appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangements, however, do not eliminate the possibility of human error, deliberate circumvention of control procedures by employees and others, or the occurrence of unforeseeable circumstances. The Board believes that the development of the system of internal controls is an on-going process and has taken proactive steps throughout the year to improve its internal controls system and will continue to undertake such steps. The Board is of the view that the system of internal control in place for the year under review is sound and sufficient to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

WEAKNESSES IN INTERNAL CONTROL THAT RESULT IN MATERIAL LOSSES

Other than those already brought to the attention of the Board, there were no material losses incurred for the financial year under review as a result of weaknesses in internal control. Management continues to take measures to strengthen the control environment.

As required by paragraph 15.23 of Bursa Securities' MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control. The review was performed in accordance with Recommended Practice Guide (RPG) 5 (Revised 2015) issued by the Malaysian Institute of Accountants. RPG 5 (Revised 2015) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This statement is made in accordance with a resolution of the Board of Directors dated 25 February 2016.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, which also operates an oil palm plantation. The principal activities of the Subsidiaries and Associates are disclosed on pages 133 and 134. There have been no significant changes in the nature of the principal activities of the Group and the Company during the financial year under review.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Shareholders of the Company	78,610	102,695
Non-controlling interests	(6,351)	-
	72,259	102,695

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the gain on disposal of plantation land recognised in the income statements of the Group and the Company of RM57,130,000 and RM39,515,000 respectively.

DIVIDENDS

During the financial year under review, the Company paid an interim third dividend of 2 sen per share totalling RM32 million in respect of the financial year ended 31 December 2014 as declared in the Directors' report of that year.

The Directors have declared the following single tier dividends in respect of the financial year ended 31 December 2015:

	Net dividend		Date	Date of
	Sen per share	RM Million	Declared	Payment
First interim dividend	2	32	19 May 2015	30 June 2015
Second interim dividend	5	80	20 August 2015	29 September 2015
Third interim dividend	3	48	19 November 2015	23 December 2015
Fourth interim dividend	3	48	19 February 2016	25 March 2016
	13	208		

DIRECTORS

The Directors of the Company in office since the date of the last report are:

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)
Tan Sri Dato' Seri Lodin Wok Kamaruddin
Dato' Mohzani Abdul Wahab
Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.
Dr. Raja Abdul Malek Raja Jallaludin
Datuk Zakaria Sharif

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors, or the fixed salary of a full-time employee of the Company or its related corporations as shown in Note 5 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial interest.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares of the Company and its related corporations were as follows:

	At 1.1.2015	Acquired	Sold	At 31.12.2015
Ordinary shares of RM0.50 each				
Boustead Plantations Berhad				
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	1,560,000	-	-	1,560,000
Tan Sri Dato' Seri Lodin Wok Kamaruddin	31,381,600	-	-	31,381,600
Dato' Mohzani Abdul Wahab	200,000	-	-	200,000
Dr. Raja Abdul Malek Raja Jallaludin	200,000	-	-	200,000
Datuk Zakaria Sharif	203,000	-	-	203,000

DIRECTORS' INTERESTS (CONT'D.)

	At 1.1.2015	Acquired	Sold	At 31.12.2015
Ordinary shares of RM0.50 each				
Boustead Holdings Berhad				
Tan Sri Dato' Seri Lodin Wok Kamaruddin	28,192,758	-	-	28,192,758
Pharmaniaga Berhad				
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	220,000	-	-	220,000
Tan Sri Dato' Seri Lodin Wok Kamaruddin	12,500,148	-	-	12,500,148
Ordinary shares of RM1.00 each				
Boustead Heavy Industries Corporation Berhad				
Tan Sri Dato' Seri Lodin Wok Kamaruddin	2,000,000	-	-	2,000,000
Datuk Zakaria Sharif	400	-	-	400
Boustead Petroleum Sdn Bhd				
Tan Sri Dato' Seri Lodin Wok Kamaruddin	5,916,465	-	-	5,916,465
Affin Holdings Berhad				
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	119,220	-	-	119,220
Tan Sri Dato' Seri Lodin Wok Kamaruddin	1,051,328	-	-	1,051,328

Other than the above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and adequate provision had been made for doubtful debts; and

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

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

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent; and

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

OTHER STATUTORY INFORMATION (CONT'D.)

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

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

(e) In the interval between the end of the financial year and at the date of this report, there does not exist:

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

   (ii) any contingent liability in respect of the Group or of the Company which has arisen.

(f) In the opinion of the Directors:

   (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

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

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 30 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors

GEN. TAN SRI DATO' MOHD GHAZALI HJ. CHE MAT (R)

TAN SRI DATO' SERI LODIN WOK KAMARUDDIN

Kuala Lumpur
25 February 2016

STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

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

We, Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R) and Tan Sri Dato' Seri Lodin Wok Kamaruddin, being two of the Directors of Boustead Plantations Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 63 to 131 and pages 133 to 134 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year ended.

The supplementary information set out in Note 38 on page 132 has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and presented based on format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors

GEN. TAN SRI DATO' MOHD GHAZALI HJ. CHE MAT (R)

TAN SRI DATO' SERI LODIN WOK KAMARUDDIN

Kuala Lumpur
25 February 2016

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

I, Chin Sup Chien, being the officer primarily responsible for the financial management of Boustead Plantations Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 63 to 134 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Kuala Lumpur on 25 February 2016

Before me

ZAINALABIDIN BIN NAN
Commissioner for Oaths
Kuala Lumpur

CHIN SUP CHIEN

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BOUSTEAD PLANTATIONS BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Boustead Plantations Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 63 to 131 and pages 133 to 134.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

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

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 38 on page 132 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1. Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (MIA Guidance) and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

ERNST & YOUNG
AF: 0039
Chartered Accountants

NG YEE YEE
No. 3176/05/17(J)
Chartered Accountant

Kuala Lumpur, Malaysia
25 February 2016

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	4	**615,195**	717,321	**91,178**	98,597
Operating cost	5	**(554,978)**	(588,698)	**(26,357)**	(44,675)
Results from operations		**60,217**	128,623	**64,821**	53,922
Gain on disposal of plantation land		**57,130**	-	**39,515**	-
Interest income	6	**14,487**	11,301	**43,669**	36,120
Other income	7	**-**	-	**-**	34,832
Finance cost	8	**(38,532)**	(53,875)	**(31,883)**	(47,160)
Share of results of Associates		**1,798**	3,734	**-**	-
Fair value gain on cancellation of units held in Al-Hadharah Boustead Reit (BREIT)		**-**	-	**-**	108,182
Profit before taxation		**95,100**	89,783	**116,122**	185,896
Income tax expense	9	**(22,841)**	(37,365)	**(13,427)**	(14,515)
Profit for the year		**72,259**	52,418	**102,695**	171,381
Attributable to:					
Shareholders of the Company		**78,610**	57,158	**102,695**	171,381
Non-controlling interests		**(6,351)**	(4,740)	**-**	-
Profit for the year		**72,259**	52,418	**102,695**	171,381
Earnings per share					
Basic (sen)	10	**4.9**	4.3		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the year		**72,259**	52,418	**102,695**	171,381
Other comprehensive profit/(loss):					
Fair value gain on cancellation of units held in BREIT		**-**	-	**-**	(108,182)
Share of exchange fluctuation of Associates		**124**	(489)	**-**	-
Total comprehensive income for the year		**72,383**	51,929	**102,695**	63,199
Attributable to:					
Shareholders of the Company		**78,734**	56,669	**102,695**	63,199
Non-controlling interests		**(6,351)**	(4,740)	**-**	-
Total comprehensive income for the year		**72,383**	51,929	**102,695**	63,199

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	**1,381,528**	1,408,760	**809,386**	829,619
Biological assets	13	**1,261,382**	1,261,223	**506,951**	508,164
Prepaid land lease payments	14	**57,271**	57,229	**-**	-
Investment in Subsidiaries	15	**-**	-	**238,864**	238,864
Investment in Associates	16	**26,624**	33,452	**-**	-
Goodwill on consolidation	17	**2,785**	2,785	**-**	-
Deferred tax assets	18	**23,925**	25,001	**-**	-
Receivables	19	**-**	-	**111,040**	102,548
		2,753,515	2,788,450	**1,666,241**	1,679,195
Current assets					
Inventories	20	**44,229**	32,676	**17**	32
Receivables	19	**63,502**	50,728	**363,737**	305,514
Cash and bank balances	21	**427,258**	430,884	**414,699**	426,555
		534,989	514,288	**778,453**	732,101
Assets classified as held for sale	22	**10,988**	-	**8,122**	-
		545,977	514,288	**786,575**	732,101
Total assets		**3,299,492**	3,302,738	**2,452,816**	2,411,296
Equity and liabilities					
Equity attributable to shareholders of the Company					
Share capital	23	**800,000**	800,000	**800,000**	800,000
Non-distributable reserves	24	**622,201**	622,077	**622,344**	622,344
Retained profits	25	**759,415**	872,805	**160,524**	249,829
Shareholders' equity		**2,181,616**	2,294,882	**1,582,868**	1,672,173
Non-controlling interests		**46,448**	53,579	**-**	-
Total equity		**2,228,064**	2,348,461	**1,582,868**	1,672,173

STATEMENTS OF FINANCIAL POSITION

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current liabilities					
Borrowings	26	**125,000**	150,000	**-**	-
Deferred tax liabilities	18	**18,148**	18,530	**903**	1,056
Payables	27	**4,872**	4,766	**64**	3,576
		148,020	173,296	**967**	4,632
Current liabilities					
Borrowings	26	**789,522**	690,915	**734,522**	660,864
Payables	27	**129,400**	84,021	**130,390**	67,387
Taxation		**4,486**	6,045	**4,069**	6,240
		923,408	780,981	**868,981**	734,491
Total liabilities		**1,071,428**	954,277	**869,948**	739,123
Total equity and liabilities		**3,299,492**	3,302,738	**2,452,816**	2,411,296

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital RM'000	Non-distributable reserves RM'000	Retained profits RM'000	Total equity attributable to shareholders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
Group						
At 1 January 2014	124,521	177,631	1,087,717	1,389,869	59,099	1,448,968
Total comprehensive income for the year	-	(489)	57,158	56,669	(4,740)	51,929
Transactions with owners:						
Issue of bonus shares (Notes 23 and 24)	385,479	(177,439)	(208,040)	-	-	-
Public issue:						
- Issue of ordinary shares (Notes 23 and 24)	290,000	638,000	-	928,000	-	928,000
- Share issuance and listing expenses (Note 24)	-	(15,656)	-	(15,656)	-	(15,656)
Capital redemption by Subsidiary	-	30	(30)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	(780)	(780)
Dividends (Note 11)	-	-	(64,000)	(64,000)	-	(64,000)
	675,479	444,935	(272,070)	848,344	(780)	847,564
At 31 December 2014 and 1 January 2015	**800,000**	**622,077**	**872,805**	**2,294,882**	**53,579**	**2,348,461**
Total comprehensive income for the year	**-**	**124**	**78,610**	**78,734**	**(6,351)**	**72,383**
Transactions with owners:						
Dividends paid to non-controlling interests	**-**	**-**	**-**	**-**	**(780)**	**(780)**
Dividends (Note 11)	**-**	**-**	**(192,000)**	**(192,000)**	**-**	**(192,000)**
	-	**-**	**(192,000)**	**(192,000)**	**(780)**	**(192,780)**
At 31 December 2015	**800,000**	**622,201**	**759,415**	**2,181,616**	**46,448**	**2,228,064**

STATEMENTS OF CHANGES IN EQUITY

	Share capital RM'000	Share premium RM'000	Fair value adjustment reserve RM'000	Retained profits RM'000	Total equity RM'000
Company					
At 1 January 2014	124,521	177,439	108,182	350,488	760,630
Total comprehensive income	-	-	(108,182)	171,381	63,199
Transactions with owners:					
Issue of bonus shares (Notes 23 and 24)	385,479	(177,439)	-	(208,040)	-
Public issue:					
- Issue of ordinary shares (Notes 23 and 24)	290,000	638,000	-	-	928,000
- Share issuance and listing expenses (Note 24)	-	(15,656)	-	-	(15,656)
Dividends (Note 11)	-	-	-	(64,000)	(64,000)
	675,479	444,905	-	(272,040)	848,344
At 31 December 2014 and 1 January 2015	**800,000**	**622,344**	**-**	**249,829**	**1,672,173**
Total comprehensive income	**-**	**-**	**-**	**102,695**	**102,695**
Transactions with owners:					
Dividends (Note 11)	**-**	**-**	**-**	**(192,000)**	**(192,000)**
	-	**-**	**-**	**(192,000)**	**(192,000)**
At 31 December 2015	**800,000**	**622,344**	**-**	**160,524**	**1,582,868**

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cash flows from operating activities				
Cash receipts from customers	**617,187**	716,757	**44,801**	76,430
Cash paid to suppliers and employees	**(494,735)**	(540,001)	**(26,986)**	(22,878)
Cash generated from operations	**122,452**	176,756	**17,815**	53,552
Defined benefit obligations paid	**(147)**	(127)	**(16)**	(12)
Taxation paid	**(23,706)**	(33,023)	**(15,751)**	(20,474)
Net cash generated from operating activities	**98,599**	143,606	**2,048**	33,066
Cash flows from investing activities				
Proceeds from transfer of assets and liabilities to Subsidiary	**-**	-	**-**	33,026
Purchase of property, plant and equipment	**(33,347)**	(45,441)	**(115)**	(606)
Purchase of biological assets	**(1,100)**	(22,538)	**-**	-
Proceeds from disposal of property, plant and equipment and biological assets	**57,250**	3,381	**38,911**	1,473
Acquisition of BREIT	**-**	(611,079)	**-**	(643,321)
Deposits received on disposals of land	**22,040**	-	**2,297**	-
Dividends received	**8,750**	2,000	**41,327**	104,715
Interest received	**12,100**	11,301	**40,590**	35,804
Net cash generated from/(used in) investing activities	**65,693**	(662,376)	**123,010**	(468,909)

STATEMENTS OF CASH FLOWS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows from financing activities				
Dividends paid	**(192,000)**	(64,000)	**(192,000)**	(64,000)
Dividends paid to non-controlling interests	**(780)**	-	**-**	-
Increase in revolving credits	**50,000**	402,000	**50,000**	515,000
Repayment of term loans	**-**	(540,000)	**-**	(90,000)
Advance from Immediate Holding Company	**-**	650,000	**-**	650,000
Repayment to Immediate Holding Company	**-**	(390,000)	**-**	(390,000)
Movement in related companies balances, net	**-**	8,601	**-**	1,834
Movement in Subsidiaries balances, net	**-**	-	**19,936**	(621,113)
Proceeds from issue of shares, net of share issuance and listing expenses	**-**	906,954	**-**	906,954
Interest paid	**(38,687)**	(54,969)	**(28,450)**	(47,633)
Net cash (used in)/generated from financing activities	**(181,467)**	918,586	**(150,514)**	861,042
Net (decrease)/increase in cash and cash equivalents	**(17,175)**	399,816	**(25,456)**	425,199
Cash and cash equivalents at beginning of year	**429,419**	29,603	**425,141**	(58)
Cash and cash equivalents at end of year	**412,244**	429,419	**399,685**	425,141
Cash and cash equivalents at end of year				
Cash and bank balances (Note 21)	**427,258**	430,884	**414,699**	426,555
Bank overdrafts (Note 26)	**(15,014)**	(1,465)	**(15,014)**	(1,414)
	412,244	429,419	**399,685**	425,141

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

1. CORPORATE INFORMATION

The Company is an investment holding company, which also operates an oil palm plantation. The principal activities of the Subsidiaries and Associates are disclosed on pages 133 and 134.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is 28th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur.

The Immediate Holding Company is Boustead Holdings Berhad (BHB), a public limited liability company. BHB is incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The Ultimate Holding Corporation is Lembaga Tabung Angkatan Tentera (LTAT), a local statutory body established by the Tabung Angkatan Tentera Act, 1973. The Group is a Government related-entity by virtue of its relationship with LTAT.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 February 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention except as disclosed in the accounting policies below and comply with Financial Reporting Standards (FRS) and the requirements of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted Amendments to FRS as described fully in Note 2.2.

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group and the Company adopted for the first time the following amended FRS:

Effective for annual period beginning on or after 1 January 2015

Amendments to FRS 119 Defined Benefits Plans: Employee Contributions
Annual improvements to FRSs 2010 – 2012 Cycle
Annual improvements to FRSs 2011 – 2013 Cycle

Adoption of the above amended standards did not have any effect on the financial performance or the position of the Group and of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards Issued But Not Yet Effective

The Group has not early adopted the following new and amended FRSs that are issued but not yet effective:

Effective for annual period beginning on or after 1 January 2016

Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
FRS 14	Regulatory Deferral Accounts
Amendments to FRS 101	Presentation of Financial Statements – Disclosure Initiative
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to FRS 127	Equity Method in Separate Financial Statements
Annual Improvements 2012 -2014 Cycle	

Effective for annual period beginning on or after 1 January 2018

FRS 9	Financial Instruments

Deferred

Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associates or Joint Venture

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

Amendments to FRS 101: Disclosure Initiatives

The amendments to FRS 101 include narrow-focus improvements in the following five areas:
- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards Issued But Not Yet Effective (cont'd.)

FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Amendments to FRS 134: Interim Financial Reporting

MFRS 134 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'.

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

2.4 Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). The MFRS Framework is effective for annual periods beginning on or after 1 January 2012 for all entities except for entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called Transitioning Entities). Adoption of the MFRS framework by Transitioning Entities will only be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls under the scope definition of Transitioning Entities and has opted to adopt MFRS for annual periods beginning on 1 January 2018. When the Group presents its first MFRS financial statements on 1 January 2018, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made retrospectively against opening retained profits.

Under the FRS framework, the Group's accounting policy for biological assets are as disclosed in Note 2.5(e). Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of MFRS 141. Instead, MFRS 116 will apply. After initial recognition, bearer plants will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of MFRS 141 and are measured at fair value less costs of disposal.

At the date of these financial statements, the Group has not completed its quantification of the financial effects on the financial statements of the differences arising from the change from FRS to MFRS. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the financial years ended 31 December 2014 and 31 December 2015 could be different if prepared under the MFRS Framework.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements of the Group comprise the Company and its Subsidiaries.

The financial statements of the Subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. In preparing the consolidated financial statements.

The Group controls an investee if and only if the Group has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Group, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Group obtains control over the Subsidiary and ceases when the Group loses control of the Subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(a) Basis of consolidation (cont'd.)

Business combinations

Acquisitions of Subsidiaries are accounted for using the acquisition method of accounting. Under the acquisition method, the identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date.

Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition. The accounting policy for goodwill is set out in Note 2.5(r). Discount on acquisition which represents negative goodwill is recognised immediately as income in profit or loss.

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

Non-controlling interest

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(a) Basis of consolidation (cont'd.)

Change in ownership interest of Subsidiaries

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

If the Group loses control over a Subsidiary, at the date the Group loses control, it:
- Derecognises the assets (including goodwill) and liabilities of the Subsidiary at their respective carrying amounts.
- Derecognises the carrying amount of any non-controlling interest.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration or distribution received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

The fair value of any investment retained in the former Subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any differences between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

The Group has elected no restatement of financial information in the consolidated financial statements for the periods prior to the combination of entities under common control.

Investment in Subsidiaries - separate financial statements

In the Company's separate financial statements, investments in Subsidiaries are accounted for at cost less any impairment charges. Dividends received from Subsidiaries are recorded as a component of revenue in the Company's separate income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(b) Associates

An Associate is defined as a company, not being a Subsidiary or an interest in a joint venture, in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies. Details of Associates are as disclosed in Note 16.

On acquisition of an Associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the Associate's profit or loss for the period in which the investment is acquired.

The Group's interests in Associates are equity accounted. Under the equity method, investment in Associates is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the Associates, less distribution received and any impairment in value of individual investments. Any change in other comprehensive income (OCI) of these investees is presented as part of the Group's OCI.

The consolidated statement of comprehensive income reflects the share of the Associates' results after tax. Where there has been a change recognised directly in the equity of Associates, the Group recognises its share of such change. Unrealised gains or losses on transactions between the Group and its Associates are eliminated to the extent of the Group's interest in the Associates. When the Group's share of losses exceeds its interest in Associates, the Group does not recognise further losses except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the Associates.

The most recent available financial statements of the Associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at using the last audited financial statements available and management financial statements to the end of the accounting period. Where necessary, adjustments are made to the financial statements of the Associates to ensure consistency of the accounting policies used with those of the Group.

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

An Associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence. Upon loss of significant influence over the Associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the Associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(c) Investment in joint operation

A joint operation is a joint arrangement whereby the parties that have the joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the FRS applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the joint operation.

(d) Property, plant and equipment and depreciation

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

Freehold land is not amortised. Capital work-in-progress are also not depreciated as these assets are not available for use. Leasehold land classified as finance lease is amortised over the period of the leases ranging from 60 to 999 years (2014: 60 to 999 years). All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis to write off the cost of the assets to their residual values, over the term of their estimated useful lives as follows:

Buildings	5 - 30 years
Plant and machinery	5 - 30 years
Furniture and equipment	2 - 15 years
Motor vehicles	3 - 7 years

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

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

(e) Biological assets

The expenditure on new planting and replanting of a different produce crop incurred up to the time of maturity is capitalised. Cost of original produce crop will be written off to profit and loss. Depreciation charges and external borrowing costs related to the development of new plantations are included as part of the capitalisation of immature planting costs. Replanting expenditure incurred in respect of the same crop is charged to profit or loss in the year in which it is incurred. Biological assets are not amortised.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value, cost being determined on the weighted average basis. Cost includes all incidentals incurred in bringing the inventories into store; and in the case of produce stocks, includes harvesting, manufacturing and transport charges, where applicable. Net realisable value represents the estimated selling price less all estimated costs.

(g) Currency conversion

The Group's consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the functional currency of the Company. All transactions are recorded in RM. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its Subsidiaries and recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations which are recognised initially in other comprehensive income and accumulated under foreign exchange currency reserve in equity. The foreign exchange currency reserve is reclassified from equity to profit or loss of the Group on disposal of the investment in foreign operations.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(h) Cash and cash equivalents

For purposes of the statements of cash flows, cash and cash equivalents comprise cash and bank balances, demand deposits and overdrafts which are subject to an insignificant risk of changes in value.

(i) Research and development

The Group's research and development is undertaken through an Associate, whereby contribution towards such activity is recognised as an expense as and when incurred.

(j) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transactions will flow to the Group and the Company and the amount of revenue can be measured reliably.

(i) Sales of plantation produce

Revenue from sales of plantation produce is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer.

(ii) Revenue from services

Revenue from services is recognised when services are rendered.

(iii) Interest income

Interest income is recognised as it accrues at effective interest unless collection is doubtful.

(iv) Dividend income

Dividends from Subsidiaries and Associates are recognised in profit or loss when the right to receive payment is established

Sales and other revenue earned from intra-group companies are eliminated on consolidation.

(k) Provisions

Provisions are recognised when the Group and the Company have present obligations as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amounts of the obligations.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(l) Share capital and share issuance expenses

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

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

(m) Borrowing costs

Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset.

Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

(n) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax, and is recognised in the profit or loss. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date. Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(n) Income tax (cont'd.)

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

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

(o) Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans

As required by law, the Group and the Company make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(iii) Defined benefit plans

The Group and the Company also pay defined benefits to the estates workers and staff in Peninsular Malaysia in accordance with agreement between the Malayan Agricultural Producers Association (MAPA) and the National Union of Plantation Workers (NUPW) as well as between MAPA and All Malayan Estates Staff Union (AMESU). These gratuity benefits are calculated based on the specified rates for each completed year of service.

The defined benefit liability is the aggregate of the present value of the defined benefit obligations (derived using a discount rate based on market yield at the valuation date on high quality corporate bonds for a duration of 10 years) adjusted for actuarial gains or losses and past service costs. There are no assets which qualify as plan assets as this is an unfunded arrangement.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method taking into account various factors which includes mortality and disability rates, turnover rates, future salary increases and estimated future cash outflows.

Defined benefit costs comprise service costs, net interest on the net defined benefit liability and remeasurements of net defined benefit liability or asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(o) Employee benefits (cont'd.)

(iii) Defined benefit plans (cont'd.)

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the defined benefit liability is the change during the period in the defined benefit liability that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the defined benefit liability. Net interest on the defined benefit liability is recognised as expense or income in profit or loss. Remeasurements comprising actuarial gains and losses are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

(p) Impairment of non-financial assets

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

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

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

Impairment losses are recognised in profit or loss.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(q) Leases

(i) Finance lease

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

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group and the Company 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.

(ii) Operating lease

Leases of assets under which substantial risks and rewards incidental to ownership are retained by the lessor are classified as operating leases.

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.

The tenure of the Group's leasehold lands range from 30 to 90 years (2014: 30 to 90 years).

(r) Goodwill

After initial recognition, goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised, but instead, it is reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill allocated to the related cash-generating unit is monitored by management, usually at business segment level or statutory company level as the case may be. Where the recoverable amount of the cash-generating unit is less than its carrying amount, including goodwill, an impairment loss is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Gains and losses on the disposal of an entity include the carrying amount of the goodwill relating to the entity sold.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(s) Financial assets

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

At initial recognition, financial assets are recognised at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loan and receivables of the Group and the Company comprise receivables (excluding prepayments) and cash and bank balances.

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

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

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

(t) 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.

To determine whether there is objective evidence that financial assets are impaired, 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 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 a financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(u) 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. The Group and the Company financial liabilities are classified as other financial liabilities.

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

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

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

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

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(v) 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 in Malaysia. The Group's plantation business are segregated into three geographical segments. Performance of the segments is monitored by the respective segment's management team. Additional disclosures on the segment reporting is disclosed in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

(w) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(x) Non-current assets held for sale

Non-current assets or disposal groups are classified as being held for sale if their carrying amount is recovered principally through a sale transaction rather than through continuing use. These assets are measured at the lower of carrying amount and fair value less costs of disposal when the sale is highly probable and the assets or disposal group is available for immediate sale in its present condition subject only to the terms that are usual and customary.

(y) Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at 31 December 2015, financial instruments of the Group and the Company were measured as fair value based on the Level 3 input.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows:

(i) Impairment of goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. This requires the estimation of value in use of the assets or cash-generating units (CGU) to which the goodwill is allocated. Estimating the value in use requires management to make an estimate of the expected future cash flows from the asset or CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts. The carrying amount of goodwill as at 31 December 2015 was RM2,785,000 (2014: RM2,785,000).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

(ii) Useful lives of buildings, plant and equipment

The Group and the Company estimate the useful lives of buildings, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of buildings, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of buildings, plant and equipment are based on management's evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the buildings, plant and equipment would increase the depreciation expenses and decrease the carrying amount on buildings, plant and equipment.

The cost of buildings, plant and equipment is depreciated on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these buildings, plant and equipment to be within 2 to 30 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group and the Company's buildings, plant and equipment at the reporting date is disclosed in Note 12.

(iii) Impairment of biological assets and property, plant and equipment

The Group and the Company review the carrying amounts of the biological assets and property, plant and equipment as at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount which is the higher of value in use or fair value less costs of disposal is estimated. Determining the value in use of biological assets and property, plant and equipment requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, which thus require the Group and the Company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the Group and the Company's financial position and results of operations.

The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group and the Company believe that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts. The provision for impairment of property, plant and equipment and biological assets is disclosed in Notes 12 and 13.

(iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital and agricultural allowances and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, allowances and deductible temporary differences can be utilised. The recognition of deferred tax assets is based upon the likely timing and level of future taxable profits together with tax planning strategies. Deferred tax assets not recognised on unused tax losses, capital and agricultural allowances and other deductible temporary differences of the Group was RM339,400,000 (2014: RM319,457,000).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

(v) Litigation provisions

The Group and the Company are required to assess the likelihood of any adverse judgements or outcome as well as potential ranges of probable losses arising from court proceedings, lawsuits and other claims. A determination of the amount of provisions required, if any, for these contingencies is made after careful analysis of each matter. The required provisions may change in the future due to new developments in each matter or changes in approach such as change in settlement strategy in dealing with these matters. The litigation claim against the Group and the Company is disclosed in Note 33.

(vi) Impairment of loans and receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and the Company's loans and receivables at the reporting date is disclosed in Note 19.

4. REVENUE

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Sales of plantation produce	**613,985**	715,988	**49,851**	47,329
Revenue from plantations agency services	**1,210**	1,333	**-**	-
Gross dividends from unquoted Subsidiaries	**-**	-	**41,327**	50,987
Distribution from Subsidiary	**-**	-	**-**	281
	615,195	717,321	**91,178**	98,597

5. OPERATING COST

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Changes in inventories of produce stocks	**(14,548)**	3,331	**-**	(258)
Raw materials, consumables and other direct costs	**280,288**	299,065	**3,890**	17,195
Staff costs	**200,837**	206,958	**1,789**	10,986
Defined contribution plan	**8,174**	8,304	**144**	692
Unfunded defined benefit plan (Note 28)	**(42)**	450	**(4)**	(1,225)
Depreciation (Note 12)	**40,500**	39,206	**5,846**	6,524
Research and development	**12,785**	9,931	**-**	-
Amortisation of prepaid land lease payments (Note 14)	**2,000**	2,000	**-**	-
Windfall tax	**-**	809	**-**	217
Other operating costs	**24,984**	18,644	**14,692**	10,544
	554,978	588,698	**26,357**	44,675

Other operating costs include:				
Auditors' remuneration				
- Current year	**555**	499	**165**	127
- Prior year	**62**	(8)	**38**	-
- Other services	**119**	329	**16**	296
Non-executive Directors' fees				
- Current year	**560**	544	**505**	537
- Prior year	**-**	131	**-**	131
Unrealised loss on foreign exchange	**10,147**	2,866	**10,058**	2,794
Reversal of impairment loss on other receivables (Note 19(c))	**(156)**	(201)	**(138)**	(177)
Loss/(gain) on disposal of property, plant and equipment	**100**	11	**73**	(1)
Gain on compulsory land acquisitions	**(1,755)**	(2,204)	**(1,755)**	(1,389)
Rental of premises	**1,295**	1,234	**-**	-

6. INTEREST INCOME

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Interest income				
- Immediate Holding Company	**-**	1,134	**-**	1,096
- Subsidiaries	**-**	-	**29,200**	24,954
- Financial institutions	**14,487**	10,167	**14,469**	10,070
	14,487	11,301	**43,669**	36,120

7. OTHER INCOME

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Rental income from Subsidiaries	**-**	-	**-**	34,832

8. FINANCE COST

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Interest expense				
- Financial institutions	**38,159**	42,377	**29,138**	12,390
- Immediate Holding Company	**-**	10,626	**-**	10,626
- Subsidiaries	**-**	-	**2,100**	23,114
- Joint operation partner	**547**	534	**547**	534
Other finance costs	**98**	496	**98**	496
	38,804	54,033	**31,883**	47,160
Less:				
Capitalised to biological assets (Note 13)	**(272)**	(158)	**-**	-
	38,532	53,875	**31,883**	47,160

9. INCOME TAX EXPENSE

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Malaysia income tax				
- Charge for the year	**22,913**	39,907	**14,319**	25,303
- Overprovision in prior year	**(766)**	(787)	**(739)**	(948)
	22,147	39,120	**13,580**	24,355
Deferred tax (Note 18)				
- Origination and reversal of temporary differences	**(2,986)**	(2,962)	**(164)**	(10,050)
- Underprovision in prior year	**3,680**	1,207	**11**	210
	694	(1,755)	**(153)**	(9,840)
	22,841	37,365	**13,427**	14,515

Malaysian income tax is calculated at the 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 rate of 25%, effective from year of assessment 2016. The computation of deferred tax as at 31 December 2015 has reflected these changes.

Reconciliations of the taxation applicable to profit before taxation at the statutory rate to the income tax expense of the Group and the Company are as follows:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Profit before taxation	**95,100**	89,783	**116,122**	185,896
Taxation at statutory tax rate of 25% (2014: 25%)	**23,775**	22,446	**29,031**	46,474
Effects of changes in tax rates on closing balance of deferred tax	**290**	486	**11**	(44)
Effects of share of results of Associates	**(450)**	(934)	**-**	-
Income not subject to tax	**(15,616)**	(765)	**(21,334)**	(40,353)
Expenses not deductible for tax purposes	**10,357**	13,034	**6,447**	9,176
Tax incentives	**(3,215)**	(2,483)	**-**	-
Deferred tax assets not recognised	**4,786**	6,090	**-**	-
Utilisation of previously unused tax losses and unabsorbed capital and agricultural allowances	**-**	(929)	**-**	-
Overprovision of income tax in prior year	**(766)**	(787)	**(739)**	(948)
Underprovision of deferred tax in prior year	**3,680**	1,207	**11**	210
Income tax expense for the year	**22,841**	37,365	**13,427**	14,515

10. EARNINGS PER SHARE

Basic earnings per share of the Group is calculated by dividing the consolidated profit for the year attributable to shareholders of the Company of RM78,610,000 (2014: RM57,158,000) by the weighted average number of ordinary shares in issue during the year of 1,600,000,000 (2014: 1,320,329,000). The Group does not have any potential dilutive ordinary shares for the financial years ended 31 December 2015 and 31 December 2014.

11. DIVIDENDS

	Amount		Dividend per ordinary share	
	2015 RM'000	**2014 RM'000**	**2015 Sen**	**2014 Sen**
Dividends on ordinary shares in respect of financial year ended 31 December				
- First interim	**32,000**	32,000	**2**	2
- Second interim	**80,000**	32,000	**5**	2
- Third interim	**48,000**	-	**3**	-
	160,000	64,000	**10**	4
Third interim dividend paid in respect of the previous financial year	**32,000**	–	**2**	–
	192,000	64,000	**12**	4

Subsequent to the end of the current financial year, the Directors declared a fourth interim dividend of 3 sen per share amounting to RM48 million in respect of the financial year ended 31 December 2015. The dividend which will be paid on 25 March 2016, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Group							
2015							
Cost							
At 1 January	651,285	421,702	265,944	202,046	62,043	43,864	1,646,884
Additions	-	-	5,597	10,974	7,376	7,358	31,305
Disposals	(7,213)	-	(731)	(1,923)	(2,161)	(381)	(12,409)
Transfer to Asset classified as held for sale (Note 22)	(10,582)	-	-	-	-	-	(10,582)
Reclassification	-	-	720	4,572	-	(5,292)	-
At 31 December	633,490	421,702	271,530	215,669	67,258	45,549	1,655,198
Accumulated depreciation							
At 1 January	-	12,204	59,746	95,553	43,486	27,135	238,124
Charge for year (Note 5)	-	5,516	13,626	14,474	5,813	1,071	40,500
Disposals		-	(658)	(1,888)	(2,027)	(381)	(4,954)
At 31 December	-	17,720	72,714	108,139	47,272	27,825	273,670
Net carrying amount							
At 31 December	633,490	403,982	198,816	107,530	19,986	17,724	1,381,528

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Group							
2014							
Cost							
At 1 January	651,343	419,424	243,545	192,078	62,984	37,973	1,607,347
Additions	-	8,995	12,437	10,471	2,250	11,288	45,441
Disposals	(58)	-	(243)	(1,749)	(3,139)	(715)	(5,904)
Reclassification	-	(6,717)	10,205	1,246	(52)	(4,682)	-
At 31 December	651,285	421,702	265,944	202,046	62,043	43,864	1,646,884
Accumulated depreciation							
At 1 January	-	6,717	46,547	83,722	40,582	27,068	204,636
Charge for year (Note 5)	-	5,487	13,442	13,538	5,986	753	39,206
Disposals	-	-	(243)	(1,707)	(3,082)	(686)	(5,718)
At 31 December	-	12,204	59,746	95,553	43,486	27,135	238,124
Net carrying amount							
At 31 December	651,285	409,498	206,198	106,493	18,557	16,729	1,408,760

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Company							
2015							
Cost							
At 1 January	609,086	137,312	89,442	1,899	810	631	839,180
Additions	-	-	9	-	50	56	115
Disposals	(6,623)	-	(686)	(94)	(21)	(23)	(7,447)
Transfer to Subsidiary	-	-	-	-	(123)	-	(123)
Transfer to Asset classified as held for sale (Note 22)	(7,716)	-	-	-	-	-	(7,716)
At 31 December	594,747	137,312	88,765	1,805	716	664	824,009
Accumulated depreciation							
At 1 January	-	1,020	6,609	1,125	416	391	9,561
Charge for year (Note 5)	-	1,020	4,559	99	101	67	5,846
Disposals	-	-	(636)	(70)	(13)	(24)	(743)
Transfer to Subsidiary	-	-	-	-	(41)	-	(41)
At 31 December	-	2,040	10,532	1,154	463	434	14,623
Net carrying amount							
At 31 December	594,747	135,272	78,233	651	253	230	809,386

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Company							
2014							
Cost							
At 1 January	35,228	-	10,030	6,267	5,665	1,431	58,621
Additions	-	-	-	10	149	447	606
Acquisition of BREIT	573,916	137,312	79,394	28,030	-	-	818,652
Disposals	(58)	-	-	(8)	(29)	-	(95)
Transfer to Subsidiary	-	-	-	(32,419)	(4,975)	(1,210)	(38,604)
Reclassification	-	-	18	19	-	(37)	-
At 31 December	609,086	137,312	89,442	1,899	810	631	839,180
Accumulated depreciation							
At 1 January	-	-	2,033	2,509	4,141	744	9,427
Charge for year (Note 5)	-	1,020	4,576	491	362	75	6,524
Disposals	-	-	-	(7)	(29)	-	(36)
Transfer to Subsidiary	-	-	-	(1,868)	(4,058)	(428)	(6,354)
At 31 December	-	1,020	6,609	1,125	416	391	9,561
Net carrying amount							
At 31 December	609,086	136,292	82,833	774	394	240	829,619

(a) The Group's other assets consist of office equipment, computers, laboratory equipment as well as buildings, plant and machinery under construction. The cost of building, plant and machinery under construction amount to RM14,142,000 (2014: RM15,008,000).

(b) The Group's leasehold land with carrying book value of RM34,776,063 (2014: RM35,209,224) is held in trust by a nominee acting for a Subsidiary.

(c) The Company's freehold land and leasehold land with carrying book value of RM563,266,000 (2014: RM573,916,000) and RM135,272,000 (2014: RM136,292,000) respectively are held in trust by CIMB Islamic Trustee Berhad, acting as bare trustee for the Company.

13. BIOLOGICAL ASSETS

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cost				
At 1 January	**1,295,760**	1,274,137	**508,164**	6,796
Additions	**1,372**	22,696	**-**	-
Acquisition of BREIT	**-**	-	**-**	501,392
Disposals	**(807)**	(1,073)	**(807)**	(24)
Transfer to Assets classified as held for sale (Note 22)	**(406)**	-	**(406)**	-
At 31 December	**1,295,919**	1,295,760	**506,951**	508,164
Accumulated impairment losses				
At 1 January	**34,537**	34,642	**-**	-
Disposals	**-**	(105)	**-**	-
At 31 December	**34,537**	34,537	**-**	-
Net carrying amount				
At 31 December	**1,261,382**	1,261,223	**506,951**	508,164

Additions to the Group's biological assets include interest capitalised of RM272,000 (2014: RM158,000) as disclosed in Note 8 to the financial statements.

14. PREPAID LAND LEASE PAYMENTS

	Group	
	2015 RM'000	**2014 RM'000**
At cost		
At 1 January	**67,219**	67,267
Additions	**2,042**	-
Disposal	**-**	(48)
At 31 December	**69,261**	67,219
Accumulated amortisation		
At 1 January	**9,990**	8,004
Amortisation for the year (Note 5)	**2,000**	2,000
Disposal	**-**	(14)
At 31 December	**11,990**	9,990
Net carrying amount		
At 31 December	**57,271**	57,229

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2015 RM'000	**2014 RM'000**
Unquoted shares in Malaysia		
Cost		
At 31 December	**313,377**	313,377
Accumulated impairment losses		
At 31 December	**74,513**	74,513
Net carrying amount		
At 31 December	**238,864**	238,864

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Subsidiaries with material non-controlling interests

The Group regards Boustead Pelita Kanowit Sdn Bhd (BPK), Boustead Pelita Tinjar Sdn Bhd (BPT) and Boustead Pelita Kanowit Oil Mill Sdn Bhd (PKOM) as Subsidiaries that have material non-controlling interests. These Subsidiaries are incorporated and operate in Malaysia. The non-controlling interests in respect of Boustead Sedili Sdn Bhd is not material to the Group.

The summarised financial information of BPK, BPT and PKOM is provided below. The information is based on amounts before inter-company eliminations.

	BPK		BPT		PKOM	
	2015 %	**2014 %**	**2015 %**	**2014 %**	**2015 %**	**2014 %**
Equity interest held by non-controlling interests	**40**	40	**40**	40	**40**	40

(i) Summarised statements of comprehensive income

	BPK		BPT		PKOM	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Revenue	**55,754**	56,559	19,230	46,168	**78,088**	73,928
(Loss)/profit for the year	**(10,823)**	(13,634)	**(9,259)**	(4,533)	**2,549**	3,542
Attributable to:						
Shareholders of the Company	**(6,494)**	(8,180)	**(5,555)**	(2,720)	**1,529**	2,125
Non-controlling interests	**(4,329)**	(5,454)	**(3,704)**	(1,813)	**1,020**	1,417
	(10,823)	(13,634)	**(9,259)**	(4,533)	**2,549**	3,542
Dividend declared to non-controlling interests	**-**	-	**-**	-	**780**	780

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(ii) Summarised statements of financial position

	BPK		BPT		PKOM	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Non-current assets	**235,857**	236,808	**130,186**	134,092	**11,123**	11,169
Current assets	**8,585**	8,764	**2,296**	6,089	**33,648**	29,410
Total assets	**244,442**	245,572	**132,482**	140,181	**44,771**	40,579
Current liabilities	**201,501**	191,808	**7,562**	6,002	**11,163**	7,570
Net assets	**42,941**	53,764	**124,920**	134,179	**33,608**	33,009
Attributable to:						
Shareholders of the Company	**33,021**	39,515	**106,391**	111,946	**20,165**	19,925
Non-controlling interests	**9,920**	14,249	**18,529**	22,233	**13,443**	13,084
	42,941	53,764	**124,920**	134,179	**33,608**	33,009

(iii) Summarised statements of cash flows

	BPK		BPT		PKOM	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Net cash generated from/(used in):						
Operating activities	**5,063**	3,242	**(3,365)**	641	**7,776**	2,830
Investing activities	**(1,653)**	1,019	**(316)**	(5,911)	**(5,821)**	(1,320)
Financing activities	**(3,343)**	(4,278)	**3,692**	5,270	**(1,950)**	(1,507)
Net increase/(decrease) in cash and cash equivalents	**67**	(17)	**11**	-	**5**	3

16. INVESTMENT IN ASSOCIATES

	Group	
	2015 RM'000	**2014 RM'000**
Unquoted shares, at cost	**3,330**	3,330
Share of post acquisition reserves	**23,294**	30,122
	26,624	33,452
Interest in Associates	**50%**	50%

The summarised financial information represents the amounts in the financial statements of Associates and not the Group's share of those amounts.

(i) Summarised statements of comprehensive income:

	2015 RM'000	**2014 RM'000**
Revenue	**44,941**	52,391
Profit for the year	**3,595**	7,469
Other comprehensive income/(expense)	**248**	(978)
Total comprehensive income	**3,843**	6,491
Dividend received during the year	**8,750**	2,000

(ii) Summarised statements of financial position:

	2015 RM'000	**2014 RM'000**
Total assets	**75,737**	81,554
Total liabilities	**(22,490)**	(14,650)
Net assets	**53,247**	66,904

16. INVESTMENT IN ASSOCIATES (CONT'D.)

(iii) Reconciliation of summarised financial information to net assets of Associates:

	2015 RM'000	2014 RM'000
Net assets at 1 January	**66,904**	64,413
Profit for the year	**3,595**	7,469
Other comprehensive expense	**248**	(978)
Dividend paid	**(17,500)**	(4,000)
Net assets at 31 December	**53,247**	66,904
Carrying value of Group's investment in Associates	**26,624**	33,452

17. GOODWILL ON CONSOLIDATION

Goodwill on consolidation arose from the acquisition of two (2) Subsidiaries that are principally involved in oil palm cultivation and investment property holding. At each reporting date, the recoverable amounts were determined based on value in use calculation using five-year cash flow projections approved by the Board of Directors. The pre-tax discount rate used of 10% (2014: 10%) reflects specific risks relating to the industry. No impairment loss was required as the recoverable amounts were in excess of the carrying amount of the goodwill.

Based on the sensitivity analysis performed, management believes that no reasonably possible change in base case key assumptions would cause the carrying value of the Cash Generating Unit (CGU) to exceed its recoverable amount.

18. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
At 1 January	**6,471**	4,716	**(1,056)**	(10,896)
Recognised in profit or loss (Note 9)	**(694)**	1,755	**153**	9,840
At 31 December	**5,777**	6,471	**(903)**	(1,056)
Presented after appropriate offsetting as follows:				
Deferred tax assets	**23,925**	25,001	**-**	-
Deferred tax liabilities	**(18,148)**	(18,530)	**(903)**	(1,056)
	5,777	6,471	**(903)**	(1,056)

Deferred tax liabilities - Group

	Property, plant and equipment RM'000	**Others RM'000**	**Total RM'000**
At 1 January 2015	**(32,013)**	**(577)**	**(32,590)**
Recognised in profit or loss	**(3,148)**	**-**	**(3,148)**
At 31 December 2015	**(35,161)**	**(577)**	**(35,738)**
At 1 January 2014	(30,716)	(13,984)	(44,700)
Recognised in profit or loss	(1,297)	13,407	12,110
At 31 December 2014	(32,013)	(577)	(32,590)

18. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Deferred tax assets - Group

	Unused tax losses RM'000	Unabsorbed capital and agricultural allowances RM'000	Others RM'000	Total RM'000
At 1 January 2015	**9,118**	**27,399**	**2,544**	**39,061**
Recognised in profit or loss	**78**	**3,035**	**(659)**	**2,454**
At 31 December 2015	**9,196**	**30,434**	**1,885**	**41,515**
At 1 January 2014	14,850	31,032	3,534	49,416
Recognised in profit or loss	(5,732)	(3,633)	(990)	(10,355)
At 31 December 2014	9,118	27,399	2,544	39,061

Deferred tax liabilities – Company

	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 January 2015	**(1,100)**	**-**	**(1,100)**
Recognised in profit or loss	**(55)**	**-**	**(55)**
At 31 December 2015	**(1,155)**	**-**	**(1,155)**
At 1 January 2014	(1,417)	(13,407)	(14,824)
Recognised in profit or loss	317	13,407	13,724
At 31 December 2014	(1,100)	-	(1,100)

18. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Deferred tax assets - Company

	Unabsorbed capital and agricultural allowances RM'000	Others RM'000	Total RM'000
At 1 January 2015	**-**	**44**	**44**
Recognised in profit or loss	**190**	**18**	**208**
At 31 December 2015	**190**	**62**	**252**
At 1 January 2014	2,464	1,464	3,928
Recognised in profit or loss	(2,464)	(1,420)	(3,884)
At 31 December 2014	-	44	44

Unrecognised deferred tax assets

Deferred tax assets have not been recognised for the following items:

	Group	
	2015 RM'000	2014 RM'000
Unabsorbed capital and agricultural allowances	**23,257**	20,832
Unused tax losses	**312,988**	297,904
Other timing differences	**3,155**	721
	339,400	319,457

The availability of unused tax losses and unabsorbed capital and agricultural allowances for offsetting against future taxable profits of the respective Subsidiaries are subject to no substantial changes in shareholding of these Subsidiaries under Section 44(5A) and (5B) of Income Tax Act, 1967. Deferred tax assets have not been recognised in respect of these items because there is uncertainty as to when the companies that have a recent history of losses will be profitable.

19. RECEIVABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current				
Trade				
Trade receivables	**36,913**	38,905	**-**	40
Others				
Estate receivables	**4,281**	6,091	**127**	156
Wholly-owned Subsidiaries				
- Loan	**-**	-	**314,785**	273,262
- Current account	**-**	-	**14,618**	1,382
Non-wholly owned Subsidiaries				
- Loan	**-**	-	**19,333**	21,134
- Current account	**-**	-	**1,141**	1,127
Related companies	**198**	280	**-**	24
Associate	**1,270**	3,740	**-**	-
Prepayments and deposits	**3,475**	884	**33**	17
Workers' housing advances	**648**	786	**648**	786
Dividend receivable	**-**	-	**1,170**	1,170
Other receivables	**18,024**	1,505	**12,530**	7,202
	27,896	13,286	**364,385**	306,260
Less: Allowance for impairment	**(1,307)**	(1,463)	**(648)**	(786)
	26,589	11,823	**363,737**	305,474
	63,502	50,728	**363,737**	305,514
Non-current				
Others				
Loans to non-wholly owned Subsidiary	**-**	-	**186,040**	177,548
Less: Allowance for impairment	**-**	-	**(75,000)**	(75,000)
	-	-	**111,040**	102,548
Total receivables (current and non-current)	**63,502**	50,728	**474,777**	408,062
Total receivables (current and non-current)	**63,502**	50,728	**474,777**	408,062
Add: Cash and bank balances (Note 21)	**427,258**	430,884	**414,699**	426,555
Less: Prepayment	**(925)**	(793)	**(29)**	(17)
Total loans and receivables	**489,835**	480,819	**889,447**	834,600

19. RECEIVABLES (CONT'D.)

(a) Trade receivables

Trade receivables are non-interest bearing and are on 30-day (2014: 30-day) credit terms. Certain palm kernel buyers are required to make advance payment before collection of the produce. Trade receivables are recognised at original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Neither past due nor impaired	**36,124**	36,992	**-**	40
Past due but not impaired:				
- 1 to 30 days	**488**	1,728	**-**	-
- 31 to 60 days	**113**	66	**-**	-
- 61 to 90 days	**157**	119	**-**	-
- > 90 days	**31**	-	**-**	-
	789	1,913	**-**	-
	36,913	38,905	**-**	40

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. These debtors are mostly long term customers with no history of default in payments.

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

Receivables that are past due but not impaired

The Group's trade receivables of RM789,000 (2014: RM1,913,000) that are past due at the reporting date but not impaired, are unsecured. These balances relate mainly to customers who have not defaulted on payments but are slow paymasters hence, periodically monitored.

19. RECEIVABLES (CONT'D.)

(b) Related companies

Loans to wholly-owned and non-wholly owned Subsidiaries (current and non-current) are unsecured, repayable on demand and bear interest ranging from 5.5% to 6.5% (2014: 5.25% to 6.5%) per annum.

Amounts due from related companies, Associates and current account of Subsidiaries are unsecured, interest free and repayable on demand.

(c) Other receivables - Current and non-current

(i) Maturity analysis of non-current receivables

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Loans to non-wholly owned Subsidiary				
Due between 2 to 5 years	**-**	-	**111,040**	102,548

(ii) Other receivables that are impaired

The allowance for impairment for the Group of RM1,307,000 (2014: RM1,463,000) and for the Company of RM648,000 (2014: RM786,000) is in respect of other receivables as follows:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Current				
Workers housing advances	**648**	786	**648**	786
Other receivable				
- cost of construction of pond	**98**	116	**-**	-
Other receivable				
- disputed earthworks	**561**	561	**-**	-
	1,307	1,463	**648**	786

19. RECEIVABLES (CONT'D.)

(c) Other receivables - Current and non-current (cont'd.)

(ii) Other receivables that are impaired (cont'd.)

Movement in allowance for impairment of other receivables:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Current				
At 1 January	**1,463**	1,664	**786**	963
Reversal during the year (Note 5)	**(156)**	(201)	**(138)**	(177)
At 31 December	**1,307**	1,463	**648**	786

(iii) Loan to a Subsidiary that is impaired

Non-current				
Impairment of loan to a Subsidiary	**-**	-	**75,000**	75,000

20. INVENTORIES

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
At cost:				
Produce stocks	**17,630**	11,412	**-**	-
Consumables	**9,539**	11,812	**17**	32
Nursery stocks	**4,938**	5,660	**-**	-
	32,107	28,884	**17**	32
At net realisable value:				
Produce stocks	**12,122**	3,792	**-**	-
	44,229	32,676	**17**	32

21. CASH AND BANK BALANCES

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cash and bank balances	**12,694**	4,814	**135**	485
Short term deposits with licensed banks	**414,564**	426,070	**414,564**	426,070
	427,258	430,884	**414,699**	426,555

The weighted average interest rate per annum and average maturity period of short term deposits at the reporting date are as follows:

	Weighted average interest rate		Average maturity period	
	2015 %	**2014 %**	**2015 Days**	**2014 Days**
Short term deposits with licensed banks	**3.64**	3.65	**34**	28

22. ASSETS CLASSIFIED AS HELD FOR SALE

At the reporting date, the assets to be disposed pursuant to sale and purchase agreements referred to in Note 30(a) (ii) are as follows:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Non-current assets				
Freehold land (Note 12)	**10,582**	-	**7,716**	-
Biological assets (Note 13)	**406**	-	**406**	-
	10,988	–	**8,122**	–

23. SHARE CAPITAL

	Number of ordinary shares of RM0.50 each	Number of ordinary shares of RM0.50 each		
	2015 '000	**2014 '000**	**2015 RM'000**	**2014 RM'000**
Authorised:				
At 1 January	**4,000,000**	2,000,000	**2,000,000**	2,000,000
Share split during the year	**-**	2,000,000	**-**	-
At 31 December	**4,000,000**	4,000,000	**2,000,000**	2,000,000
Issued and fully paid:				
At 1 January	**1,600,000**	124,521	**800,000**	124,521
Movements during year:				
- Share split	**-**	124,521	**-**	-
- Bonus issue	**-**	770,958	**-**	385,479
- Public issue	**-**	580,000	**-**	290,000
At 31 December	**1,600,000**	1,600,000	**800,000**	800,000

During the previous financial year, the authorised and paid up share capital of the Company was increased as follows:

(a) Increase in the authorised share capital from 2,000,000,000 ordinary shares of RM1 each to 4,000,000,000 ordinary shares of RM0.50 each via the subdivision of every 1 ordinary share of RM1 each into 2 ordinary shares of RM0.50 each on 7 April 2014.

(b) Increase in the issued and paid up share capital from 124,521,383 ordinary shares of RM1 each to 1,600,000,000 ordinary shares of RM0.50 each as follows:

(i) Subdivision of 124,521,383 ordinary shares of RM1 each to 249,042,766 ordinary shares of RM0.50 each on 7 April 2014;

(ii) Bonus issue of 770,957,234 ordinary shares of RM0.50 each by way of capitalisation of the Company's retained earnings and share premium of RM208,040,000 and RM177,439,000 respectively on 7 April 2014; and

(iii) Issuance and allotment of 580,000,000 ordinary shares of RM0.50 each at RM1.60 per ordinary share on 26 June 2014.

24. NON-DISTRIBUTABLE RESERVES

Group

	Share premium RM'000	Other capital reserve RM'000	Total RM'000
At 1 January 2014	177,439	192	177,631
Exchange fluctuation of Associates	-	(489)	(489)
Issue of bonus shares	(177,439)	-	(177,439)
Public issue:			
- Issue of ordinary shares	638,000	-	638,000
- Share issuance and listing expenses	(15,656)	-	(15,656)
Capital redemption by Subsidiary	-	30	30
At 31 December 2014 and 1 January 2015	**622,344**	**(267)**	**622,077**
Exchange fluctuation of Associates	**-**	**124**	**124**
At 31 December 2015	**622,344**	**(143)**	**622,201**

Other capital reserve represents the par value of cumulative redeemable preference shares redeemed by a Subsidiary and the exchange fluctuation of Associates.

25. RETAINED PROFITS

Under the single tier system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Thus, the Company's retained profits are distributable by way of single tier dividends.

26. BORROWINGS

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Short term borrowings				
Unsecured:				
Bank overdrafts	**15,014**	1,465	**15,014**	1,414
Revolving credits	**695,000**	645,000	**665,000**	615,000
Term loans	**79,508**	44,450	**54,508**	44,450
	789,522	690,915	**734,522**	660,864
Long term borrowings				
Unsecured:				
Term loan	**125,000**	150,000	**-**	-
	125,000	150,000	**-**	-
Total borrowings				
Bank overdrafts	**15,014**	1,465	**15,014**	1,414
Revolving credits	**695,000**	645,000	**665,000**	615,000
Term loans	**204,508**	194,450	**54,508**	44,450
	914,522	840,915	**734,522**	660,864
Analysis by maturity:				
- within 1 year	**789,522**	690,915	**734,522**	660,864
- from 2 to 5 years	**100,000**	100,000	**-**	-
- more than 5 years	**25,000**	50,000	**-**	-
	914,522	840,915	**734,522**	660,864

(a) Bank overdrafts bear interest at rates ranging from 7.60% to 7.85% (2014: 5.3% to 7.6%) per annum.

(b) Revolving credits bear interest at rates ranging from 3.95% to 5.22% (2014: 3.8% to 5.03%) per annum.

(c) The term loan of RM150 million is for a tenure of eight years and is repayable over 24 quarterly payments of RM6.25 million each, commencing March 2016. The term loan carried an average profit rate of 5.26% (2014: 4.93%) per annum.

(d) Included in the term loans of RM79.5 million (2014: RM44.5 million) is an unsecured short term loan of RM54.5 million (2014: RM44.5 million) which is denominated in USD. The USD denominated term loan bears interest at an average rate of 2.23% (2014: 2.22%) per annum.

(e) Except for the USD denominated loan, the other borrowings are denominated in Ringgit Malaysia.

27. PAYABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current				
Trade				
Trade payables	**29,966**	26,614	**142**	100
Others				
Estate payables	**14,561**	15,752	**88**	90
Loan from joint operation partner	**17,525**	17,101	**17,525**	17,101
Related companies	**2,845**	1,930	**-**	-
Associates	**12,454**	3,621	**-**	-
Immediate Holding Company	**139**	851	**98**	223
Wholly-owned Subsidiaries:				
- Loan	**-**	-	**66,654**	1,950
- Current account	**-**	-	**3,307**	19,969
Non-wholly owned Subsidiaries				
- Loan	**-**	-	**27,881**	24,435
- Current account	**-**	-	**78**	93
Accrued expenses	**11,513**	9,257	**1,831**	1,821
Taxes payable	**11,333**	3,131	**4,316**	-
Land disposal proceeds and deposits received	**22,040**	-	**2,297**	-
Other payables	**7,024**	5,764	**6,173**	1,605
	99,434	57,407	**130,248**	67,287
	129,400	84,021	**130,390**	67,387

27. PAYABLES (CONT'D.)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current				
Others				
Other payables	**-**	-	**-**	3,500
Defined benefit obligations (Note 28)	**4,872**	4,766	**64**	76
	4,872	4,766	**64**	3,576
Total payables (current and non-current)	**134,272**	88,787	**130,454**	70,963
Total payables (current and non-current)	**134,272**	88,787	**130,454**	70,963
Add: Borrowings (Note 26)	**914,522**	840,915	**734,522**	660,864
Less: Defined benefit obligations (Note 28)	**(4,872)**	(4,766)	**(64)**	(76)
Less: Taxes payable (Note 27)	**(11,333)**	(3,131)	**(4,316)**	-
Total financial liabilities carried at amortised cost	**1,032,589**	921,805	**860,596**	731,751

(a) **Trade and other payables**

Trade and estate payables are on 30 to 60 days (2014: 30 to 60 days) payment terms and are non-interest bearing.

Other payables are normally settled on average of 30 days (2014: 30 days) terms and are non-interest bearing.

(b) **Related party balances**

Loan from joint operation partner is unsecured, repayable on demand and bears interest at 3.5% (2014: 3.25 to 3.5%) per annum.

Amount due to Immediate Holding Company is unsecured, interest free and repayable on demand.

Loans from wholly-owned and non-wholly owned Subsidiaries are unsecured, repayable on demand and bear interest at 3.5% (2014: 3.25 to 3.5%) per annum.

Amounts due to Associates, related companies and current accounts of Subsidiaries are unsecured, interest free and repayable on demand.

28. DEFINED BENEFIT OBLIGATIONS

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

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Present value of unfunded defined benefit obligations, representing net liability	**4,872**	4,766	**64**	76

The amounts recognised in profit and loss are as follows:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Current service cost	**(282)**	254	**(8)**	(1,227)
Interest cost	**240**	214	**4**	4
Remeasurement	**-**	(18)	**-**	(2)
Total included in staff costs (Note 5)	**(42)**	450	**(4)**	(1,225)

Movements in the net liabilities in the current year are as follows:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
At 1 January	**5,061**	4,738	**84**	1,321
Recognised in profit or loss	**(42)**	450	**(4)**	(1,225)
Defined benefits paid	**(147)**	(127)	**(16)**	(12)
At 31 December	**4,872**	5,061	**64**	84

28. DEFINED BENEFIT OBLIGATIONS (CONT'D.)

The principal assumptions used to determine the defined benefit obligations are shown below:

	2015	2014
Discount rate (% per annum)	**5.5**	5.5
Salary increment rate (% per annum)	**5.5**	5.5

The sensitivity analysis arising from reasonably possible changes of each significant assumption on the defined benefit obligations as at year end assuming all other assumptions are held constant is given below:

	2015 RM'000	2014 RM'000
1% increase in discount rate	**(401)**	(387)
1% decrease in discount rate	**456**	441
1% increase in salary increment rate	**451**	390
1% decrease in salary increment rate	**(400)**	(348)

29. CAPITAL COMMITMENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Capital expenditure:				
- authorised and contracted for	**29,977**	-	**-**	-
- authorised but not contracted for	**56,944**	75,095	**219**	52

The Group's interest in the capital commitment of the joint operation is disclosed in Note 32.

30. SIGNIFICANT EVENTS

(a) During the year, the Company (BPB), through Trustee, CIMB Islamic Trustee Berhad and a Subsidiary, Boustead Sungai Manar Sdn Bhd (BSM), entered into sales and purchase agreements (SPA) with various parties to dispose 351.72 hectares (ha) of freehold land situated in Mukim Kulai, District of Kulaijaya for total cash consideration of RM203.878 million as follows:

Vendor	Purchaser	SPA Date	Consideration Ha	Consideration RM'000
BPB	Seng Hong Quarry Sdn Bhd (SHQ)	20 May 2015	56.30	29,088
BPB	Bentara Gemilang Industries Sdn Bhd (BGI)	19 May 2015	31.87	19,897
BPB	Sanggul Suria Sdn Bhd (SSSB)	15 June 2015	57.03	12,277
BSM	Hanson Quarry Products (Segamat) Sdn Bhd (HQP)	15 June 2015	102.12	81,942
BSM	YTL Cement Berhad (YTL 1)	8 September 2015	33.26	19,693
BSM	YTL Cement Berhad (YTL 2)	8 September 2015	18.45	10,922
BPB	YTL Cement Berhad (YTL 3)	8 September 2015	52.69	30,059
			351.72	203,878

i) The disposals to SHQ, BGI and YTL 1 have been completed and gains recognised in profit or loss amounted to RM57.1 million for the Group and RM39.5 million for the Company.

ii) Deposits amounting to RM22.0 million have been received in respect of disposals to SSSB, HQP, YTL 2 and YTL 3. As at the date of this report, the conditions precedent in respect of these SPAs have yet to be met.

(b) On 15 December 2015, Boustead Rimba Nilai Sdn Bhd, a Subsidiary entered into agreements to acquire the beneficial ownership of 106 pieces of leasehold land measuring approximately 532.77 hectares in the District of Beluran, Sabah for cash consideration of RM33.3 million. The acquisition was completed in January 2016.

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operation decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Direct and indirect Subsidiaries;

(ii) Immediate Holding Company, Boustead Holdings Berhad (BHB), its Subsidiaries and Associates;

(iii) Ultimate Holding Corporation, Lembaga Tabung Angkatan Tentera (LTAT), its Subsidiaries and direct and indirect Associates;

(iv) Direct and indirect Associates;

(v) Key management personnel which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly.

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Subsidiaries				
Sale of fresh fruit bunches	-	-	49,507	32,497
Rental income	-	-	-	34,832
Plantation management fees	-	-	362	842
Subsidiaries of Immediate Holding Company				
Purchase of non-regulated petroleum products	2,170	1,300	50	196
Purchase of equipment	1,026	1,563	–	15
Travel agency services	676	743	3	9
Computer services	1,686	2,525	4	37
Office rental	1,251	1,132	-	-
Immediate Holding Company				
General management fees	1,729	1,562	318	276
Tax consultancy fees	126	98	33	17
Associates				
Advisory fees	1,113	1,131	9	83
Research and development	12,785	9,931	-	-
Associates of Immediate Holding Company				
Insurance premium	3,015	2,614	17	193
Interest income	3,113	4,562	3,113	4,562
Finance cost	11,455	4,495	11,455	4,495

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

Related party balances with the Immediate Holding Company and Subsidiaries are referred to in Notes 19 and 27.

Government-related entities

Balances with financial institutions which are Government-related entities as at year end are as follows:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Bank balances and Islamic deposits	**78,324**	122,777	**77,785**	122,156
Revolving credits	**250,000**	250,000	**250,000**	250,000
Bank overdraft	**-**	52	**-**	-

Key management personnel

The remuneration of key management personnel for the financial year is as follows:

	Group	
	2015 RM'000	**2014 RM'000**
Short term employee benefits	**4,532**	4,559
Defined contribution plans	**662**	586
	5,194	5,145

The Directors are of the opinion that related party transactions are in the normal course of business and at terms mutually agreed between the parties.

32. INTEREST IN JOINT OPERATION PLANTATION

The Group and the Company have a 50% interest in Kuala Muda Estate, a joint operation plantation, which is held at book value of RM22,435,000 (2014: RM22,435,000). The following amounts represent the Group's and Company's share of the assets and liabilities as well as share of revenue and expenses of the joint operation plantation, which are included in the respective statement of financial position and income statement:

	Group and Company	
	2015 RM'000	**2014 RM'000**
Statement of financial position		
Non-current assets	**17,274**	17,328
Current assets	**17,536**	17,304
Current liabilities	**(235)**	(90)
Non-current liabilities	**(64)**	(152)
Net assets	**34,511**	34,390
Income statement		
Revenue	**7,624**	7,634
Operating cost	**(4,549)**	(2,960)
Operating profit	**3,075**	4,674
Capital commitments	**219**	38

There is no reported material contingent liability relating to the Group's and the Company's interest in the joint operation plantation.

33. CONTINGENT LIABILITIES

(i) On 30 March 2011, the Company and a Subsidiary, Boustead Pelita Kanowit Sdn Bhd (BPK), were named the 4th and 5th Defendants respectively to Sibu High Court Suit No. 21-7-2009 in relation to a claim filed by 5 individuals suing on behalf of themselves and 163 other proprietors, occupiers and claimants of the Native Customary Rights lands (NCR) (Plaintiffs) situated in Sg. Kelimut, Kanowit District, also known as Block D1 in Kanowit District, described as Kelimut Estate (NCR Lands) against Pelita Holdings Sdn Bhd (1st Defendant), the Superintendent of Lands and Surveys, Sibu, Sarawak (2nd Defendant) and the State Government of Sarawak (3rd Defendant) for inter-alia, a declaration that the trust deed between the Plaintiffs and the 1st and 3rd Defendants are null and void, damages and costs.

On 30 April 2012, the Sibu High Court delivered its decision on the litigation, judging in favour of the Plaintiffs' claim and found the Principal Deed dated 14 January 2002 executed between the 1st Defendant, the 3rd Defendant and the Plaintiffs in relation to the development of the NCR Lands as null and void and the joint venture agreement dated 6 May 1998 between the Company and the 1st Defendant as deemed null and void. In the same judgment, the Sibu High Court had dismissed the Company's and BPK's counter claim against the Plaintiffs with costs. The Company and BPK filed an appeal on 3 May 2012.

On 30 October 2012, the Sibu High Court granted the Company's and BPK's application for Stay of Execution until after the full and final determination of their appeal. On 6 August 2014, the Court of Appeal allowed the appeal by Defendants against the Plaintiffs. The Court had ruled in favour of BPK and the other appellants and reversed the decision of the Sibu High Court dated 30 April 2012.

On 10 September 2015, the Federal Court heard the Plaintiffs' Notice of Appeal against the Court of Appeal's decision and delivered an unanimous decision to dismiss the Plaintiffs' motion.

(ii) The natives in the area of Sungai Lelak Estate, which is held by Boustead Pelita Tinjar Sdn Bhd (BPT), a Subsidiary, are making claims over native customary rights (NCR) lands of the estate. The consent judgement of the High Court of Miri dated 7 May 2009, has called for a joint survey of lands under NCR to be carried out and for payment of compensation for such NCR lands at a rate of RM1,500 per hectare (ha). On 26 November 2015, the Department of Land and Survey, Sarawak approved the survey plan for a total of 1,361 ha. BPT has provided for the compensation to the natives for 1,361 ha amounting to RM2.0 million. The natives are however, not agreeable with the above surveyed NCR area and have requested for another joint survey to be carried out.

As the compensation provision was made on the basis of the approved survey from the relevant authority, the Group is of the view that the amount provided is adequate and no further provision is required.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of risks, including interest rate, liquidity, foreign currency, credit and market price risks. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising potential adverse effects on the performance of the Group.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for use as hedging instruments where appropriate and cost efficient. The Group and the Company do not apply hedge accounting.

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.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's interest rate risk arises from bank deposits and borrowings and intercompany loans.

The Group finances its operations through operating cash flows and borrowings, which is predominantly denominated in Ringgit Malaysia. The Group manages its borrowings through floating rate banking facilities. Loans to group companies are carried at floating rates which are remeasured at periodic intervals to approximate market interest rates or cost of borrowings. The loans to Subsidiaries, which are funded at floating rates, form a natural hedge for its floating rate bank borrowings.

Funds from initial public offering earmarked for acquisition of plantation lands, are currently deposited with financial institutions at market rates.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and Company's profit net of tax would have been:

	Group Effect on profit net of tax Increase/(Decrease)		Company Effect on profit net of tax Increase/(Decrease)	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
50 basis points decrease in interest rate	**1,913**	1,556	**(335)**	(726)
50 basis points increase in interest rate	**(1,913)**	(1,556)	**335**	726

The assumed movement in the basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to insufficient 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 practises prudent liquidity risk management by maintaining availability of funding through adequate amount of committed credit facilities.

Analysis of financial instruments by remaining contractual maturities

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

	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Group				
At 31 December 2015				
Financial liabilities:				
Trade and other payables	**118,067**	**-**	**-**	**118,067**
Loans and borrowings	**830,751**	**116,406**	**25,738**	**972,895**
Total undiscounted financial liabilities	**948,818**	**116,406**	**25,738**	**1,090,962**
At 31 December 2014				
Financial liabilities:				
Trade and other payables	80,595	-	-	80,595
Loans and borrowings	728,389	121,863	52,981	903,233
Total undiscounted financial liabilities	808,984	121,863	52,981	983,828

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(ii) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Company				
At 31 December 2015				
Financial liabilities:				
Trade and other payables	**126,074**	**-**	**-**	**126,074**
Loans and borrowings	**767,285**	**-**	**-**	**767,285**
Total undiscounted financial liabilities	**893,359**	**-**	**-**	**893,359**
At 31 December 2014				
Financial liabilities:				
Trade and other payables	67,379	3,500	-	70,879
Loans and borrowings	688,975	-	-	688,975
Total undiscounted financial liabilities	756,354	3,500	-	759,854

(iii) 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 operates in Malaysia and is exposed to foreign currency risk, arising from a USD denominated loan of USD12.7 million (2014: USD12.7 million). The loan is being closely monitored by management.

Foreign exchange exposures are kept to an acceptable level.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(iii) Foreign currency risk (cont'd.)

The net unhedged financial liability of the Group and Company that are not denominated in the functional currency is as follows:

Borrowings

	USD'000	RM'000
At 31 December 2015	**12,700**	**54,508**
At 31 December 2014	12,700	44,450

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the profit net of tax to a reasonably possible change in USD exchange rates against the functional currency of the Group, with all other variables held constant.

	Group and Company	
	Effect on profit net of tax 2015 RM'000	**Effect on profit net of tax 2014 RM'000**
USD/RM - strengthen by 20% (2014: 10%)	**(10,902)**	(4,445)
- weaken by 20% (2014: 10%)	**10,902**	4,445

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(iv) 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 exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group seeks to control credit risk by setting credit limits, obtaining bank guarantees where appropriate; ensuring that sales are made to customers with appropriate credit history and conducting periodic review on financial standing of customers. Further, sales to customers are reviewed when deliveries exceed guaranteed amounts or set credit limits.

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. The Group and the Company have no concentration of credit risk on any one particular customer or group of related customers.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 19.

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 19.

Amounts due from Subsidiaries and related companies

There is minimal risk of default as these companies are either profitable or prospectively profitable except for Subsidiaries for which allowances have been made in respect of amounts estimated to be not recoverable as disclosed in Note 19. The credit standing of these companies are periodically monitored and reviewed.

Financial assets that are past due but not impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 19.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 19.

(v) Market price risk

The Group is exposed to commodity price risk arising from fluctuations in the price of crude palm oil and palm kernel. The Group adopts the strategy of having a mix of spot and forward sales at any one time to mitigate this risk. Forward sales policies are periodically reviewed by Management.

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value

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

	Note
Trade and other receivables (current)	19
Other receivables (non-current)	
- Loans to non-wholly owned Subsidiary	19
Amount due to Immediate Holding Company (current)	27
Loans to/(from) Subsidiaries (current)	19, 27
Amount due from/(to) Associates (current)	19, 27
Loan from joint operation partner (current)	27
Amount due from/(to) related companies (current)	19, 27
Trade and other payables (current)	27
Borrowings (current and non-current)	26

Except for the non-current loan to a Subsidiary, the carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that approximate market interest rates at the reporting date.

The non-current loan to a Subsidiary is evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the Subsidiary and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for expected losses of the loan. As at 31 December 2015, the carrying amount of the loan, net of allowances, was not materially different from its calculated fair value.

The fair value of borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date.

36. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the financial years ended 31 December 2015 and 2014.

The Group monitors capital using a gearing ratio, which is derived by dividing the amount of borrowings over shareholders' equity. At the reporting date, the Group's gearing ratio is 0.42 times (2014: 0.37 times). The Group's policy is to keep gearing within manageable levels.

In respect of banking facilities with a financial institution, the Company is committed to maintain a gearing ratio of not more than 1.0 time and Debt Service Cover Ratio (DSCR) of at least 1.25 times. Gearing ratio is calculated by dividing the Group's borrowings over the shareholders' funds and DSCR is calculated by dividing earnings before interest, taxes, depreciation and amortisation over interest paid or due in previous 12 months. The Company has not breached these covenants.

37. SEGMENT INFORMATION

The Group is essentially involved in plantation operations and also provides plantations consultancy. Management controls the Group's operations by geographical locations where resources are allocated and monitored for achievement of the desired output. Internal monthly management reports are prepared and performance are reviewed on the basis of geographical segments. Thus, operating segments are best segregated as follows:

(a) Plantation Segment

Plantation operations cover the cultivation of oil palms and production of crude palm oil and palm kernel. The Group's plantations are located in Peninsular Malaysia, Sabah and Sarawak.

(b) Others Segment

The others segment consists of plantations consultancy and investing activities.

The performance of each operating segment is measured on the basis of operating results before interest income and finance cost. Non-recurring items such as gains on disposal of plantation assets, impairment losses, share of results of Associates and fair value gains or losses are excluded from the measurement of a segment's performance.

Transactions between operating segments are undertaken on arm's length basis. Inter-segment revenue namely plantation management fees are eliminated on consolidation. The Group practices central fund management where surplus funds within the Group are on-lent and the interest charges arising from such arrangements are eliminated in full.

37. SEGMENT INFORMATION (CONT'D.)

The performance of each segment is as set out in the following table:

	← Plantation →				
	PM* RM'000	Sabah RM'000	Sarawak RM'000	Others RM'000	Total RM'000
2015					
Revenue (i)					
External sales	**260,721**	**255,946**	**97,318**	**1,210**	**615,195**
Reportable segment operating profit	**37,377**	**28,910**	**(3,999)**	**(2,071)**	**60,217**
Interest income					**14,487**
Gain on disposal of plantation land					**57,130**
Share of results of Associates					**1,798**
Finance cost					**(38,532)**
Profit before tax					**95,100**
Income tax expense					**(22,841)**
Profit for the year					**72,259**
2014					
Revenue (i)					
External sales	278,809	317,083	120,096	1,333	717,321
Reportable segment operating profit	64,980	58,806	2,784	2,053	128,623
Interest income					11,301
Share of results of Associates					3,734
Finance cost					(53,875)
Profit before tax					89,783
Income tax expense					(37,365)
Profit for the year					52,418

(i) Inter-segment revenues are eliminated on consolidation.
* Denotes Peninsular Malaysia.

38. DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained earnings of the Group and of the Company into realised and unrealised profits, pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements is as follows:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Total retained earnings of the Company and Subsidiaries				
- Realised	**339,232**	437,215	**167,676**	247,075
- Unrealised	**(471)**	10,059	**(7,152)**	2,754
	338,761	447,274	**160,524**	249,829
Total share of retained earnings of Associates				
- Realised	**22,433**	30,270	**-**	-
- Unrealised	**497**	341	**-**	-
	361,691	477,885	**160,524**	249,829
Consolidation adjustments	**397,724**	394,920	**-**	-
	759,415	872,805	**160,524**	249,829

The determination of realised and unrealised profits is compiled based on Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute Accountants on 20 December 2010.

BOUSTEAD PLANTATIONS GROUP

Name of Company*	Principal activities	Paid up capital	Group interest 2015 %	Group interest 2014 %
As at 31 December 2015				
SUBSIDIARIES				
Boustead Telok Sengat Sdn Bhd	Cultivation of oil palms, processing of fresh fruit bunches (FFB) and investment holding	RM9,184,000	**100**	100
Boustead Eldred Sdn Bhd	Cultivation of oil palms	RM15,000,000	**100**	100
Boustead Solandra Sdn Bhd	Cultivation of oil palms	RM200,000	**100**	100
Boustead Sungai Manar Sdn Bhd	Investment property holding	RM4,500,000	**100**	100
Boustead Sedili Sdn Bhd	Cultivation of oil palms	RM6,150,000	**70**	70
Boustead Rimba Nilai Sdn Bhd	Cultivation of oil palms and processing of FFB	RM100,000,000	**100**	100
Boustead Emastulin Sdn Bhd	Cultivation of oil palms and processing of FFB	RM17,000,000	**100**	100
Boustead Gradient Sdn Bhd	Cultivation of oil palms and processing of FFB	RM3,000,000	**100**	100
Boustead Trunkline Sdn Bhd	Cultivation of oil palms	RM7,000,000	**100**	100
Boustead Pelita Kanowit Sdn Bhd	Cultivation of oil palms	RM34,560,000	**60**	60
Boustead Pelita Tinjar Sdn Bhd	Cultivation of oil palms and processing of FFB	RM48,000,000	**60**	60
Boustead Pelita Kanowit Oil Mill Sdn Bhd	Operation of palm oil mill	RM30,000,000	**60**	60
Boustead Estates Agency Sdn Bhd	Plantation management and engineering consultancy and investment holding	RM1,050,000	**100**	100
Boustead Advisory and Consultancy Services Sdn Bhd	Ceased operation	RM500,002	**100**	100

Name of Company*	Principal activities	Paid up capital	Group interest 2015 %	Group interest 2014 %
As at 31 December 2015				
SUBSIDIARIES (cont'd.)				
Bounty Crop Sdn Bhd	Ceased operation	RM70,200,000	**100**	100
Boustead Anwarsyukur Estate Agency Sdn Bhd	Liquidated	RM500,000	**–**	100
ASSOCIATES				
Applied Agricultural Resources Sdn Bhd	Agronomic advisory services, commercial production of oil palm planting materials and investment holding	RM500,000	**50**	50
PT AAR Nusantara**	Production of oil palm seeds	IDR10,000,000,000	**25**	25
Advanced Agriecological Research Sdn Bhd	Agronomy research services	RM500,000	**50**	50
PT Applied Agricultural Resources Indonesia**	Agronomy research and advisory services	IDR12,775,000,000	**50**	50

* Incorporated in Malaysia unless otherwise indicated
** Incorporated in Indonesia and audited by an overseas firm not associated with Ernst & Young, Malaysia.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of proceeds raised from public issue

The gross proceeds received from the Initial Public Offering of RM928.0 million in conjunction with the Company's listing on Main Market of Bursa Securities on 26 June 2014 have been utilised in the following manner:

Purpose	Proposed Utilisation RM'000	To Date Utilisation RM'000	Balance To Be Utilised RM'000	Deviation %
Acquisition of plantation lands	420,000	30,500	389,500	N/A
Replanting and capital expenditure	96,000	96,000	-	-
Repayment of advances to Immediate Holding Company	390,000	390,000	-	-
Share issuance and listing expenses	22,000	21,046	954	4
Total gross proceeds	928,000	537,546	390,454	

2. Share buy backs during the financial year

The Company did not carry out any share buy back exercises during the financial year ended 31 December 2015.

3. Options, warrants or convertible securities exercised

The Company did not issue any warrants or convertible securities for the financial year ended 31 December 2015.

4. Depository receipt programme

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2015.

5. Sanctions/penalties

There were no sanctions and/or penalties imposed on the Company and its Subsidiaries, Directors and Management by the relevant regulatory bodies during the financial year ended 31 December 2015.

6. Non-audit fees

	Group RM'000	Company RM'000
Non-audit fees paid to the external auditors for the financial year ended 31 December 2015		
- Auditor of the Company	119	16

The provision of non-audit services by the external auditors to the Group is both cost effective and efficient due to their knowledge and understanding of the operations of the Group, and did not compromise their independence and objectivity. It is also the Group's policy to use the auditors in cases where their knowledge of the Group means it is neither efficient nor cost effective to employ another firm of accountants.

7. Variation in result

There were no profit estimation, forecast and projection made or released by the Company during the financial year ended 31 December 2015.

8. Profit guarantee

There were no profit guarantees given by the Company and its Subsidiaries during the financial year ended 31 December 2015.

9. Material contracts

There were no material contracts which had been entered into by the Group involving the interests of Directors and major shareholders, 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.

RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting held on 1 April 2015, the Company obtained Shareholders' Mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Section 3.1.5 of Practice Note No. 12 of the Bursa Malaysia Securities Berhad Listing Requirements, the details of recurrent related party transactions conducted during the financial year ended 31 December 2015 pursuant to the Shareholders' Mandate are disclosed as follows:

Related party	Interested Director/ connected person	Nature of transactions	Actual transactions RM'000
Boustead Pelita Kanowit Sdn Bhd	Pelita Holdings Sdn Bhd	Sales of Fresh Fruit Bunches to Boustead Pelita Kanowit Oil Mill Sdn Bhd	55,754
Boustead Holdings Berhad	Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat Tan Sri Dato' Seri Lodin Wok Kamaruddin Datuk Zakaria Sharif LTAT	General management, internal audit and tax consultancy	1,855
Boustead Information Technology Sdn Bhd	Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat Tan Sri Dato' Seri Lodin Wok Kamaruddin Datuk Zakaria Sharif LTAT	Provision of computer services and purchase of computer equipment	1,686
Boustead Petroleum Marketing Sdn Bhd	Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat Tan Sri Dato' Seri Lodin Wok Kamaruddin Datuk Zakaria Sharif LTAT	Purchase of non-regulated petroleum products	2,170
Boustead Realty Sdn Bhd	Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat Tan Sri Dato' Seri Lodin Wok Kamaruddin Datuk Zakaria Sharif LTAT	Office rental at Menara Boustead	1,251

PROPERTIES OF THE GROUP

Location	Hectares	Description	Tenure	Age of buildings Years	Book value	Year of acquisition
Peninsular Malaysia						
Batu Pekaka Estate, Kuala Ketil, Kedah	968.7	Oil palm estate	Freehold		55.5	2013
Kuala Muda Estate (50%), Sungai Petani, Kedah	759.8	Oil palm estate	Freehold		17.1	2012
Stothard Estate, Kuala Ketil, Kedah	983.1	Oil palm estate	Freehold		23.5	2012
Kedah Oil Palm Estate, Kulim, Kedah	243.0	Oil palm estate	Freehold		7.4	2012
Bukit Mertajam Estate, Kulim, Kedah	2,164.8	Oil palm estate	Freehold		139.9	2013
Malakoff Estate, Tasek Glugor, Pulau Pinang	1,379.0	Oil palm estate	Freehold		127.2	2013
TRP Estate, Trong, Perak	1,379.3	Oil palm estate & palm oil mill	Freehold	14	81.7	2013
Malaya Estate, Selama, Perak	906.5	Oil palm estate	Freehold		49.2	2013
Lepan Kabu Estate, Kuala Pahi, Kelantan	2,034.6	Oil palm estate & palm oil mill	Freehold	45	102.1	2013
Solandra Estate, Kemaman, Terengganu	395.9	Oil palm estate	1984-2054		3.7	1984
LTT-Terengganu Estate, Kemaman, Terengganu	1,810.7	Oil palm estate	1982-2054		22.1	1982
Sungai Jernih Estate, Pekan, Pahang	2,695.7	Oil palm estate & palm oil mill	1981-2091	24	64.1	2012
Bebar Estate, Muadzam Shah, Pahang	2,340.6	Oil palm estate	1984-2083		119.6	2013
Balau Estate, Semenyih, Selangor	247.4	Oil palm estate & molecular laboratory	Freehold	8	27.4	1983
Bekoh Estate, Tangkak, Johor	1,226.1	Oil palm estate	Freehold		71.2	2013
Eldred Estate, Bekok, Johor	1,799.7	Oil palm estate	Freehold		39.4	2012
Kulai Young Estate, Kulai, Johor	900.8	Oil palm estate & quarry	Freehold		64.9	2013
Chamek Estate, Kluang, Johor	814.6	Oil palm estate	Freehold		57.6	2013
Boustead Sedili Estate, Kota Tinggi, Johor	995.5	Oil palm estate	2004-2094		27.6	2004
Telok Sengat Estate, Kota Tinggi, Johor	3,690.1	Oil palm estate & palm oil mill	Freehold	29	281.9	2013

Location	Hectares	Description	Tenure	Age of buildings Years	Book value	Year of acquisition
Sabah						
Sungai Sungai 1 and Sungai Sungai 2 Estates, Sugut	5,563.7	Oil palm estate & palm oil mill	1997-2098	10	127.8	2012, 2013
Kawananan Estate, Sugut	2,585.0	Oil palm estate	1997-2098		60.2	2012
Lembah Paitan Estate, Sugut	1,305.1	Oil palm estate	1997-2098		33.8	1997
Resort Estate, Sandakan	1,128.4	Oil palm estate	1978-2071		16.6	2013
Nak Estate, Sandakan	1,348.9	Oil palm estate & palm oil mill	1965-2075	29	31.3	2012
Sutera Estate, Sandakan	2,200.7	Oil palm estate	1888-2887		144.2	2013
LTT Sabah Estate, Lahad Datu	2,023.0	Oil palm estate	1979-2077		37.8	2012
Segaria Estate, Semporna	4,746.2	Oil palm estate & palm oil mill	1965-2072	35	93.3	2012
Sungai Segamaha and Bukit Segamaha Estates, Lahad Datu	5,659.6	Oil palm estate & palm oil mill	1979-2077	19	110.6	2013
G&G Estate, Lahad Datu	2,409.8	Oil palm estate	1978-2077		185.0	2013
Sarawak						
Loagan Bunut Estate, Tinjar	3,982.9	Oil palm estate & palm oil mill	1991-2091	21	43.1	1991
Sungai Lelak Estate, Tinjar	3,726.0	Oil palm estate	1988-2088		41.2	1988
Bukit Limau Estate, Tinjar	4,814.0	Oil palm estate	1995-2094		36.9	1995
Pedai Estate, Sibu	3,412.8	Oil palm estate	1998-2058		56.3	1998
Jih Estate, Sibu	2,891.1	Oil palm estate	1998-2058		48.2	1998
Kanowit Palm Oil Mill, Sibu	45.3	Palm oil mill	1998-2058	12	6.2	2004
Kelimut Estate, Sibu	2,169.9	Oil palm estate	1998-2058		36.5	1998
Maong Estate, Sibu	1,274.6	Oil palm estate	1998-2058		8.8	1998
Mapai Estate, Sibu	2,426.8	Oil palm estate	1998-2058		32.6	1998
Bawan Estate, Sibu	1,781.1	Oil palm estate	1998-2058		32.4	1998

Book values are stated in RM million.

GROUP AGRICULTURAL STATISTICS

	2015	2014	2013	2012	2011
Planted area in hectares (ha)					
Past prime	**13,138**	13,464	9,631	8,887	6,955
Prime	**33,533**	38,436	42,922	41,198	48,211
Young	**12,387**	12,636	12,542	11,595	11,650
Total mature	**59,058**	64,536	65,095	61,680	66,816
Immature	**6,622**	6,042	5,243	5,598	6,271
Total planted	**65,680**	70,578	70,338	67,278	73,087
FFB crop metric tonnes (MT)	**1,037,163**	1,036,582	1,032,174	1,075,605	1,091,735
FFB yield (MT/ha)	**17.6**	16.2	16.4	17.4	16.3
Oil yield (MT/ha)	**3.9**	3.5	3.4	3.6	3.7
Mill production (MT)					
FFB processed	**1,119,737**	1,134,707	1,141,824	1,203,652	1,174,542
Crude palm oil	**245,120**	247,198	238,371	250,430	239,319
Palm kernel	**51,444**	51,533	52,927	56,059	54,303
Extraction rate (%)					
Crude palm oil	**21.9**	21.8	20.9	20.8	20.4
Palm kernel	**4.6**	4.5	4.6	4.7	4.6
Average selling price (RM/MT)					
FFB	**458**	511	486	577	709
Crude palm oil	**2,148**	2,401	2,353	2,902	3,259
Palm kernel	**1,533**	1,679	1,284	1,568	2,170

PLANTATION
AREA STATEMENT

AREA STATEMENT

	2015		2014	
	Ha	%	Ha	%
Oil palms	**65,680**	**78.9**	70,578	84.7
Building sites, roads, unplantable areas, etc	**17,551**	**21.1**	12,782	15.3
Total	**83,231**	**100.0**	83,360	100.0

AGE PROFILE OF PALMS

2015

		Mature			
Region	Immature < 3 years	Young 4 - 9 years	Prime 10 - 20 years	Past Prime > 20 years	Total planted
Peninsular Malaysia	**2,760**	**7,403**	**10,270**	**5,469**	**25,902**
Sabah	**3,630**	**4,896**	**12,066**	**5,891**	**26,483**
Sarawak	**232**	**88**	**11,197**	**1,778**	**13,295**
Total hectares	**6,622**	**12,387**	**33,533**	**13,138**	**65,680**

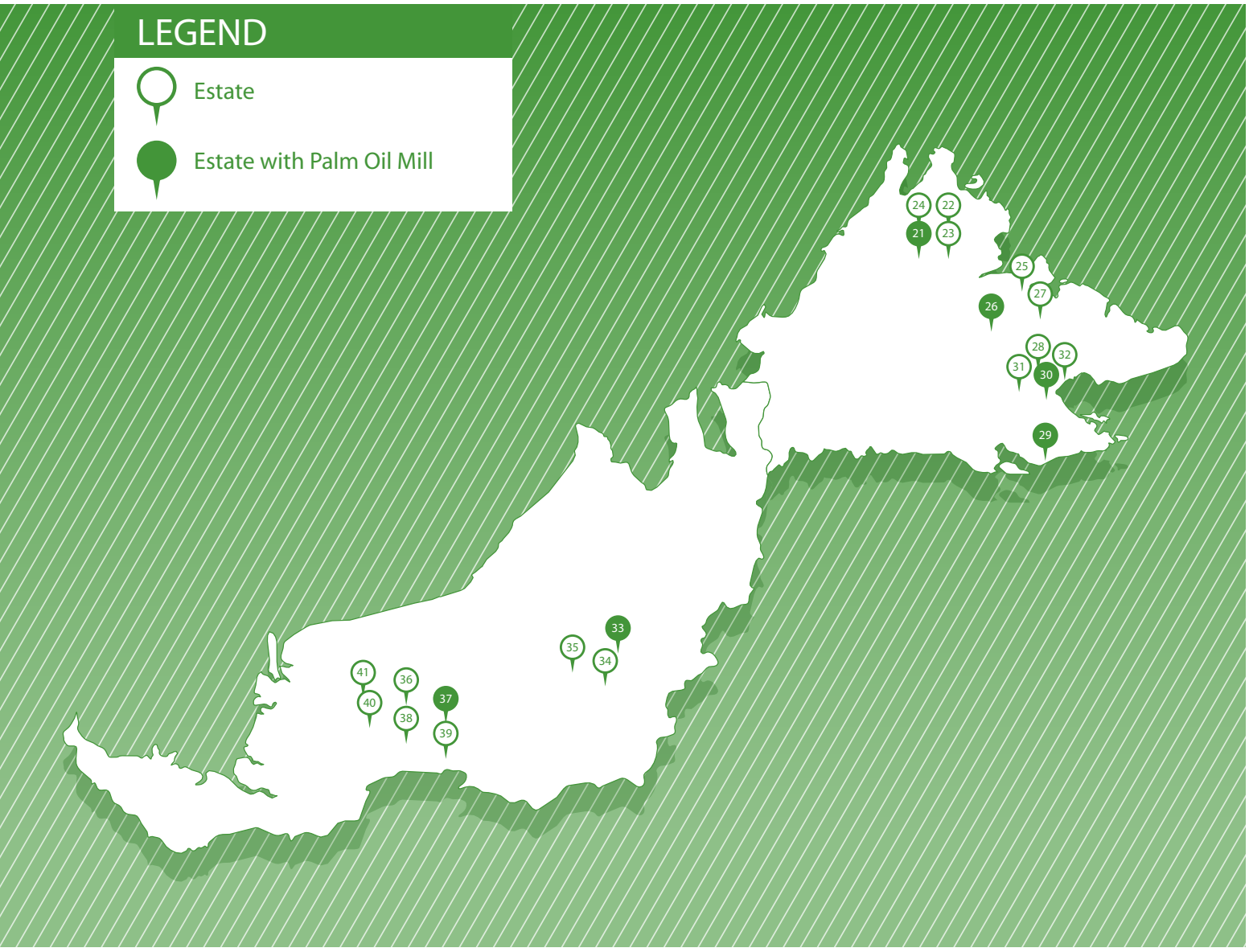
2014

		Mature			
Region	Immature < 3 years	Young 4 - 9 years	Prime 10 - 20 years	Past Prime > 20 years	Total planted
Peninsular Malaysia	3,203	7,385	10,428	5,062	26,078
Sabah	2,519	5,251	12,053	6,624	26,447
Sarawak	320	-	15,955	1,778	18,053
Total hectares	6,042	12,636	38,436	13,464	70,578

LOCATION OF GROUP PLANTATIONS

Peninsular Malaysia

1. Batu Pekaka
2. Kuala Muda
3. Stothard
4. Kedah Oil Palm
5. Bukit Mertajam
6. Malakoff
7. TRP
8. Malaya
9. Lepan Kabu
10. Solandra
11. LTT-Terengganu
12. Sungai Jernih
13. Bebar
14. Balau
15. Bekoh
16. Eldred
17. Kulai Young
18. Chamek
19. Boustead Sedili
20. Telok Sengat



Sabah & Sarawak

21. Sungai Sungai 1
22. Sungai Sungai 2
23. Kawananan
24. Lembah Paitan
25. Resort
26. Nak
27. Sutera
28. LTT-Sabah
29. Segaria
30. Sungai Segamaha
31. Bukit Segamaha
32. G & G
33. Loagan Bunut
34. Sungai Lelak
35. Bukit Limau
36. Pedai
37. Jih
38. Kelimut
39. Maong
40. Mapai
41. Bawan

SHAREHOLDING STATISTICS

AS AT 15 FEBRUARY 2016

Size of shareholdings	No. of holders	%	No. of shares	%
Less than 100	125	0.80	1,957	0.00
100 to 1,000	3,984	25.39	2,653,899	0.16
1,001 to 10,000	8,044	51.27	37,590,082	2.35
10,001 to 100,000	3,216	20.49	91,428,862	5.71
100,001 to less than 5% of issued shares	320	2.04	358,204,100	22.39
5% and above of issued shares	2	0.01	1,110,121,100	69.39
Total	15,691	100.00	1,600,000,000	100.00

30 LARGEST SHAREHOLDERS

	Name of shareholders	No. of shares	%
1	BOUSTEAD HOLDINGS BERHAD *ACCOUNT NON-TRADING*	918,668,500	57.42
2	LEMBAGA TABUNG ANGKATAN TENTERA	191,452,600	11.97
3	LEMBAGA TABUNG HAJI	79,535,000	4.97
4	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	55,423,600	3.46
5	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	29,842,600	1.87
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	25,951,100	1.62
7	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR CHE LODIN BIN WOK KAMARUDDIN (MY1862)	25,600,000	1.60
8	LEMBAGA KEMAJUAN TANAH PERSEKUTUAN	8,820,000	0.55
9	LTG DEVELOPMENT SDN BHD	5,500,000	0.34
10	SCOTIA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHE LODIN BIN WOK KAMARUDDIN*	4,744,800	0.30
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD*	3,392,100	0.21
12	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. *YAYASAN WARISAN PERAJURIT*	2,567,400	0.16
13	HONG LEONG ASSURANCE BERHAD *AS BENEFICIAL OWNER (LIFE PAR)*	2,408,400	0.15
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (I-VCAP)*	2,376,300	0.15
15	KEY DEVELOPMENT SDN.BERHAD	2,320,000	0.15
16	CHINCHOO INVESTMENT SDN.BERHAD	2,241,000	0.14

30 LARGEST SHAREHOLDERS (CONT'D)

	Name of shareholders	No. of shares	%
17	LEMBAGA PEMEGANG-PEMEGANG AMANAH *YAYASAN NEGERI SEMBILAN*	**2,236,300**	**0.14**
18	MALAYSIAN REINSURANCE BERHAD	**2,108,000**	**0.13**
19	PALMHEAD HOLDINGS SDN. BHD.	**2,000,000**	**0.13**
20	CARTABAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)*	**1,889,400**	**0.12**
21	GAN TENG SIEW REALTY SDN.BERHAD	**1,825,300**	**0.11**
22	PM NOMINEES (TEMPATAN) SDN BHD FOR BANK KERJASAMA RAKYAT MALAYSIA BERHAD	**1,652,800**	**0.10**
23	HSBC NOMINEES (TEMPATAN) SDN BHD *HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT AL-FAUZAN (5170)*	**1,652,600**	**0.10**
24	MEGAT ABDUL RAHMAN BIN MEGAT AHMAD	**1,590,000**	**0.10**
25	AZZAT BIN KAMALUDIN	**1,550,000**	**0.10**
26	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR MOHD GHAZALI BIN CHE MAT*	**1,500,000**	**0.09**
27	HSBC NOMINEES (TEMPATAN) SDN BHD *HSBC (M) TRUSTEE BHD FOR ZURICH INSURANCE MALAYSIA BERHAD (BALANCED FUND)*	**1,500,000**	**0.09**
28	CITIGROUP NOMINEES (ASING) SDN BHD *CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND*	**1,491,900**	**0.09**
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR YAYASAN POK DAN KASSIM (MP0296)	**1,400,000**	**0.09**
30	LIM WENG HO	**1,370,700**	**0.09**
	TOTAL	**1,384,610,400**	**86.54**

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct interest		Indirect interest	
	No. of holders	%	No. of shares	%
Boustead Holdings Berhad	**918,668,500**	**57.42**	**-**	**-**
Lembaga Tabung Angkatan Tentera	**191,452,600**	**11.97**	**918,668,500**	**57.42**

Class of shares	Ordinary share of RM0.50 each
Voting rights	1 vote per ordinary share

STATEMENT OF DIRECTORS' INTERESTS

IN THE COMPANY AND RELATED CORPORATIONS AS AT 15 FEBRUARY 2016

	No. of shares	Direct %
Ordinary shares of RM0.50 each		
Boustead Plantations Berhad		
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	1,560,000	0.10
Tan Sri Dato' Seri Lodin Wok Kamaruddin	31,381,600	1.96
Dato' Mohzani Abdul Wahab	200,000	0.01
Dr. Raja Abdul Malek Raja Jallaludin	200,000	0.01
Datuk Zakaria Sharif	203,000	0.01
Boustead Holdings Berhad		
Tan Sri Dato' Seri Lodin Wok Kamaruddin	28,192,758	2.73
Pharmaniaga Berhad		
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	220,000	0.08
Tan Sri Dato' Seri Lodin Wok Kamaruddin	12,500,148	4.83
Ordinary shares of RM1.00 each		
Boustead Heavy Industries Corporation Berhad		
Tan Sri Dato' Seri Lodin Wok Kamaruddin	2,000,000	0.80
Datuk Zakaria Sharif	400	0.00
Boustead Petroleum Sdn Bhd		
Tan Sri Dato' Seri Lodin Wok Kamaruddin	5,916,465	5.00
Affin Holdings Berhad		
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	119,220	0.00
Tan Sri Dato' Seri Lodin Wok Kamaruddin	1,051,328	0.05

DIVIDEND POLICY

It is the policy of the Board in recommending dividends to allow shareholders to participate in the profits of Boustead Plantations Berhad, as well as to retain adequate reserves for future growth.

As the Company is mainly an investment holding company, the Company's income, and therefore the ability to pay dividends, is dependent upon rental income, dividends and other distributions from Subsidiaries, Associates and joint operation.

The payment of dividends by Subsidiaries and Associates will depend upon their distributable profits, operating results, financial condition, capital expenditure, debt servicing and other obligations or business plans and applicable laws or agreements restricting their ability to pay dividends or make other distributions.

The actual dividend that the Board may recommend or declare in respect of any particular financial year or period will depend on the factors outlined below as well as any other factors deemed relavant by the Board. In considering the level of dividend payments, if any, upon recommendation by the Board, the following factors are taken into account:

(i) level of cash, gearing and return on equity and retained earnings;

(ii) expected financial performance;

(iii) projected levels of capital expenditure and other investment plans;

(iv) working capital requirements; and

(v) any contractual restrictions.

After taking into consideration the abovementioned factors under items (i) to (v), it is the intention of the Board to adopt a dividend payout ratio of at least 60% of audited profit after tax attributable to shareholders for each financial year, after excluding the profit retained by Associates and any unrealised income that are non-cash in nature. The dividend policy reflects the Board's current views on the Group's financial position and the said policy will be reviewed from time to time.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the One Hundred and Third Annual General Meeting of Boustead Plantations Berhad will be held at The Royale Ballroom, Level 2, The Royale Chulan Damansara, 2 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor on Thursday, 31 March 2016 at 10.00 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors. (Please refer to Note 1)

2. To re-elect Dato' Mohzani Abdul Wahab who retires by rotation in accordance with Article 106 of the Company's Articles of Association, and being eligible, offers himself for re-election. **Resolution 1**

3. To consider and if thought fit, to pass the following resolutions in accordance with Section 129(6) of the Companies Act, 1965:

   i. "THAT Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R) be re-appointed as a Director of the Company and to hold office until the conclusion of the Next Annual General Meeting." **Resolution 2**

   ii. "THAT Dr. Raja Abdul Malek Raja Jallaludin be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **Resolution 3**

4. To approve Directors' fees of RM505,000 in respect of the financial year ended 31 December 2015. **Resolution 4**

5. To re-appoint Messrs. Ernst & Young as auditors of the Company and to hold office until the conclusion of the next Annual General Meeting, at a remuneration to be determined by the Directors. **Resolution 5**

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions:

6. **Ordinary Resolution - Authority to Allot and Issue Shares in General pursuant to Section 132D of the Companies Act, 1965** **Resolution 6**

   "THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. **Ordinary Resolution - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions** **Resolution 7**

   "THAT, subject always to the Companies Act, 1965 (Act), the Memorandum and Articles of Association of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its Subsidiaries shall be mandated to enter into recurrent transactions of a revenue or trading nature with the Related Parties specified in Section 2.3.1 of the Circular to Shareholders dated 9 March 2016, subject that the transactions are in the ordinary course of business necessary for the day-to-day operations and on normal commercial terms not more favourable than those generally available to the public and which are not to the detriment of the minority shareholders.

AND THAT such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting (AGM), at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;

(ii) the expiration of the period within the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by a resolution passed by the Shareholders in a General Meeting;

whichever is the earlier.

AND FURTHER that the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this Shareholders' Mandate."

8. **Ordinary Resolution - Proposed Additional Shareholders' Mandate for Recurrent Related Party Transactions** **Resolution 8**

"THAT, subject always to the Companies Act, 1965 (Act), the Memorandum and Articles of Association of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its Subsidiaries to enter into all transactions involving the Related Parties specified in Section 2.3.2 of the Circular to Shareholders dated 9 March 2016, subject further to the following:

(i) the transactions are in the ordinary course of business necessary for the day-to-day operations and on normal commercial terms not more favourable than those generally available to the public and which are not to the detriment of the minority shareholders;

(ii) disclosure will be made of a breakdown of the aggregate value of transactions conducted pursuant to the Mandate during the financial year based on the following information in the Company's annual report and in the annual reports for subsequent financial years that the Mandate continues in force:

(a) the type of the recurrent related party transactions made; and
(b) the names of the related parties involved in each type of the recurrent related party transactions and their relationship with the Company; and

(iii) that such approval shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting (AGM) of the Company following the General Meeting at which the Proposed Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
(b) the expiration of the period within which the next AGM after this date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
(c) revoked or varied by resolution passed by the Shareholders in a General Meeting;

whichever is the earlier.

AND FURTHER that the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this Shareholders' Mandate."

9. To transact any other business of the Company of which due notice shall have been received.

By Order of the Board

TASNEEM MOHD DAHALAN
Secretary

Kuala Lumpur
9 March 2016

Notes

1. Audited Financial Statements

The Audited Financial Statements laid at this meeting pursuant to Section 169(1) and (3) of the Companies Act, 1965 are meant for discussion only. It does not require shareholders' approval, and therefore, shall not be put forward for voting.

2. Explanatory Notes To Special Business

a) Ordinary Resolution 6

Ordinary resolution 6, if passed, will give powers to the Directors to issue up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next Annual General Meeting.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the 102nd Annual General Meeting held on 1 April 2015, the mandate of which will lapse at the conclusion of the One Hundred and Third Annual General Meeting to be held on 31 March 2016.

b) Ordinary Resolutions 7 and 8

Ordinary resolutions 7 and 8, if passed, will enable the Company and/or its Subsidiaries to enter into recurrent transactions involving the interests of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

3. Form of Proxy

a) A member of the Company entitled to attend and vote at the meeting is entitled to appoint any person to be his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1) of the Companies Act, 1965 shall not apply to the Company.

b) In the case of a Corporation, the proxy should be executed under its Common Seal or under the hand of a duly authorised officer.

c) Subject to paragraph (d) below, a member shall not be entitled to appoint more than (1) one proxy to attend and vote at the meeting. If a member has appointed a proxy to attend a general meeting and subsequently attends such general meeting in person, the appointment of such proxy shall be null and void, and his proxy shall not be entitled to attend the said general meeting.

d) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

e) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, shall be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, located at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

f) Only members registered in the Record of Depositors as at 23 March 2016 shall be eligible to attend the meeting or appoint a proxy to attend and vote on the member's behalf.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. DIRECTORS WHO ARE STANDING FOR RE-APPOINTMENT AND RE-ELECTION

a) Director standing for re-election pursuant to Article 106 of the Company's Articles of Association:

i) Dato' Mohzani Abdul Wahab

b) Directors standing for re-appointment pursuant to Article 129(6) of the Companies Act, 1965:

i) Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)
ii) Dr. Raja Abdul Malek Raja Jallaludin

Details of Board Meeting attendance by the Directors seeking re-election and re-appointment are set out on page 42 of the annual report.

Profile of the Directors standing for re-election and re-appointment are set out on pages 26 to 31 of the annual report; while details of their interest in securities are set out on page 146 of the annual report.

2. DATE, TIME AND PLACE OF THE ANNUAL GENERAL MEETING

The One Hundred and Third Annual General Meeting of Boustead Plantations Berhad will be held as follows:

Date : Thursday, 31 March 2016
Time : 10.00 a.m.
Place : The Royale Ballroom, Level 2, The Royale Chulan Damansara, 2 Jalan PJU 7/3 Mutiara Damansara, 47810 Petaling Jaya, Selangor

PROXY FORM

BOUSTEAD PLANTATIONS BERHAD

I/We _____ NRIC (New)/Company No.: _____
(INSERT FULL NAME IN BLOCK CAPITAL)

of _____
(FULL ADDRESS)

being a member of **BOUSTEAD PLANTATIONS BERHAD**, hereby appoint*_____
(INSERT FULL NAME IN BLOCK CAPITAL)

NRIC (New) No.: _____ of _____
(FULL ADDRESS)

_____
(FULL ADDRESS)

*or failing him/her, the Chairman of the Meeting as my proxy to attend and vote for me on my behalf, at the One Hundred and Third Annual General Meeting of the Company to be held at The Royale Ballroom, Level 2, The Royale Chulan Damansara, 2 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor on Thursday, 31 March 2016 at 10.00 a.m. or any adjournment thereof, to vote as indicated below:

No.	Resolution	For	Against
1.	Re-election of Dato' Mohzani Abdul Wahab		
2.	Re-appointment of Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)		
3.	Re-appointment of Dr. Raja Abdul Malek Raja Jallaludin		
4.	Approval of Directors' fees		
5.	Re-appointment of Auditors		
6.	Approval for Directors to allot and issue shares		
7.	Renewal of Shareholders' Mandate for recurrent related party transactions		
8.	Additional Shareholders' Mandate for recurrent related party transactions		

Dated this _____ day of _____ 2016

_____
Signature of Member/Common Seal

No. of ordinary shares held:
CDS Account No.:
Contact No.:

Notes

(a) If you wish to appoint as a proxy some person other than the Chairman of the Meeting, please insert in block letters the full name and address of the person of your choice and initial the insertion at the same time deleting the words "the Chairman of the Meeting". A proxy need not be a member of the Company but must attend the Meeting in person to vote. Please indicate with an "X" in the appropriate box how you wish your vote to be cast in respect of each Resolution.

(b) In the case of a Corporation, the proxy should be executed under its Common Seal or under the hand of a duly authorised officer.

(c) A member shall not, subject to Paragraph (d) below, be entitled to appoint more than (1) one proxy to attend and vote at the same meeting and shall specify the proportion of his shareholdings to be represented by such proxy. If a Member has appointed a proxy to attend a general meeting and subsequently attends such general meeting in person, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to attend the said general meeting.

(d) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(e) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, shall be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, located at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, 48 hours before the time for holding the Meeting or adjourned Meeting at which the person or persons named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

(f) Only members registered in the Record of Depositors as at 23 March 2016 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his/her behalf.

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STAMP

Share Registrar of Boustead Plantations Berhad
Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur

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