FINANCIAL STATEMENTS

SECTION

7

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in oil palm plantation, investment holding and property investment in Malaysia whilst the principal activities of the subsidiaries are as stated in Note 14 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year, other than as disclosed in the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit net of tax	13,186	1,106
Profit attributable to:		
Owners of the Company	3,855	1,106
Non-controlling interests	9,331	-
	13,186	1,106

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 were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company during the current financial year.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Kamaruzzaman Bin Abu Kassim	
Ahamad Bin Mohamad	
Jamaludin Bin Md Ali	
Zulkifli Bin Ibrahim	
Zulkifly Bin Zakariah	(Appointed on 1 January 2017)
Mohamad Salleh Bin Mohamad Yusof	(Appointed on 1 March 2017)
Wan Su Binti Ali	(Appointed on 1 March 2017)
Dr Radzuan A. Rahman	(Resigned on 1 October 2016 and re-appointed on 16 January 2017)
Tan Sri Dato' Seri Utama Arshad Bin Ayub	(Resigned on 1 October 2016)
Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir	(Resigned on 1 October 2016)
Datuk Haron Bin Siraj	(Resigned on 1 October 2016)
Leung Kok Keong	(Resigned on 1 October 2016)
Abdul Rahman Bin Sulaiman	(Resigned on 1 January 2017)
Rozaini Bin Mohd Sani	(Resigned on 1 March 2017)

DIRECTORS' REPORT (CONTINUED)

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 a benefit (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 as shown in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 28 to the financial statements.

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM0.25 each			
Company	**As at 1.1.2016**	**Acquired**	**Disposed**	**As at 31.12.2016**
Direct Interest				
Dato' Kamaruzzaman Bin Abu Kassim	200,000	800,000	(1,000,000)	-
Ahamad Bin Mohamad	963,400	500,000	(1,463,400)	-
Jamaludin Bin Md Ali	100,000	150,000	(250,000)	-
Zulkifli Bin Ibrahim	150,000	-	(150,000)	-
Dr Radzuan Bin A. Rahman	150,000	-	(150,000)	-
Abdul Rahman Bin Sulaiman	50,000	200,000	(250,000)	-

	Number of options over ordinary shares of RM0.25 each			
Company	**As at 1.1.2016**	**Granted**	**Exercised**	**As at 31.12.2016**
Dato' Kamaruzzaman Bin Abu Kassim	800,000	-	(800,000)	-
Ahamad Bin Mohamad	500,000	-	(500,000)	-
Jamaludin Bin Md Ali	150,000	-	(150,000)	-
Abdul Rahman Bin Sulaiman	200,000	-	(200,000)	-

	Number of ordinary shares of RM0.25 each			
	As at 1.1.2016	**Acquired**	**Disposed**	**As at 31.12.2016**
In related companies E.A. Technique (M) Berhad				
Direct interest				
Dato' Kamaruzzaman Bin Abu Kassim	-	25,000	-	25,000
Ahamad Bin Mohamad	500,000	-	-	500,000

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares of RM0.50 each			
	As at 1.1.2016	Acquired	Disposed	As at 31.12.2016
In related companies KPJ Healthcare Berhad				
Direct interest				
Ahamad Bin Mohamad	1,125	-	-	1,125

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

OTHER STATUTORY INFORMATION

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

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

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

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

  (i) the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

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

(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) As at the date of this report, there does not exist:

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

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

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

  (ii) other than as disclosed in the financial statements, 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.

DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT EVENTS

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

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution dated 22 MAY 2017

DATO' KAMARUZZAMAN BIN ABU KASSIM
DIRECTOR

ZULKIFLY BIN ZAKARIAH
DIRECTOR

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

We, Dato' Kamaruzzaman Bin Abu Kassim and Zulkifly Bin Zakariah, being two of the Directors of Kulim (Malaysia) Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 162 to 282 are drawn up in accordance with the 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 2016 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution dated 22 MAY 2017

DATO' KAMARUZZAMAN BIN ABU KASSIM
DIRECTOR

ZULKIFLY BIN ZAKARIAH
DIRECTOR

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

I, Azli Bin Mohamed, the Officer primarily responsible for the financial management of Kulim (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 162 to 282 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.

AZLI BIN MOHAMED

Subscribed and solemnly declared by the above named Azli Bin Mohamed at Johor Bahru, Johor Darul Takzim in Malaysia on 22 MAY 2017, before me.

PESURUHJAYA SUMPAH
COMMISSIONER FOR OATHS
No. J 265
Nama:
LIM JIT NGOH
MALAYSIA
NO. 89, JALAN TRUS
80000 JOHOR BAHRU, JOHOR

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF KULIM (MALAYSIA) BERHAD
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Kulim (Malaysia) Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, and of their financial performance and their cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2016 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 162 to 282.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that 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 of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF KULIM (MALAYSIA) BERHAD (CONTINUED)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit 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 Group's and Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

(d) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF KULIM (MALAYSIA) BERHAD (CONTINUED)
(Incorporated 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 14 to the financial statements.

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

(d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the member 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.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

JAYARAJAN A/L U.RATHINASAMY
(No. 2059/06/18 (J))
Chartered Accountant

Johor Bahru

22 May 2017

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 RM'000	Group 2015 (restated) RM'000	Company 2016 RM'000	Company 2015 (restated) RM'000
Continuing operations					
Revenue	4	1,612,738	1,443,024	186,417	143,577
Cost of sales		(1,257,894)	(1,121,971)	(85,725)	(85,185)
Gross profit		354,844	321,053	100,692	58,392
Other income		38,950	69,281	44,522	2,585,557
Administrative expenses		(200,326)	(209,445)	(113,427)	(83,333)
Other expenses		(107,746)	(67,313)	(37,082)	(17,275)
Profit/(loss) from operating activities		85,722	113,576	(5,295)	2,543,341
Interest income	5	33,930	36,909	30,515	32,956
Finance costs	6	(59,477)	(33,003)	(22,860)	(1,754)
Share of results of associates		(258)	317	-	-
Profit before tax	7	59,917	117,799	2,360	2,574,543
Income tax expense	9	(46,391)	(30,193)	(1,254)	(1,460)
Profit from continuing operations		13,526	87,606	1,106	2,573,083
Discontinued operations					
(Loss)/gain from discontinued operations, net of tax	10	(340)	1,316,326	-	-
Profit for the year		13,186	1,403,932	1,106	2,573,083
Other comprehensive income					
Items which may be reclassified to profit or loss in subsequent periods					
Impairment of available-for-sale financial assets		4,225	-	4,225	-
Foreign currency translation differences for foreign operations		(1,010)	(25,198)	-	-
Cashflow hedge		-	(25)	-	-
Fair value changes on available-for-sale financial assets		10,391	(4,898)	11,806	(5,392)
Item that will not reclassified to profit or loss					
Surplus on revaluation of land, net of tax	35	153,758	56,371	69,830	757
Other comprehensive income/(loss) for the year, net of tax		167,364	26,250	85,861	(4,635)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

		Group		Company	
	Note	2016 RM'000	2015 RM'000 (restated)	2016 RM'000	2015 RM'000 (restated)
Total comprehensive income for the year		180,550	1,430,182	86,967	2,568,448
Profit/(loss) attributable to:					
Owners of the Company		3,855	1,410,516	1,106	2,573,083
Non-controlling interests		9,331	(6,584)	-	-
Profit for the year		13,186	1,403,932	1,106	2,573,083
Total comprehensive Income/(loss) attributable to:					
Owner of the Company		165,852	1,431,948	86,967	2,568,448
Non-controlling interests		14,698	(1,766)	-	-
Total comprehensive income for the year		180,550	1,430,182	86,967	2,568,448

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31.12.2016 RM'000	31.12.2015 (restated) RM'000	1.1.2015 (restated) RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	11	5,394,300	4,945,659	4,747,876
Investment properties	12	116,218	115,028	110,768
Intangible assets	13	32,774	69,819	77,562
Investment in associates	15	2,490	2,749	2,431
Investments	16	228,180	282,910	150,559
Deferred tax assets	24	453	-	-
Trade and other receivables	18	3,027	2,370	3,207
		5,777,442	5,418,535	5,092,403
Current assets				
Investments	16	40,420	6,005	16,839
Inventories	17	78,878	69,346	40,602
Trade and other receivables	18	632,260	513,335	211,162
Tax recoverable		16,706	13,804	15,445
Derivatives	19	27	1,325	2,449
Cash and bank balances	20	530,783	1,584,805	342,733
		1,299,074	2,188,620	629,230
Assets of disposal group classified as held for sale	10	-	13,291	4,819,085
		1,299,074	2,201,911	5,448,315
Total assets		7,076,516	7,620,446	10,540,718
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	21	365,630	226,225	178,722
Income tax liabilities		21,974	12,149	4,887
Borrowings	22	1,182,151	396,772	750,953
Convertible notes	23	62,891	58,186	-
Dividend payable		-	-	25
		1,632,646	693,332	934,587
Liabilities of disposal group classified as held for sale	10	-	-	2,084,517
		1,632,646	693,332	3,019,104
Net current (liabilities)/assets		(333,572)	1,508,579	2,429,211

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016 (CONTINUED)

	Note	31.12.2016 RM'000	31.12.2015 (restated) RM'000	1.1.2015 (restated) RM'000
EQUITY AND LIABILITIES				
Non-current liabilities				
Borrowings	22	858,745	512,507	451,356
Deferred tax liabilities	24	406,498	382,160	374,149
		1,265,243	894,667	825,505
Total liabilities		2,897,889	1,587,999	3,844,609
Net assets		4,178,627	6,032,447	6,696,109
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Capital and reserves				
Share capital	25	1,000	337,605	335,626
Reserves	26	1,256,419	1,266,529	1,488,452
Retained earnings	27	2,698,746	4,218,890	3,308,481
Reserves of disposal group classified as held for sale	10	-	-	(51,622)
		3,956,165	5,823,024	5,080,937
Non-controlling interests		222,462	209,423	1,615,172
Total equity		4,178,627	6,032,447	6,696,109
Total equity and liabilities		7,076,516	7,620,446	10,540,718

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31.12.2016 RM'000	31.12.2015 (restated) RM'000	1.1.2015 (restated) RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	11	1,394,918	1,316,287	1,301,197
Investment properties	12	114,880	115,028	110,768
Investment in subsidiaries	14	1,185,303	749,312	674,139
Investments	16	30,123	64,373	21,598
		2,725,224	2,245,000	2,107,702
Current assets				
Investments	16	40,420	6,005	3,189
Inventories	17	32,737	1,694	1,274
Trade and other receivables	18	182,051	700,107	187,161
Current tax assets		7,713	4,822	2,478
Cash and bank balances	20	203,670	1,349,170	160,630
		466,591	2,061,798	354,732
Assets of disposal group classified as held for sale	10	-	13,291	216,390
		466,591	2,075,089	571,122
Total assets		3,191,815	4,320,089	2,678,824
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	21	109,836	36,991	41,557
Borrowings	22	240,000	-	150,000
		349,836	36,991	191,557
Net current assets		116,755	2,038,098	379,565

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016 (CONTINUED)

	Note	31.12.2016 RM'000	31.12.2015 (restated) RM'000	1.1.2015 (restated) RM'000
EQUITY AND LIABILITIES				
Non-current liabilities				
Borrowings	22	492,787	-	-
Deferred tax liabilities	24	90,634	83,891	84,913
		583,421	83,891	84,913
Total liabilities		933,257	120,882	276,470
Net assets		2,258,558	4,199,207	2,402,354
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Capital and reserves				
Share capital	25	1,000	337,605	335,626
Reserves	26	212,321	293,472	571,574
Retained earnings	27	2,045,237	3,568,130	1,495,154
Total equity		2,258,558	4,199,207	2,402,354
Total equity and liabilities		3,191,815	4,320,089	2,678,824

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

<------------ Attributable to shareholders of the Company ------------>
<------------ Non-distributable ------------>

Group	Note	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	ESOS reserve RM'000	Translation reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Other reserves RM'000	Treasury shares RM'000	Equity transaction reserve RM'000	Distributable Retained profit RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
As at 1.1.2016		337,605	448,910	52,938	36,252	12,258	(6,091)	1,345,220	4,933	(371,088)	25,719	2,876,137	4,762,793	263,621	5,026,414
Effects of change in accounting policy	35	-	-	-	-	-	-	(269,824)	-	-	-	1,353,784	1,083,960	-	1,083,960
Prior year adjustment	35	-	-	-	-	(38,874)	-	-	49,713	-	(23,537)	(11,031)	(23,729)	(54,198)	(77,927)
As at 1.1.2016 – restated	35	337,605	448,910	52,938	36,252	(26,616)	(6,091)	1,075,396	54,646	(371,088)	2,182	4,218,890	5,823,024	209,423	6,032,447
Foreign exchange translation differences		-	-	-	-	(5,526)	-	-	-	-	-	-	(5,526)	4,516	(1,010)
Surplus on revaluation of land, net of tax	26	-	-	-	-	-	-	152,907	-	-	-	-	152,907	851	153,758
Impairment of available-for-sale financial assets		-	-	-	-	-	4,225	-	-	-	-	-	4,225	-	4,225
Fair value changes on available-for-sale financial assets		-	-	-	-	-	10,391	-	-	-	-	-	10,391	-	10,391
Total other comprehensive income for the year		-	-	-	-	(5,526)	14,616	152,907	-	-	-	-	161,997	5,367	167,364
Profit for the year		-	-	-	-	-	-	-	-	-	-	3,855	3,855	9,331	13,186
Total comprehensive income for the year		-	-	-	-	(5,526)	14,616	152,907	-	-	-	3,855	165,852	14,698	180,550
Transaction with shareholders:															
Grant of equity-settled share options to employees		-	-	-	(8,213)	-	-	-	-	-	-	-	(8,213)	-	(8,213)
Conversion of warrants		6,479	84,213	(52,938)	-	-	-	-	-	-	-	34,030	71,784	-	71,784
Exercise of ESOS		7,876	104,907	-	(28,039)	-	-	-	-	-	-	-	84,744	-	84,744
Bonus issue		1,851,368	(633,687)	-	-	-	-	-	-	-	-	(1,217,681)	-	-	-
Selective Capital Reduction	25	(2,171,588)	-	-	-	-	-	-	-	-	-	-	(2,171,588)	-	(2,171,588)
Cancellation of treasury shares		(30,740)	-	-	-	-	-	-	-	371,088	-	(340,348)	-	-	-
Transaction costs in relation to selective capital reduction *		-	(4,343)	-	-	-	-	-	-	-	-	-	(4,343)	-	(4,343)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

<------------ Attributable to shareholders of the Company ------------>
<------------ Non-distributable ------------>

Group	Note	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	ESOS reserve RM'000	Translation reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Other reserves RM'000	Treasury shares RM'000	Equity transaction reserve RM'000	Distributable Retained profit RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Acquisition of subsidiaries	14	-	-	-	-	-	-	-	-	-	-	-	-	1,590	1,590
Acquisition of additional interest in subsidiaries from non-controlling interests		-	-	-	-	-	-	-	-	-	(5,114)	-	(5,114)	(237)	(5,351)
Partial disposal of shares by a subsidiary to non-controlling interests	14	-	-	-	-	-	-	-	-	-	19	-	19	-	19
Dividends paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(3,012)	(3,012)
As at 31 December 2016		1,000	-	-	-	(32,142)	8,525	1,228,303	54,646	-	(2,913)	2,698,746	3,956,165	222,462	4,178,627

* Advisory fees incurred in respect of Selective Capital Reduction (Note 30(a)) are accounted for as deduction from equity.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

		<--- Attributable to shareholders of the Company														
		<--- Non-distributable														
Group	Note	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	ESOS reserve RM'000	Translation reserve RM'000	Hedge reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Other reserves RM'000	Treasury shares RM'000	Equity transaction reserve RM'000	Reserve classified as held for sale RM'000	Distributable Retained profit RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
As at 1 January 2015		335,626	422,445	55,735	29,362	2,193	-	(1,193)	1,345,220	4,933	(67,063)	3,274	(51,622)	1,943,596	4,022,506	1,590,197	5,612,703
Effects of change in accounting policy		-	-	-	-	-	-	-	(326,195)	-	-	-	-	1,366,273	1,040,078	-	1,040,078
Prior year adjustment	35	-	-	-	-	(996)	-	-	-	20,732	-	-	-	(1,388)	18,348	24,975	43,323
As at 1 January 2015 – restated	35	335,626	422,445	55,735	29,362	1,197	-	(1,193)	1,019,025	25,665	(67,063)	3,274	(51,622)	3,308,481	5,080,932	1,615,172	6,696,104
Foreign exchange translation differences		-	-	-	-	(30,016)	-	-	-	-	-	-	-	-	(30,016)	4,818	(25,198)
Net surplus arising from revaluation of land, net of tax		-	-	-	-	-	-	-	56,371	-	-	-	-	-	56,371	-	56,371
Cash flow hedges		-	-	-	-	-	(25)	-	-	-	-	-	-	-	(25)	-	(25)
Fair value changes on available-for-sale financial assets		-	-	-	-	-	-	(4,898)	-	-	-	-	-	-	(4,898)	-	(4,898)
Total other comprehensive income for the year		-	-	-	-	(30,016)	(25)	(4,898)	56,371	-	-	-	-	-	21,432	4,818	26,250
Profit for the year		-	-	-	-	-	-	-	-	-	-	-	-	1,410,516	1,410,516	(6,584)	1,403,932
Total comprehensive income for the year		-	-	-	-	(30,016)	(25)	(4,898)	56,371	-	-	-	-	1,410,516	1,431,948	(1,766)	1,430,182
Transactions with shareholders:																	
Conversion of warrants		958	12,471	(2,797)	-	-	-	-	-	-	-	-	-	-	10,632	-	10,632
Grant of equity-settled share options to employees		-	-	-	10,524	-	-	-	-	-	-	-	-	-	10,524	-	10,524
Exercise of employees share options		1,021	13,994	-	(3,634)	-	-	-	-	-	-	-	-	-	11,381	-	11,381
Issue of shares by subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	-	-	5,071	-	-	5,071	(4,691)	380

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

	<---------- Attributable to shareholders of the Company												---------->		
	<---------- Non-distributable										---------->				
Group	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	ESOS reserve RM'000	Translation reserve RM'000	Hedge reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Other reserves RM'000	Treasury shares RM'000	Equity transaction reserve RM'000	Reserve classified as held for sale RM'000	Distributable Retained profit RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Share swap with non-controlling interest	-	-	-	-	-	-	-	-	-	-	17,321	-	-	17,321	24,656	41,977
Partial disposal of shares by subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	53	-	-	53	-	53
Dividends to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(500,107)	(500,107)	-	(500,107)
Dividends to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,578)	(8,578)
Acquisition of new subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,346	23,346
Disposal of subsidiaries	-	-	-	-	2,203	25	-	-	-	-	-	51,622	-	53,850	(1,362,981)	(1,309,131)
Treasury shares acquired	-	-	-	-	-	-	-	-	-	(304,025)	-	-	-	(304,025)	-	(304,025)
Merger acquisition	-	-	-	-	-	-	-	-	28,981	-	(23,537)	-	-	5,444	(75,735)	(70,291)
As at 31 December 2015 - restated	337,605	448,910	52,938	36,252	(26,616)	-	(6,091)	1,075,396	54,646	(371,088)	2,182	-	4,218,890	5,823,024	209,423	6,032,447

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

Company	Note	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	ESOS reserve RM'000	Re-valuation reserve RM'000	Fair value reserve RM'000	Other reserves RM'000	Treasury Shares RM'000	Dis-tributable Retained profit RM'000	Total RM'000
2016											
As at 1 January 2016		337,605	448,910	52,938	36,252	897,579	(7,117)	4,165	(371,088)	2,636,674	4,035,918
Effects of change in accounting policy	35	-	-	-	-	(768,167)	-	-	-	931,456	163,289
As at 1 January 2016 - restated		337,605	448,910	52,938	36,252	129,412	(7,117)	4,165	(371,088)	3,568,130	4,199,207
Fair value changes on available-for-sale financial assets		-	-	-	-	-	11,806	-	-	-	11,806
Surplus on revaluation of land, net of tax		-	-	-	-	69,830	-	-	-	-	69,830
Impairment of available-for-sale financial assets		-	-	-	-	-	4,225	-	-	-	4,225
Profit for the year		-	-	-	-	-	-	-	-	1,106	1,106
Total other comprehensive income for the year		-	-	-	-	69,830	16,031	-	-	1,106	86,967
<u>Transactions with shareholders:</u>											
Grant of equity-settled share options to employees		-	-	-	(8,213)	-	-	-	-	-	(8,213)
Conversion of warrants		6,479	84,213	(52,938)	-	-	-	-	-	34,030	71,784
Exercise of ESOS		7,876	104,907	-	(28,039)	-	-	-	-	-	84,744
Bonus issue		1,851,368	(633,687)	-	-	-	-	-	-	(1,217,681)	-
Selective Capital Reduction		(2,171,588)	-	-	-	-	-	-	-	-	(2,171,588)
Cancellation of treasury shares		(30,740)	-	-	-	-	-	-	371,088	(340,348)	-
Transaction costs in relation to selective capital reduction *		-	(4,343)	-	-	-	-	-	-	-	(4,343)
As at 31 December 2016		1,000	-	-	-	199,242	8,914	4,165	-	2,045,237	2,258,558

* Advisory fees incurred in respect of Selective Capital Reduction (Note 30(a)) are accounted for as deduction from equity.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

Company	Note	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	ESOS reserve RM'000	Re-valuation reserve RM'000	Fair value reserve RM'000	Other reserves RM'000	Treasury Shares RM'000	Dis-tributable Retained profit RM'000	Total RM'000
2015											
As at 1 January 2015		335,626	422,445	55,735	29,362	897,579	(1,725)	4,165	(67,063)	560,631	2,236,755
Effects of change in accounting policy	35	-	-	-	-	(768,924)	-	-	-	934,523	165,599
As at 1 January 2015 – restated		335,626	422,445	55,735	29,362	128,655	(1,725)	4,165	(67,063)	1,495,154	2,402,354
Fair value changes on available-for-sale financial assets		-	-	-	-	-	(5,392)	-	-	-	(5,392)
Surplus on revaluation of land, net of tax		-	-	-	-	757					757
Profit for the year		-	-	-	-	-	-	-	-	2,573,083	2,573,083
Total comprehensive income for the year		-	-	-	-	757	(5,392)	-	-	2,573,083	2,568,448
Transactions with shareholders:											
Grant of equity-settled share options to employees		-	-	-	10,524	-	-	-	-	-	10,524
Conversion of warrants		958	12,471	(2,797)	-	-	-	-	-	-	10,632
Exercise of ESOS		1,021	13,994	-	(3,634)	-	-	-	-	-	11,381
Treasury shares acquired		-	-	-	-	-	-	-	(304,025)	-	(304,025)
Dividends to shareholders		-	-	-	-	-	-	-	-	(500,107)	(500,107)
As at 31 December 2015 - restated		337,605	448,910	52,938	36,252	129,412	(7,117)	4,165	(371,088)	3,568,130	4,199,207

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000 (restated)	31.12.2016 RM'000	31.12.2015 RM'000 (restated)
Cash flow from operating activities				
Profit/(loss) before tax				
- continuing operations	59,917	117,799	2,360	2,574,543
- discontinued operations	(340)	1,319,580		-
Adjustments for:				
Fair value changes on:				
- investments held for trading	9,428	5,886	2,465	353
- derivatives	1,298	1,124	-	-
Net provision for impairment losses on:				
- receivables	15,697	24,672	17,178	4,166
- investments in subsidiaries	-	-	11,000	-
- property, plant and equipment	988	3,305	-	-
- goodwill	43,323	461	-	-
Amortisation and depreciation of:				
- deferred farm expenditure	-	-	7,601	-
- intangible assets	1,388	2,600	-	-
- property, plant and equipment	154,841	147,743	11,771	19,845
- finance cost	199	-	-	-
Change in fair value of investment properties	148	(4,260)	148	(4,260)
Dividend income	(2,689)	(1,940)	(35,955)	(15,865)
(Gain)/loss on:				
- disposal of subsidiaries	(433)	(1,341,343)	-	(2,478,180)
- disposal of investments	(9,415)	(275)	(9,675)	-
- disposal of property, plant and equipment	(7,809)	5,847	(9,710)	-
Remeasurement of existing interest in new subsidiary	-	(3,093)	-	-
Group's share of net results in associate	258	5,996	-	-
Grant of equity-settled share options to employees	(8,213)	10,524	(8,213)	10,524
Interest expense on:				
- continuing operations	59,477	33,003	22,860	1,754
- discontinuing operations	-	4,445	-	
Interest income	(33,930)	(36,909)	(30,515)	(32,956)
Unrealised foreign exchange loss/(gain), net	31,996	(12,795)	(21,327)	(89,575)
Write off of:				
- property, plant and equipment	6,078	12,810	3,629	7,113
- intangible asset	389	-	-	-
Write down of inventories	1,799	4,557	-	-
Bargain purchase on acquisition of subsidiaries	(20,647)	-	-	-
Operating profit/(loss) before changes in working capital	303,748	299,737	(36,383)	(2,538)
Changes in working capital:				
- Inventories	19,015	(28,848)	(4,950)	(421)
- Payables – third party	(41,455)	57,535	10,355	1,424
- Payables – intercompany	-	-	(854)	(11,375)
- Receivables	(51,783)	(279,293)	4,981	(616,635)
- Receivables – intercompany	-	-	(7,513)	569,494
Cash generated from/(used in) operations	229,525	49,131	(34,364)	(60,051)
Tax paid	(38,259)	(39,512)	(4,595)	(6,842)
Tax refunded	4,585	4,893	1,952	1,559
Net cash flows generated from/(used in) operating activities	195,851	14,512	(37,007)	(65,334)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

	Note	Group 31.12.2016 RM'000	Group 31.12.2015 RM'000 (restated)	Company 31.12.2016 RM'000	Company 31.12.2015 RM'000 (restated)
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash (out)/in flow	14	(38,450)	295	-	-
Dividends received		2,689	1,940	35,955	15,865
Interest received		33,930	36,909	30,515	32,956
Additions:					
- non controlling interests (net)		(5,332)	-	-	-
- interest in subsidiaries		-	-	(289,489)	(75,004)
- investments		(9,859)	(95,613)	(9,855)	(51,505)
- property, plant and equipment		(244,941)	(303,650)	(52,667)	(54,100)
- advances for proposal acquisition	30(f)	(105,996)	(105,062)	-	-
Net cash inflow on disposal of subsidiaries	10	666	2,662,306	-	2,662,306
(Addition to)/withdrawal of pledged fixed deposits		(126,543)	27,944	-	-
Addition to intangible assets		(767)	(1,508)	-	-
Proceeds from:					
- disposal of investments		46,710	80	32,934	-
- disposal of property, plant and equipment		28,896	894	23,004	-
Net cash flows (used in)/generated from investing activities		(418,997)	2,224,535	(229,603)	2,530,518
Cash flows from financing activities					
Dividends paid to:					
- shareholders of the Company		-	(500,107)	-	(500,107)
- non-controlling interests of subsidiaries		(3,012)	(8,578)	-	-
Proceeds from borrowings, net of transaction fees		1,225,166	446,420	732,787	-
Repayment of borrowings		(125,649)	(791,761)	-	(150,000)
Proceeds from issue of shares arising from conversion of warrants		71,784	10,632	71,784	10,632
Proceeds from exercise of ESOS		84,744	11,381	84,744	11,381
Proceeds from partial disposal of shares to non-controlling interests		-	53	-	-
Purchase of treasury shares		-	(304,025)	-	(304,025)
(Repayment of advance)/advances payment to subsidiaries		-	-	421,326	(432,346)
Selective capital reduction payment to shareholders		(2,171,588)	-	(2,171,588)	-
Transaction costs in relation to selective capital reduction		(4,343)	-	(4,343)	-
Issue of shares to non-controlling interest		-	380	-	-
Interest paid:					
- continuing operations		(59,477)	(33,003)	(22,860)	(1,754)
- discontinued operations		-	(4,445)	-	-
Net cash flows (used in)/generated from financing activities		(982,375)	(1,173,053)	(888,150)	(1,366,219)
Net change in cash and cash equivalents		(1,205,521)	1,065,994	(1,154,760)	1,098,965
Effect of exchange rate fluctuations on cash held		12,076	100,575	8,911	89,575
Cash and cash equivalents at 1 January		1,511,847	345,278	1,349,169	160,280
Cash and cash equivalents at 31 December (Note 20)		318,402	1,511,847	203,320	1,348,820

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1. CORPORATE INFORMATION

The Company is a company incorporated and domiciled in Malaysia and is ceased to be listed on the Main Board of Bursa Malaysia Securities Berhad on 4 August 2016. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
Ulu Tiram Estate
81800 Ulu Tiram
Johor Darul Takzim

Registered office
Level 11, Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru
Johor Darul Takzim

The Company's ultimate holding corporation is Johor Corporation ("JCorp"), a body corporate established under the Johor Corporation Enactment (No. 4, of 1968) (As amended by Enactment No.5, Of 1995).

The principal activities of the Company consist of oil palm plantation, investment holding and property investment in Malaysia. The principal activities of the subsidiaries are described in Note 14. There have been no significant changes in the nature of the principal activities during the financial year, other than as disclosed in Notes 14 and 30.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2016.

As at 31 December 2016, the Group's current liabilities exceeded its current assets by RM333,572,000. The Group recorded a profit for the year of RM13,186,000 and had shareholder's equity of RM3,956,165,000 as at 31 December 2016. The net current liabilities position arose due to the Selective Capital Reduction exercise (Refer to Note 25) amounting to RM2,171,588,000 in the current financial year.

The Group's borrowings include short term revolving credits amounting to RM743,284,000, which by nature can be rolled-over but are also callable on demand and therefore are classified as current. The Directors are of the view that the risk of all their banks abruptly recalling the short term revolving credits in full is low considering the fact that these have been serviced on a timely basis, including the interest payable thereon and none have been recalled up to the date of the financial statements. The Directors are also confident that the Group will continue to generate profits and positive operating cash flows based on historical results and the Group's 6 year strategic plan. The Directors have assessed and are of the view that the Group's available banking facilities for the foreseeable future is adequate to meet its business needs and its financial obligations as and when they fall due in the next twelve months from the date of this financial statements.

Accordingly, the Directors are of the opinion that the preparation of the financial statements of the Group on a going concern basis is appropriate.

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

The Group include transitioning entities and has elected to apply FRS during the financial year. The Group and Company will be adopting the new IFRS – compliant framework, Malaysian Financial Reporting Standards ("MFRS") for the annual period beginning on 1 January 2018. In adopting the new framework, the Company will be applying MFRS 1 "First-time Adoption of MFRS".

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

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

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Changes in accounting policies

The accounting policies adopted are consistent with those of the following year except as follows:

On 1 January 2016, the Group adopted the following Amendments and Annual Improvements mandatory for annual financial periods beginning on or after 1 January 2016:

Description	Effective for annual periods beginning on or after
Amendments to FRS 101 'Presentation of financial statements' – Disclosure initiative	1 January 2016
Amendments to FRS 127 "Equity Method in Separate Financial Statements"	1 January 2016
Amendments to FRS 116 & FRS 138 "Clarification of Acceptable Methods of Depreciation and Amortisation"	1 January 2016
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above Amendments and Annual Improvements did not have any significant impact on the financial statements.

Standards issued but not yet effective

The Standards, Amendments and Annual Improvements that are issued but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these Standards, Amendments and Annual Improvements, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to FRS 107 'Statement of Cash Flows – Disclosure Initiative'	1 January 2017
Amendments to FRS 112 'Income Taxes Recognition of Deferred Tax Assets for Unrealised Losses'	1 January 2017
Annual Improvements to FRSs 2014 – 2016 Cycle	1 January 2017
FRS 9 'Financial Instruments'	1 January 2018
Annual Improvements to FRSs 2014 – 2016 Cycle	1 January 2018

The directors are of opinion that the Standards, Amendments and Annual Improvements above would not have any material impact on the financial statements in the year of initial adoption.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Fair value measurement

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

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

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

Level 1 - Quoted prices (unadjusted) 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 directly or indirectly observable

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

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

Policies and procedures are determined by directors' for both recurring fair value measurement and for non-recurring measurement.

External values are involved for valuation of significant assets and significant liabilities. Involvement of external values is decided by directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The directors' decides, after discussions with the external values, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, classes of assets and liabilities are determined based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with FRS 139 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

The Group applies predecessor accounting to account for business combinations under common control. Under predecessor accounting, assets and liabilities acquired are not restated to their respective fair values. They are recognised at the carrying amounts from the consolidated financial statements of the ultimate holding company of the Group and adjusted to conform with the accounting policies adopted by the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity is recognised as an adjustment to other reserves in equity. No additional goodwill is recognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (continued)

(a) Subsidiaries (continued)

The acquired entity's results, assets and liabilities are consolidated from the date on which the business combination between entities under common control occurred. Consequently, the consolidated financial statements do not reflect the results of the acquired entity for the period before the transaction occurred. The comparative information is not restated.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(c) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(d) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement. In relation to the Group's interest in the joint operation, the Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

(e) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified on acquisition.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (continued)

(e) Associates (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

(f) Merger acquisition

Business combinations involving entities under common control are accounted for by applying the merger accounting method. 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. Any differences between the consideration paid and the share capital of the acquired entity is reflected within equity merger (deficit)/reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination take place. Comparative are presented as if the entities had always been combined since the date the entities had come under common control.

2.5 Investments in subsidiaries, joint ventures and associates in separate financial statements

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in the subsidiaries.

2.6 Foreign currency

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within other income or other expenses. All other foreign exchange gains and losses are presented in profit or loss on a net basis within other comprehensive income and accumulated under foreign currency translation reserve in equity.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each separate income statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

- all resulting exchange differences are recognised as a separate component of other comprehensive income.

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency (continued)

(c) Group companies (continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2.7 Property, plant and equipment

Property, plant and equipment are initially stated at cost. Plantation land is subsequently shown at revaluation, less subsequent depreciation and impairment losses. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is not eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by directors. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to accounting policy Note 2.16 on borrowing costs).

All expenditure relating to the development of oil palm field (immature field) is classified under estate development expenditure. This cost will be amortised over the useful life when the field reaches maturity. The maturity date for estate development expenditure is the point in time when such new planting areas achieve yields of at least 8.60 tonnes of fresh fruit bunches per hectare per annum or 48 months from the date of initial planting, whichever is earlier. Estate overhead expenditure is apportioned to profit or loss and estate development expenditure on the basis of proportion of mature to immature areas.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of plantation land is recognised, net of tax, in other comprehensive income and accumulated in revaluation reserve in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to other comprehensive income.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in other income or other expenses in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment (continued)

Freehold land is not depreciated as it has an infinite life. Leasehold land classified as finance lease (refer to accounting policy Note 2.18 on finance leases) and land use rights is amortised in equal instalments over the period of the respective leases that range from 33 to 904 years. Other property, plant and equipment are depreciated on the straight line method to allocate the cost or the revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

Leasehold improvements and renovations	5 – 10 years
Estate development expenditure	17 – 22 years from year of maturity
Buildings	5 – 50 years
Vessels, plant and machinery	3 – 25 years
Furniture and equipment	2 – 15 years
Motor vehicles	3 – 5 years

Depreciation on assets under construction commences when the assets are ready for their intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period. Residual value of the vessels is estimated by Directors as equivalent to the light weight tonnage of the vessels times the estimated long term price of steel per tonne.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.10 on impairment of non-financial assets.

2.8 Investment properties

Investment properties, comprising principally land and office buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are measured initially at cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions that market participants would make when pricing the property under current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Investment properties (continued)

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss as a net gain/loss from fair value adjustment on investment property.

2.9 Intangible assets

(a) Intangible assets other than goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

The intangible assets in respect of the fair value of a time charter hire contract is amortised over one year and an e-learning portal is amortised over two years.

(b) Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at annually or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation reserve. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables available-for-sale and held-to-maturity. The classification depends on the purpose for which the financial assets were acquired. Directors' determines the classification at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

Financial assets at fair value through profit or loss

The Group classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, i.e. are held for trading. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and bank balances' in the statement of financial position (Notes 18 and 20).

Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative quoted financial assets with fixed or determinable payments and fixed maturities that the Directors' has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(b) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(c) Subsequent measurement – gains and losses

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in profit or loss in the period in which the changes arise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (continued)

(c) Subsequent measurement – gains and losses (continued)

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment losses (see accounting policy Note 2.11(d)) and foreign exchange gains and losses on monetary assets (Note 2.6(b)).

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Interest on available-for-sale debt securities calculated using the effective interest method is recognised in profit or loss. Dividends income on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

(d) Subsequent measurement - Impairment

Assets carried at amortised cost

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' or a 'held-to-maturity investment' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

Assets classified as available-for-sale

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, the Group uses criteria and measurement of impairment loss applicable for 'assets carried at amortised cost' above. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (continued)

(d) Subsequent measurement - Impairment (continued)

Assets classified as available-for-sale (continued)

In the case of equity securities classified as available-for-sale, in addition to the criteria for 'assets carried at amortised cost' above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss. The amount of cumulative loss reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss in subsequent periods.

(e) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

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

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.12 Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the statement of cash flows. In the statement of financial position, banks overdrafts are shown within borrowings in current liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, agricultural produce and consumables is determined using the first-in, first-out method or weighted average method. The cost of raw materials comprises cost of purchase and other direct costs. The costs of finished goods, work-in-progress and livestock comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity. It excludes borrowing costs. Property development cost comprises costs associated with the acquisition of land and all costs directly to development activities or those can be allocated on a reasonable basis to these activities.

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

2.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of Directors' best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

2.15 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with FRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

2.16 Borrowings and borrowing costs

(a) Borrowings

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Borrowings and borrowing costs (continued)

(a) Borrowings (continued)

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised as finance cost in profit or loss.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss within finance costs.

Where the terms of a financial liability are renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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 end of the reporting period.

(b) Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2.17 Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as provisions in the statement of financial position.

(ii) Defined contribution plans

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Employee benefits (continued)

(iii) Share-based payments (continued)

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Employee Share Option Scheme ("ESOS") reserve included in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transaction for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

2.18 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

(a) Accounting by lessee

Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease expense.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Leases (continued)

(a) Accounting by lessee (continued)

Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight line basis over the lease period.

(b) Accounting by lessor

Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return.

Operating leases

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

2.19 Discontinued operations

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

2.20 Recognition of revenue and other income

Revenue or other income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the amount can be reliably measured. Revenue or other income is measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of palm-based products and goods

These represents revenues earned from sales of the Group's palm-based products and goods, net of trade allowance and duties and taxes paid. Revenue is recognised when there has been a passing of the title and risk to the customer, and:

- The product is in a form suitable for delivery and sale and no further processing is required;
- The quantity and quality of the product can be determined with reasonable accuracy;
- The product has been despatched to the customer and is no longer under the physical control of the Group; and
- The selling price can be determined with reasonable accuracy.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Recognition of revenue and other income (continued)

(b) Oil and gas and support services

Revenues from sea transportation, shipping and forwarding services which include freight, time charter and other related income are recognised when services are rendered.

Freight income is recognised when the goods are delivered and services rendered and accepted by customers.

Engineering, procurement, construction, installation and commissioning ("EPCIC") income relates to contract revenue arising from the provision of EPCIC services of a floating, storage and offloading ("FSO") facility. As soon as the outcome of EPCIC contract can be estimated reliably, contract revenue and expenses are recognised in the statement of comprehensive income in proportion to the stage of completion of the contact. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. The stage of completion is assessed by reference to cost incurred to date bears to total estimated costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the statement of comprehensive income.

(c) Rental income

Rental income from investment properties is recognised in the profit loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(d) Dividend income

Dividend income is recognised when the Group's right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

(e) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

2.21 Current and deferred income taxes

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries, joint ventures and associates operate and generate taxable income.

Directors periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using an expected value the single best estimate of the most likely outcome.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Current and deferred income taxes (continued)

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, associates, and joint arrangement, except where the timing of the reversal of the temporary difference is controlled by the parent and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the investor and joint operator is unable to control the reversal of the temporary difference for associates and joint arrangement. Only where there is an agreement in place that gives the investor and joint operator the ability to control the reversal of the temporary difference, a deferred tax liability is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Goods and Services Tax ("GST")

On and after 1 April 2015, revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the GST is recognised as part of the cost of acquisition of the asset or part of the expense item, as applicable; and

- when receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers' report to the Group Managing Director, the chief operating decision maker who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 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 or paid, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.24 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.25 Convertible notes

The component of convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible notes, the fair value of the liabilities component is determined using a market rate for an equivalent non-convertible note; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholder's equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components where the instruments are first recognised.

2.26 Contingent assets and liabilities

The Group does not recognise contingent assets and liabilities other than those arising from business combinations, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2.27 Derivative and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note 2.11. Derivatives that qualify for hedge accounting are designated as either:

(a) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or

(b) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Derivative and hedging activities (continued)

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

2.28 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract cost incurred for work performed to date the estimated total contract cost.

Where the outcome of a construction contract cannot be estimated reliably contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract cost are recognised as expenses in the period which they are incurred.

When it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expenses immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.29 Financial liabilities

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company classifies its financial liabilities as other financial liabilities.

The Company's other financial liabilities include trade payables and other payables.

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.30 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current non-current classification. An asset is classified as current when it is:

(i) expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) held primarily for the purpose of trading;

(iii) expected to be realised within twelve months after the reporting period; or

(iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(i) it is expected to be settled in the normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is due to be settled within twelve months after the reporting period; or

(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.31 Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

In the process of applying the Group's accounting policies, the Directors has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(a) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill are given in Note 13.

(b) Impairment of loans and receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount and details of the Group's receivables at the reporting date are disclosed in Note 18.

(c) Valuation of property, plant and equipment

The Company, in reliance on independent professional valuers, applied estimates, judgements and assumption in the determination of fair values for plantation land. The valuation forms the basis for the carrying amount in the financial statements (Note 11).

(d) Construction contract

The Group recognises construction contract revenue in the profit or loss by using the stage of completion method. Construction contract revenue and profit are recognised based on percentage of completion which is determined by the proportion of actual costs incurred to date as compared to the estimated total budgeted costs.

Significant judgement and high degree of estimation are required in assessing the percentage of completion; determination of whether variations in contract works should be included in the contract revenue; measurement of claims which the Group seeks to collect from the customer as reimbursement for costs not included in the contract price as the measurement of such amounts is subject to a high level of uncertainty and often depends on the outcome of negotiations; and estimates made in respect of the total estimated contract costs.

A 5% increase/(decrease) in the estimated total budgeted costs would (decrease)/increase the Group's profits for the year by (RM31,242,387)/RM25,029,751.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) Valuation of investments

The Group classifies its investments in unquoted equity instruments as available-for-sale ("AFS") financial assets when it does not have an intention to hold it for trading, nor designate it at fair value through profit or loss. The Group's investment in AFS financial assets are carried at cost less any impairment loss as these equity instruments do not have a quoted price in an active market and whose fair value cannot be reliably measured. During the financial year, the directors of Asia Logistics Council Sdn. Bhd. ("ALC") performed a directors' valuation on ALC's investment in World Logistics Council Limited ("WLC"), an unquoted equity instrument, based on a range of acceptable valuation techniques to determine the fair value of the instrument. The valuation exercise resulted in a wide range of fair value measurement. As a result, the Directors exercised judgement that the instrument should be carried at cost due to significant assumptions and estimates involved in determining range of fair value measurements and in evaluating the probabilities of the various assumptions used in estimating fair value.

4. REVENUE

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000 (Restated)	31.12.2016 RM'000	31.12.2015 RM'000
Sales of goods:				
Plantation:				
- Fresh fruit bunches	10,314	10,190	134,018	113,027
- Crude palm oil	724,517	651,365	-	-
- Palm kernel	164,690	115,709	-	-
	899,521	777,264	134,018	113,027
Intraprenuer ventures	57,609	64,057	-	-
Oil and gas support services	626,167	569,783	-	-
Agrofood	14,170	17,143	6,103	5,361
Investment properties	8,810	8,609	8,810	8,609
Dividend income	2,689	1,940	35,955	15,865
Others	3,772	4,228	1,531	715
	1,612,738	1,443,024	186,417	143,577

5. INTEREST INCOME

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Interest income:				
Deposit with licensed banks	33,930	36,909	29,644	31,376
Amount due from subsidiaries	-	-	870	1,576
Others	-	-	1	4
	33,930	36,909	30,515	32,956

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

6. FINANCE COSTS

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Interest expense on:				
Term loans	38,383	16,943	15,240	-
Revolving credits	20,516	15,676	7,620	1,754
Bank overdraft	116	90	-	-
Other borrowings	462	294	-	-
	59,477	33,003	22,860	1,754

7. PROFIT BEFORE TAX

	Group		Company	
	31.12.2016 RM'000	31.12.2015 (restated) RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Profit before tax and net gain from discontinued operations is arrived at after charging/(crediting):				
Cost of sales:				
- Plantation				
- Cost of produce	614,125	556,936	51,625	50,056
- General charges	84,971	63,982	17,500	15,737
- Intrapreneur ventures	25,143	40,979	-	-
- Oil and gas support services				
- Cost of services	167,283	160,365	-	-
- Engineering, procurement, construction, installation and commissioning of floating storage and offloading vessels ("EPCIC")	348,728	279,589	-	-
- Agrofood	7,843	8,158	4,461	8,097
- Investment properties	4,722	4,819	4,722	4,819
- Others	5,079	7,143	1,236	718
Net provision for impairment losses on:				
- Trade and other receivables	15,697	24,672	15,686	4,166
- Intercompanies receivables	-	-	10,423	-
- Property, plant and equipment	988	3,305	-	-
- Goodwill	43,323	461	-	-
- Investment in subsidiaries	-	-	11,000	-
Amortisation and depreciation of:				
- Intangible assets	1,388	2,600	-	-
- Property, plant and equipment	154,841	147,743	19,375	19,841

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

7. PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	31.12.2016 RM'000	31.12.2015 (restated) RM'000	31.12.2016 RM'000	31.12.2015 (restated) RM'000
Auditors' remuneration:				
Statutory audit				
- PwC	959	-	150	-
- Other auditors	533	1,021	-	110
Other services				
- PwC	66	-	66	-
- Other auditors	261	355	195	355
(Gain)/loss on:				
- Disposal of subsidiaries	(433)	(1,341,343)	-	(2,478,180)
- Disposal of investments	(9,415)	(275)	(9,675)	-
- Disposal of property, plant and equipment	(7,809)	5,847	(9,710)	-
Foreign exchange (gain)/loss:				
- Realised	13,096	(14,321)	23,642	(12,328)
- Unrealised	31,996	(12,795)	(21,327)	(89,575)
Write down of inventories	1,799	4,557	-	-
Write off of property, plant and equipment	6,078	12,810	3,629	7,113
Rental of plant and machinery	3,422	3,053	-	-
Rental of land and building paid to:				
- Ultimate holding corporation	629	629	629	629
- Others	1,551	900	-	-
Staff costs (excluding Directors):				
- Salaries, wages, allowances and bonuses	227,207	222,399	56,521	45,032
- Defined contribution plan	15,951	13,868	4,454	3,517
- Other employee benefits	29,013	15,590	26,250	265
Fair value changes on:				
- Investments	9,428	5,886	2,465	353
- Derivatives	1,298	1,124	-	-
Dividend income from:				
- Unquoted shares in Malaysia	(1,478)	(1,649)	-	(491)
- Shares quoted in Malaysia	(1,211)	(291)	(1,211)	(291)
- Subsidiaries (unquoted shares in Malaysia)	-	-	(34,744)	(15,083)
Rental income	(425)	(961)		-
Fair value gain/(loss) on investment properties	148	(4,260)	148	(4,260)
Guaranteed return on car park concession	-	(1,811)	-	-
Remeasurement of existing interest in new subsidiary	-	(3,093)	-	-
Bargain purchase on acquisition of subsidiaries	(20,647)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

8. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Group and the Company during the year are as follows:

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Executive Directors				
- Fees	250	250	250	250
- Salaries, allowances and bonuses	4,449	4,258	4,449	4,258
- Estimated money value of benefits-in-kind	71	83	71	83
- Defined contribution plan	603	434	603	434
- ESOS	163	193	163	193
- Other emoluments	153	16	153	16
	5,689	5,234	5,689	5,234
Non-executive Directors				
- Fees	225	300	225	300
- Allowances	41	103	41	103
- Estimated money value of benefits-in-kind	68	33	68	33
- ESOS	562	222	562	222
	896	658	896	658
Independent non-executive Directors				
- Fees	281	375	281	375
- ESOS	339	145	339	145
- Other emoluments	82	210	82	210
	702	730	702	730
Total directors' remuneration	7,287	6,622	7,287	6,622

9. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2016 and 2015 are:

	Group		Company	
	31.12.2016 RM'000	31.12.2015 (restated) RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Current income tax				
- Malaysia	37,767	42,992	-	2,973
- Outside Malaysia	1,923	-	-	-
Over provision in prior years	(1,329)	(1,905)	(247)	(13)
	38,361	41,087	(247)	2,960

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

9. INCOME TAX EXPENSE (CONTINUED)

Major components of income tax expense (continued)

	Group		Company	
	31.12.2016 RM'000	31.12.2015 (restated) RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Deferred tax (Note 24)	8,030	(10,894)	1,501	(1,500)
Income tax attributable to:				
- Continuing operations	46,391	30,193	1,254	1,460
- Discontinued operations (Note 10)	-	3,254	-	-
Income tax expense recognised in profit and loss	46,391	33,447	1,254	1,460
Income tax expense recognised in other comprehensive income	24,766	21,233	5,241	478

Reconciliation between tax expense and accounting profit

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2016 and 2015 are as follows:

	Group		Company	
	31.12.2016 RM'000	31.12.2015 (restated) RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Profit/(loss) before tax from:				
- Continuing operations (restated)	59,917	117,799	2,360	2,574,543
- Discontinued operations (Note 10)	(340)	1,319,580	-	-
	59,577	1,437,379	2,360	2,574,543
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	14,298	359,345	566	643,636
Tax recognised at different tax rate	(1,394)	(600)	-	-
Effect of non-deductible expenses	56,547	39,326	20,302	5,140
Effect of income exempt from tax	(21,883)	(363,597)	(18,157)	(647,303)
Utilisation of previously unrecognised deferred tax assets	(1,644)	-	-	-
Deferred tax assets not recognised	1,796	878	-	-
Over provision of income tax in prior years	(1,329)	(1,905)	(1,457)	(13)
	46,391	33,447	1,254	1,460

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

10. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

(a) Disposal of Granulab (M) Sdn. Bhd. in 2016

During the financial year, the Group entered into an agreement for the disposal of a subsidiary, Granulab (M) Sdn. Bhd., which is involved in trading of granumas, a granulat synthetic bone graft. The decision is in line with the Group's business exit strategy for identified companies under its Intrapreneur Venture segment to maximise returns and mitigate risks.

The disposal was completed on 13 November 2016.

The results of Granulab (M) Sdn. Bhd. is presented separately on the statement of comprehensive income as "Loss from discontinued operation, net of tax"

The effects of the disposal of Granulab (M) Sdn. Bhd. on the financial position and results of the Group up to the date of disposal are as follows:

Assets and liabilities

	RM'000
Inventories	366
Trade and other receivables	110
Cash and cash equivalents	19
Trade and other payables	(243)
Net assets attributable to the Group	252
Cash proceeds from disposal	(685)
Gain on disposal to the Group	(433)
Cash inflow arising on disposals:	
Cash consideration	685
Cash and cash equivalents of subsidiary disposed	(19)
Net cash inflow on disposals	666

Results of discontinued operations

	RM,000 (11 months)
Revenue	54
Expenses	(827)
Loss from operations	(773)
Gain on disposal to the Group	433
Loss from discontinued operations, net of tax	(340)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

10. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

(a) Disposal of Granulab (M) Sdn. Bhd. in 2016 (continued)

Cash flows attributable to the discontinued operations

	RM,000
Net cash generated from operating activities	2,026
Net cash used in financing activities	(2,249)
Net cash outflows	(223)

(b) Disposal of New Britain Palm Oil Limited ("NBPOL") in 2015

On 9 October 2014, Sime Darby Plantation Sdn Bhd ("SDP") served a takeover notice on NBPOL and announced its intention to make a cash offer to acquire all NBPOL shares at an offer price of GBP7.15 or PNG Kina 28.79 per NBPOL share ("Offer").

On 3 December 2014, the Kulim's shareholders voted to accept the Offer from SDP at the Extraordinary General Meeting convened to consider the Offer.

On 18 February 2015, Sime Darby announced that all conditions precedent in the Offer Document had been fulfilled and that the Offer was now unconditional.

On 26 February 2015, the Company announced that the disposal of NBPOL was completed following the receipt of the cash consideration from SDP. Accordingly, NBPOL ceased to be a subsidiary of the Group.

As NBPOL represents a major geographical area of operations, its results are excluded from the results of continuing operations and are presented as a single amount as profit after tax from discontinued operations in the statement of comprehensive income (including the comparative period).

The effects of the disposal of NBPOL on the financial position and results of the Group for the year ended 31 December 2015 are as follows:

Assets and liabilities of NBPOL at the date of disposal

	RM'000
Property, plant and equipment	3,362,048
Intangible assets	150,530
Inventories	538,789
Trade and other receivables	514,614
Current tax assets	3,417
Cash and cash equivalents	32,264
Deferred tax liabilities	(980,878)
Trade and other payables	(139,054)
Loans and borrowings	(817,144)
Reserves	51,622
Net assets	2,716,208
Non-controlling interests	(1,362,981)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

10. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

(b) Disposal of New Britain Palm Oil Limited ("NBPOL") in 2015 (continued)

Assets and liabilities of NBPOL at the date of disposal (continued)

	RM'000
Net assets attributable to the Group	1,353,227
Cash proceeds from disposal	(2,887,384)
Expenses attributable to disposal of subsidiary*	192,814
Gain on disposal to the Group	(1,341,343)
Cash inflow arising on disposals:	
Cash consideration	2,887,384
Expenses attributable to disposal of subsidiary*	(192,814)
Cash and cash equivalents of subsidiary disposed	(32,264)
Net cash inflow on disposals	2,662,306

* The expenses attributable to disposal of subsidiary represent consultancy fees paid to an investment bank, legal firms and various other consultants for services rendered in connection with the disposal of NBPOL.

Results of discontinued operations for the year ended 31 December 2015

	RM'000 (2 months)
Revenue	303,560
Expenses	(320,878)
Loss from operations	(17,318)
Finance costs	(4,445)
Gain on disposal to the Group	1,341,343
Profit before tax from discontinued operations	1,319,580
Taxation	(3,254)
Gain from discontinued operations, net of tax	1,316,326

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

10. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

(b) Disposal of New Britain Palm Oil Limited ("NBPOL") in 2015 (continued)

Cash flows attributable to the discontinued operations

	RM'000
Net cash generated from operating activities	10,157
Net cash used in investing activities	(26,019)
Net cash used in financing activities	(30,264)
Net cash outflows	(46,126)

(c) Assets of disposal group classified as held for sale

	Group and Company	
	31.12.2016 RM'000	31.12.2015 RM'000
Assets of disposal group held for sale:		
- Leasehold land	-	13,291
	-	13,291

As at 31 December 2015, a parcel of leasehold land with carrying amount of RM13,291,000 has been presented as asset held for sale as the Company has entered into a land transfer agreement to sell the land for RM23,000,000. The disposal was completed in July 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT

	Plantation Operation							
Group	Freehold land RM'000	Long term leasehold land RM'000	Land use rights RM'000	Estate deve-lopment expenditure RM'000	Buildings RM'000	Other assets RM'000	Capital work in progress RM'000	Total RM'000
	<------------ At valuation	------------>		<---------------------- At Cost		--------------------->		
Cost								
At 1 January 2016, as previously stated	1,274,948	799,177	82,687	947,136	189,680	1,163,922	125,806	4,583,356
Effects of change in accounting policy (Note 35)	340,287	966,043	-	-	-	-	-	1,306,330
At 1 January 2016, as restated	1,615,235	1,765,220	82,687	947,136	189,680	1,163,922	125,806	5,889,686
Revaluation surplus	106,975	70,697	-	-	-	-	-	177,672
Acquisition of subsidiaries (Note 14)	-	-	43,726	168,214	13,350	2,910	126	228,326
Additions	-	-	904	44,841	6,671	96,879	95,646	244,941
Disposals	-	-	-	-	(22)	(21,722)	-	(21,744)
Disposals of subsidiaries (Note 10)	-	-	-	-	(1,798)	(3,633)	(97)	(5,528)
Write off	-	-	-	(13,866)	(692)	(8,257)	(569)	(23,384)
Transfer to inventories	-	(5,041)	-	-	-	-	(21,113)	(26,154)
Transfer to investment properties (Note 12)	-	-	-	-	-	-	(1,338)	(1,338)
Reclassification	-	-	-	-	1,505	42,383	(43,888)	-
Transfer from finance lease receivables (Note 18(e))	-	-	-	-	-	2,795	-	2,795
Exchange differences	-	-	752	671	28	67	317	1,835
At 31 December 2016	1,722,210	1,830,876	128,069	1,146,996	208,722	1,275,344	154,890	6,467,107

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (continued)	Plantation Operation Freehold land RM'000	Long term leasehold land RM'000	Land use rights RM'000	Estate deve-lopment expenditure RM'000	Buildings RM'000	Other assets RM'000	Capital work in progress RM'000	Total RM'000
	<------------- At valuation		------------->	<-----------------------	At Cost		----------------------->	
Accumulated depreciation								
At 1 January 2016, as previously stated	-	70,596	-	323,089	103,505	409,375	-	906,565
Effects of change in accounting policy (Note 35)	-	12,688	-	-	-	-	-	12,688
At 1 January 2016, as restated	-	83,284	-	323,089	103,505	409,375	-	919,253
Acquisition of subsidiaries (Note 14)	-	-	-	6,869	769	2,117	-	9,755
Charge for the year	-	21,794	-	39,956	6,286	86,299	506	154,841
Disposals	-	-	-	-	(7)	(13,924)	-	(13,931)
Disposals of subsidiaries (Note 10)	-	-	-	-	(352)	(2,022)	-	(2,374)
Write off	-	-	-	(11,203)	(333)	(5,770)	-	(17,306)
Transfer to inventories	-	(61)	-	-	-	-	-	(61)
Exchange differences	-	-	-	-	3	19	-	22
At 31 December 2016	-	105,017	-	358,711	109,871	476,094	506	1,050,199
Accumulated impairment loss								
At 1 January 2016	-	-	-	12,177	1,592	10,672	333	24,774
Charge for the year	-	-	-	-	-	988	-	988
Disposal of subsidiaries	-	-	-	-	(1,446)	(1,611)	(97)	(3,154)
At 31 December 2016	-	-	-	12,177	146	10,049	236	22,608
Net book value as at 31 December 2016	1,722,210	1,725,859	128,069	776,108	98,705	789,201	154,148	5,394,300

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (Continued)	Freehold land RM'000	Long term leasehold land RM'000	Land use rights RM'000	Estate deve-lopment expenditure RM'000	Buildings RM'000	Other assets RM'000	Capital work in progress RM'000	Total RM'000
	Plantation Operation							
	<------------- At valuation	------------->	<-----------------------		At Cost		--------------------->	
Cost								
At 1 January 2015, as previously stated	1,274,948	799,177	80,967	909,531	169,612	969,983	129,254	4,333,472
Effects of change in accounting policy (Note 35)	363,274	865,258	-	-	-	-	-	1,228,532
Prior year adjustment (Note 35)	-	-	-	-	-	1,376	-	1,376
At 1 January 2015, as restated	1,638,222	1,664,435	80,967	909,531	169,612	971,359	129,254	5,563,380
Revaluation surplus	(22,987)	100,785	-	-	-	-	-	77,798
Prior year adjustment (Note 35)	-	-	-	-	-	(1,376)	-	(1,376)
Acquisition of subsidiaries	-	-	-	-	661	524	-	1,185
Additions	-	-	1,366	52,889	12,693	203,842	32,860	303,650
Disposals	-	-	-	-	(115)	(10,550)	(2,386)	(13,051)
Write off	-	-	-	(15,438)	(1,395)	(9,963)	-	(26,796)
Transfer to asset held for sale	-	-	-	-	-	(15,739)	-	(15,739)
Reclassification	-	-	-	-	8,218	25,784	(34,002)	-
Exchange differences	-	-	354	154	6	41	80	635
At 31 December 2015	1,615,235	1,765,220	82,687	947,136	189,680	1,163,922	125,806	5,889,686

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Plantation Operation							
Group (Continued)	Freehold land RM'000	Long term leasehold land RM'000	Land use rights RM'000	Estate deve-lopment expenditure RM'000	Buildings RM'000	Other assets RM'000	Capital work in progress RM'000	Total RM'000
	<------------- At valuation		------------->	<---------------------- At Cost			---------------------->	
Accumulated depreciation								
At 1 January 2015	-	62,588	-	284,956	98,047	348,390	-	793,981
Charge for the year	-	20,696	-	44,709	6,597	75,935	-	147,937
Disposals	-	-	-	-	(300)	(5,956)	-	(6,256)
Write off	-	-	-	(6,576)	(839)	(6,571)	-	(13,986)
Transfer to asset held for sale	-	-	-	-	-	(2,448)	-	(2,448)
Exchange differences	-	-	-	-	-	25	-	25
At 31 December 2015, as restated	-	83,284	-	323,089	103,505	409,375	-	919,253
Accumulated impairment loss								
At 1 January 2015	-	-	-	12,177	-	9,110	236	21,523
Charge for the year	-	-	-	-	1,592	1,616	97	3,305
Disposals	-	-	-	-	-	(54)	-	(54)
At 31 December 2015	-	-	-	12,177	1,592	10,672	333	24,774
Net book value as at 1 January 2015, as restated	1,638,222	1,601,847	80,967	612,398	71,565	613,859	129,018	4,747,876
Net book value as at 31 December 2015, as restated	1,615,235	1,681,936	82,687	611,870	84,583	743,875	125,473	4,945,659

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Other assets of the Group can be further analysed as follows:

Group (Continued)	Non-plantation Operation Freehold land RM'000	Long term leasehold land RM'000	Leasehold improvement and renovation RM'000	Vessels, plant and machinery RM'000	Furniture and equipment RM'000	Motor vehicles RM'000	Total RM'000
	<-------------------	-------------------	------------------- At Cost	-------------------	-------------------	------------------->	
Cost							
At 1 January 2016	17,458	37,928	924	971,981	85,131	50,500	1,163,922
Acquisition of subsidiaries	-	-	-	771	648	1,491	2,910
Additions	-	14	-	85,443	5,596	5,826	96,879
Disposals	-	-	-	(16,241)	(234)	(5,247)	(21,722)
Disposal of subsidiaries	-	-	-	-	(3,633)	-	(3,633)
Write off	-	-	-	(4,796)	(1,264)	(2,197)	(8,257)
Reclassification	-	(1,402)	(353)	77,263	(33,125)	-	42,383
Transfer (Note18(e))	-	-	-	2,795	-	-	2,795
Exchange differences	-	-	-	-	21	46	67
At 31 December 2016	17,458	36,540	571	1,117,216	53,140	50,419	1,275,344
Accumulated depreciation							
At 1 January 2016	-	5,228	133	331,666	36,328	36,020	409,375
Acquisition of subsidiaries	-	-	-	609	483	1,025	2,117
Charge for the year	-	715	-	76,673	4,101	4,810	86,299
Disposals	-	-	-	(8,674)	(168)	(5,082)	(13,924)
Disposal of subsidiaries	-	-	-	-	(2,022)	-	(2,022)
Write off	-	-	(133)	(2,672)	(907)	(2,058)	(5,770)
Exchange differences	-	-	-	-	6	13	19
At 31 December 2016	-	5,943	-	397,602	37,821	34,728	476,094

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Other assets of the Group can be further analysed as follows: (continued)

Group (Continued)	Non-plantation Operation Freehold land RM'000	Long term leasehold land RM'000	Leasehold improvement and renovation RM'000	Vessels, plant and machinery RM'000	Furniture and equipment RM'000	Motor vehicles RM'000	Total RM'000
	<------------	------------	------------	At Cost	------------	------------>	
Accumulated impairment losses							
At 1 January 2016	-	-	-	9,051	1,611	10	10,672
Impairment loss for the year	-	-	-	157	831	-	988
Disposals of subsidiaries	-	-	-	-	(1,611)	-	(1,611)
At 31 December 2016	-	-	-	9,208	831	10	10,049
Net book value as at 31 December 2016	17,458	30,597	571	710,406	14,488	15,681	789,201

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Other assets of the Group can be further analysed as follows: (continued)

Group (Continued)	Non-plantation Operation Freehold land RM'000	Long term leasehold land RM'000	Leasehold improvement and renovation RM'000	Vessels, plant and machinery RM'000	Furniture and equipment RM'000	Motor vehicles RM'000	Total RM'000
	<-------------------	-------------------	---------- At Cost	----------	-------------------	------------------>	
Cost							
At 1 January 2015, as previously stated	17,458	35,737	924	788,829	80,329	46,706	969,983
Prior year adjustment (Note 35)	-	-	-	-	1,156	220	1,376
At 1 January 2015, as restated	17,458	35,737	924	788,829	81,485	46,926	971,359
Prior year adjustment (Note 35)	-	-	-	-	(1,156)	(220)	(1,376)
Acquisition of subsidiaries	-	-	-	-	357	167	524
Additions	-	17,930	-	174,405	4,865	6,642	203,842
Disposals	-	-	-	(4,974)	(4,226)	(1,350)	(10,550)
Write off	-	-	-	(7,897)	(373)	(1,693)	(9,963)
Transfer to assets held for sale	-	(15,739)	-	-	-	-	(15,739)
Reclassification	-	-	-	21,618	4,166	-	25,784
Exchange differences	-	-	-	-	13	28	41
At 31 December 2015	17,458	37,928	924	971,981	85,131	50,500	1,163,922
Accumulated depreciation							
At 1 January 2015	-	7,152	133	276,187	32,638	32,280	348,390
Charge for the year	-	524	-	65,033	4,325	6,053	75,935
Disposals	-	-	-	(4,861)	(419)	(676)	(5,956)
Write off	-	-	-	(4,693)	(238)	(1,640)	(6,571)
Transfer to assets held for sale	-	(2,448)	-	-	-	-	(2,448)
Exchange differences	-	-	-	-	22	3	25
At 31 December 2015	-	5,228	133	331,666	36,328	36,020	409,375

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Other assets of the Group can be further analysed as follows: (continued)

Group (Continued)	Non-plantation Operation Freehold land RM'000	Long term leasehold land RM'000	Leasehold improvement and renovation RM'000	Vessels, plant and machinery RM'000	Furniture and equipment RM'000	Motor vehicles RM'000	Total RM'000
	<------------	------------	At Cost	------------	------------	------------>	
Accumulated impairment losses							
At 1 January 2015	-	-	-	9,100	-	10	9,110
Impairment loss for the year	-	-	-	5	1,611	-	1,616
Disposals	-	-	-	(54)	-	-	(54)
At 31 December 2015	-	-	-	9,051	1,611	10	10,672
Net book value as at 1 January 2015	17,458	28,585	791	503,542	48,847	14,636	613,859
Net book value as at 31 December 2015	17,458	32,700	791	631,264	47,192	14,470	743,875

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Plantation Operation Freehold land RM'000	Plantation Operation Long term leasehold land RM'000	Estate development expenditure RM'000	Building RM'000	Other assets RM'000	Capital work in progress RM'000	Total RM'000
Cost							
At 1 January 2016, as previously reported	757,279	177,296	193,697	63,768	94,136	18,901	1,305,077
Effect of change in accounting policy	(16,765)	200,526	-	-	-	-	183,761
At 1 January 2016, as restated	740,514	377,822	193,697	63,768	94,136	18,901	1,488,838
Revaluation surplus	61,898	13,172	-	-	-	-	75,070
Additions	-	-	17,154	698	8,386	26,429	52,667
Disposal	-	-	-	-	(9)	-	(9)
Written off	-	-	(8,728)	(448)	(1,620)	(523)	(11,319)
Reclassification	-	-	-	106	4,791	(4,897)	-
Transfer to inventories	-	-	-	-	(5,042)	(21,115)	(26,157)
At 31 December 2016	802,412	390,994	202,123	64,124	100,642	18,795	1,579,090
Accumulated Depreciation							
At 1 January 2016, as previously reported	-	12,634	89,079	36,508	31,263	-	169,484
Effect of change in accounting policy	-	3,067	-		-	-	3,067
At 1 January 2016 – restated	-	15,701	89,079	36,508	31,263	-	172,551
Change for the year	-	767	7,600	2,128	5,752	-	16,247
Write off	-	-	(6,065)	(239)	(1,386)	-	(7,690)
Transfer to asset held for sale	-	-	-	-	(61)	-	(61)
Disposal	-	-	-	-	(6)	-	(6)
At 31 December 2016, prior valuation	-	16,468	90,614	38,397	35,562	-	181,041
Effect of change in accounting policy	-	3,131	-	-	-	-	3,131
At 31 December 2016	-	19,599	90,614	38,397	35,562	-	184,172
Net book value as at 31 December 2016	802,412	371,395	111,509	25,727	65,080	18,795	1,394,918

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Plantation Operation Freehold land RM'000	Long term leasehold land RM'000	Estate development expenditure RM'000	Building RM'000	Other assets RM'000	Capital work in progress RM'000	Total RM'000
	<---- At valuation ---->						
Cost							
At 1 January 2015, as previously reported	757,279	177,296	188,711	63,726	85,720	6,750	1,279,482
Effect of change in accounting policy	(15,264)	197,786	-	-	-	-	182,522
At 1 January 2015 - restated	742,015	375,082	188,711	63,726	85,720	6,750	1,462,004
Revaluation surplus/(deficit)	(1,501)	2,740	-	-	-	-	1,239
Additions	-	-	16,188	590	25,171	12,151	54,100
Write-off	-	-	(11,202)	(548)	(1,016)	-	(12,766)
Transfer to assets for held	-	-	-	-	(15,739)	-	(15,739)
At 31 December 2015 – restated	740,514	377,822	193,697	63,768	94,136	18,901	1,488,838
Accumulated Depreciation							
At 1 January 2015, as previously reported	-	11,867	82,998	34,729	31,213	-	160,807
Change for the year	-	771	10,335	2,175	3,501	-	16,782
Write off	-	-	(4,254)	(396)	(1,003)	-	(5,653)
Transfer to assets held for sale	-	-	-	-	(2,448)	-	(2,448)
At 31 December 2015, as previously stated	-	12,638	89,079	36,508	31,263	-	169,488
Effect of change in accounting policy	-	3,063	-	-	-	-	3,063
At 31 December 2015, - restated	-	15,701	89,079	36,508	31,263	-	172,551
Net book value as at 31 December 2014 - restated	742,015	363,215	105,713	28,997	54,507	6,750	1,301,197
Net book value as at 31 December 2015 - restated	740,514	362,121	104,618	27,260	62,873	18,901	1,316,287

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Assets held under finance lease

During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of approximately RM244,941,000 (2015: RM303,650,000) and RM52,667,000 (2015: RM54,100,000) respectively, of which RM1,188,264 (2015: RM2,199,000) of the Group's acquisitions were made via finance leases.

Included in property, plant and equipment of the Group are assets acquired under lease arrangements at net book value of RM10,412,000 (2015: RM1,779,000). The leased assets consist of equipment and motor vehicles (Note 22).

Assets pledged as security for borrowings

	Group	
	31.12.2016 RM'000	31.12.2015 RM'000
Carrying amount of assets pledged as security for borrowings:		
- long term leasehold lands	727	741
- vessels	605,257	597,389
- vessels under construction	92,657	37,984
- buildings	2,870	3,264
	701,511	639,378

If plantation operation lands were stated on the historical cost basis, the amounts would be as follows:

	Group		
	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
2016			
Freehold land	1,274,948	-	1,274,948
Leasehold land	794,136	(78,389)	715,747
Land use rights	128,069	-	128,069
	2,197,153	(78,389)	2,118,764
2015			
Freehold land	1,274,948	-	1,274,948
Leasehold land	799,177	(70,596)	728,581
Land use rights	82,867	-	82,867
	2,156,992	(70,596)	2,086,396

Borrowing costs

Included in vessels under construction of the Group and of the Company is interest capitalised for the year of RM1,260,437 (2015: RM2,342,330).

Fair values of land and buildings

An independent valuation of land was performed by valuers to determine the fair value of the plantation land and buildings as at 31 December 2016, 2015 and 2014. The revaluation surplus net of applicable taxes was credited to other comprehensive income and is shown in 'revaluation reserves' in statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fair value measurement using significant unobservable inputs (Level 3)

Level 3 fair values of plantation land are based on comparison method. Comparison method is made of the property under valuation with sales of other similar properties. Where dissimilarities exist, adjustment are made.

Valuation processes of the Group and the Company

On a regular interval of at least once a year, the Group and the Company engages external, independent and qualified valuers to determine the fair values of the Group's and the Company's plantation land. As at 31 December 2016, 2015 and 2014 the fair values have been determined by Cheston International KL Sdn Bhd, a qualified and registered valuer.

Group

Financial year/ Asset class	Fair value	Valuation technique	Average price per acre	Range of recent transaction price per acre
	RM'000		RM	RM
2016				
Freehold land	1,722,210	Comparison approach	34,705	21,132 – 34,935
Leasehold land	1,725,859	Comparison approach	23,888	21,132 – 34,935
2015				
Freehold land	1,615,235	Comparison approach	32,550	21,132 – 34,935
Leasehold land	1,681,936	Comparison approach	23,249	21,132 – 34,935
2014				
Freehold land	1,638,222	Comparison approach	33,013	21,132 – 34,935
Leasehold land	1,601,847	Comparison approach	22,142	21,132 – 34,935
Company				
2016				
Freehold land	802,412	Comparison approach	45,949	21,132 – 34,935
Leasehold land	371,396	Comparison approach	31,651	21,132 – 34,935
2015				
Freehold land	740,510	Comparison approach	42,405	21,132 – 34,935
Leasehold land	367,101	Comparison approach	31,028	21,132 – 34,935
2014				
Freehold land	742,015	Comparison approach	42,491	21,132 – 34,935
Leasehold land	368,195	Comparison approach	31,116	21,132 – 34,935

The relationship of unobservable inputs to fair value is the higher the price per hectare, the higher the fair value.

12. INVESTMENT PROPERTIES

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
At 1 January	115,028	110,768	115,028	110,768
Net gain/(loss) from fair value adjustments recognised in profit or loss	(148)	4,260	(148)	4,260
Transfer from property, plant and equipment (Note 11)	1,338	-	-	-
At 31 December	116,218	115,028	114,880	115,028

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

12. INVESTMENT PROPERTIES (CONTINUED)

Investment properties comprise a number of commercial properties and a residential property, all of which are leased to third parties.

As at 31 December 2016 and 2015, the fair values of the properties are based on valuations performed by Cheston International, an accredited independent valuer.

Description of valuation technique used and key inputs to valuation on a significant investment property.

	Valuation technique	Significant unobservable inputs	Range (weighted average) 2016	2015
Office property	Investment method	Estimated rental value per sqft per month	RM2.50– RM4.00	RM2.50– RM4.00
		Outgoings per sqft per month	RM1.00 – RM1.30	RM1.00 – RM1.30
		Void rate	5%	5%
		Term yield	6% - 7%	6% - 7%

(Carrying value for office property as at 31 December 2016 for the Group and Company is RM114,000,000)

Inter-relationship between significant unobservable inputs and fair value measurement

Investment method

Increases/(decreases) in estimated rental value per sqft in isolation would result in a higher/(lower) fair value of the properties. Increases/(decreases) in the long-term vacancy rate (void rate) and discount rate (term yield) in isolation would result in a lower/(higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rental value per sqft and an opposite change in the void rate and term yield.

A sensitivity analysis has been performed on the significant assumptions that impact the fair value of the office properties. Arising thereof, the impact of a 10 percent increase/decrease in the void rate and term yield will result in a lower/higher fair value charge by RM12 million/RM11 million.

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Rental income derived from investment properties	8,810	8,609	8,810	8,609
Direct operating expenses relating to rental income (included in cost of sales) recognised in profit or loss	(4,722)	(4,819)	(4,722)	(4,819)
Profit arising from investment properties carried at fair value	4,088	3,790	4,088	3,790

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Group has assessed that the highest and best use of its properties do not differ from their current use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

13. INTANGIBLE ASSETS

Group	Goodwill RM'000	Concession rights RM'000	Others RM'000	Total RM'000
Cost				
At 1 January 2015, as previously stated	28,548	14,405	3,537	46,490
Prior year adjustment (Note 35)	43,323	-	800	44,123
At 1 January 2015, as restated	71,871	14,405	4,337	90,613
Additions	-	960	548	1,508
Disposed	-	(15,365)	-	(15,365)
Written-off	-	-	(75)	(75)
At 31 December 2015/ At 1 January 2016, as restated	71,871	-	4,810	76,681
Acquisition of subsidiaries (Note 14)	-	-	7,288	7,288
Additions	-	-	305	305
Written-off	-	-	(4,010)	(4,010)
Exchange differences	462	-	-	462
At 31 December 2016	72,333	-	8,393	80,726
Accumulated amortisation and impairment				
At 1 January 2015	2,780	6,734	3,537	13,051
Impairment	461	-	-	461
Amortisation	-	2,266	334	2,600
Disposed	-	(9,000)	-	(9,000)
Written-off	-	-	(250)	(250)
At 31 December 2015/ At 1 January 2016	3,241	-	3,621	6,862
Impairment	43,323	-	-	43,323
Amortisation	-	-	1,388	1,388
Written-off	-	-	(3,621)	(3,621)
At 31 December 2016	46,564	-	1,388	47,952
Net carrying amount				
At 31 December 2016	25,769	-	7,005	32,774
At 31 December 2015, as restated	68,630	-	1,189	69,819

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

13. INTANGIBLE ASSETS (CONTINUED)

Impairment testing of intangible assets with indefinite useful lives

For the purpose of impairment testing, intangible assets with indefinite useful lives have been allocated to the following cash-generating units ("CGU").

	Goodwill		Others		Total	
	2016 RM'000	2015 (Restated) RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 (Restated) RM'000
Cash Generating Units						
Sea transportation and related services	12,560	12,560	4,775	-	17,335	12,560
Insurance broking and consultancy	1,642	1,642	-	-	1,642	1,642
Trading of agricultural fertilizers, water treatment and biotechnology research and development	2,587	2,587	-	-	2,587	2,587
Construction of oil and gas equipment	8,463	8,463	-	-	8,463	8,463
E-Commerce	-	43,323	800	800	800	44,123
Software development expenditure	-	-	380	-	380	-
Others	517	55	1,050	389	1,567	444
	25,769	68,630	7,005	1,189	32,774	69,819

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

13. INTANGIBLE ASSETS (CONTINUED)

Key assumptions used in determining the recoverable amounts

The recoverable amount of the CGUs have been determined based on value-in-use or fair value less cost to sell calculations using cash flow projections based on financial budgets approved by the Directors covering a five-year period.

The key assumptions on which management has based its cash flow projections are as follows:

	2016			
Cash generating units	**Revenue growth rate %**	**EBITDA margin %**	**Discount rate %**	**Terminal growth rate %**
Sea transportation and related services	-50 to 4	50 to 54	12	3
Insurance brokering and consultancy	15 to 20	24 to 33	9	3
Trading of agricultural fertilizers, water treatment and biotechnology research and development	6 to 82	0 to 9	14	3
Construction of oil and gas equipment	12 to 159	14 to 23	15	3

The Directors have determined the revenue and EBITDA margin based on expectations of market development. The discount rates used are based on selected market comparable companies and adjusted for projection risk. The terminal growth rate is the growth rate of the business in a stabilised state into perpetuity.

The goodwill attributable to the global logistics platform arose from the acquisition of Asia Logistics Council Sdn Bhd ("ALC"). ALC is involved in the development of the global logistics platform Multi-Dimensional Digital Economy Application System ("MDDEAS") that will link the various parties and stakeholders involved in the freight and shipping industry on a common platform.

ALC has a 5% interest in World Logistics Council Limited ("WLC"), which is responsible for the development of MDDEAS which will contribute revenue to WLC.

The recoverable amount of the CGU is determined based on value-in-use calculation ("VIU") using 5-year discounted cash flow projection which is in line with management's most recent 5-year business plan.

The key assumptions used in the VIU calculation are as follows:

(a) Revenue: Projected revenue of RM667 million to RM16,709 million commencing from 2019 to 2021 based on the latest earning projection provided by WLC, being derived from WLC's business plans. The revenue is based on the expected ALC's recurring income stream at 1.25% share of WLC revenue stream, mainly to be derived upon deployment of MDDEAS in 2019.

(b) EBITDA margin: EBITDA margin of 5% to 7% from 2019 to 2021 being derived from the expected operating costs of technology service providers based on industry information.

(c) Discount rate: Weighted-average cost of capital of 25% based on the required rate of return expected for early-stage companies.

(d) Terminal growth rate: 0%

Management's judgement is involved in the assignment of probability of outcome to the recoverable amount taking into account the CGU as an early-stage business, the complex nature of planned business, the speed of penetration of MDDEAS may not be reliably estimated and the milestones achieved to-date.

Based on the goodwill impairment assessment carried out during the financial year, the carrying amount of goodwill attributable to this CGU exceeds its recoverable amount resulting in a full impairment of the goodwill amounting to RM43,323,000, which has been accordingly charged to the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14. INVESTMENT IN SUBSIDIARIES

	Company	
	31.12.2016 RM'000	31.12.2015 RM'000
At cost:		
Unquoted shares in Malaysia	624,010	616,055
Unquoted shares outside Malaysia	105,792	105,792
Convertible notes	49,170	49,170
Amounts due from subsidiaries	439,037	-
Less: Impairment losses	(32,706)	(21,705)
	1,185,303	749,312

During the year, the Company has reclassified approximately RM439,037,000 of amounts due from subsidiaries as investment in subsidiaries as the Directors do not expect repayment in the foreseeable future.

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests*	
			2016	2015	2016	2015
Held by the Company:						
Mahamurni Plantations Sdn. Bhd.	Malaysia	Oil palm plantation	100.00%	100.00%	-	-
Selai Sdn. Bhd.	Malaysia	Oil palm plantation	100.00%	100.00%	-	-
Ulu Tiram Manufacturing Company (Malaysia) Sdn. Bhd.	Malaysia	Oil palm plantation	100.00%	100.00%	-	-
Kumpulan Bertam Plantations Berhad	Malaysia	Oil palm plantation	95.52%	95.52%	4.48%	4.48%
EPA Management Sdn. Bhd.	Malaysia	Investment holding, provision of management services and consultancy, and mechanical equipment assembler	100.00%	100.00%	-	-
Skellerup Industries (Malaysia) Sdn. Bhd.	Malaysia	Manufacturer of rubber-based products	100.00%	100.00%	-	-
Kulim Topplant Sdn. Bhd.	Malaysia	Production of oil palm clones	100.00%	60.00%	-	40.00%
JTP Trading Sdn. Bhd.	Malaysia	Trading/distribution of tropical fruits	100.00%	100.00%	-	-
Kulim Energy Sdn. Bhd.	Malaysia	Investment holding	80.00%	80.00%	20.00%	20.00%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests*	
			2016	2015	2016	2015
Held by the Company: (continued)						
Pristine Bay Sdn. Bhd.	Malaysia	Investment holding	51.00%	51.00%	49.00%	49.00%
Kulim Plantations (Malaysia) Sdn. Bhd.	Malaysia	Oil palm plantation	100.00%	100.00%	-	-
Sindora Berhad	Malaysia	Investment holding, operations of oil palm million and rubber estates	100.00%	100.00%	-	-
+Cita Tani Sdn. Bhd.	Malaysia	Cultivation of sugar cane and other agriculture produce	100.00%	100.00%	-	-
Renown Value Sdn. Bhd.	Malaysia	Cultivation of pineapples and other agricultural produce	75.00%	75.00%	25.00%	25.00%
Kulim Nursery Sdn. Bhd.	Malaysia	Oil palm nursery and other related services	100.00%	100.00%	-	-
+SG Lifestyle Sdn Bhd	Malaysia	Marketing of personal care products	100.00%	100.00%	-	-
Danamin (M) Sdn. Bhd.	Malaysia	Construction of oil and gas equipment	75.00%	75.00%	25.00%	25.00%
+PT Wisesa Inspirasi Nusantara	Indonesia	Investment holding	74.00%	74.00%	26.00%	26.00%
+Asia Economic Development Fund Limited	Hong Kong	Investment holding	54.21%	54.21%	45.79%	45.79%
Kulim Energy Nusantara Sdn. Bhd.	Malaysia	Investment holding	100.00%	100.00%	-	-
Kulim SmartTech. Sdn. Bhd.	Malaysia	Researching and developing cutting-edge solutions for oil and gas, healthcare and industrial automation	100.00%	100.00%	-	-
+Classruum Technologies Sdn. Bhd.	Malaysia	Computer equipment supplier and services	76.00%	-	24.00%	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests*	
			2016	2015	2016	2015
Held through Mahamurni Plantations Sdn. Bhd.:						
Pembangunan Mahamurni Sdn. Bhd.	Malaysia	Investment holding	100.00%	100.00%	-	-
United Malayan Agricultural Corporation Berhad	Malaysia	Oil palm plantation	100.00%	100.00%	-	-
Held through Ulu Tiram Manufacturing Company (Malaysia) Sdn. Bhd.:						
EPA Futures Sdn. Bhd.	Malaysia	Dormant	51.00%	51.00%	49.00%	49.00%
Held through EPA Management Sdn. Bhd.:						
+Akli Resources Sdn. Bhd.	Malaysia	Provider of in-house and external training programmes	100.00%	100.00%	-	-
Edaran Badang Sdn. Bhd.	Malaysia	Dealer in agricultural machinery and parts	100.00%	100.00%	-	-
Kulim Civilworks Sdn. Bhd.	Malaysia	Facilities maintenance, project and construction works	99.67%	99.67%	0.33%	0.33%
Panquest Ventures Limited	British Virgin Island	Dormant	100.00%	100.00%	-	-
Kulim Livestocks Sdn. Bhd.	Malaysia	Breeding and sale of cattle	100.00%	100.00%	-	-
Special Appearance Sdn. Bhd.	Malaysia	Production house and event management	99.56%	90.00%	0.44%	10.00%
Extreme Edge Sdn. Bhd.	Malaysia	Computer equipment supplier and services	75.00%	75.00%	25.00%	25.00%
Pinnacle Platform Sdn. Bhd.	Malaysia	Software maintenance and supplier	95.00%	95.00%	5.00%	5.00%
Kulim Safely Training & Services Sdn. Bhd.	Malaysia	Provision of training services and any other services related to occupational safety, health, environmental and security systems	75.00%	75.00%	25.00%	25.00%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests*	
			2016	2015	2016	2015
Held through EPA Management Sdn. Bhd.: (Continued)						
+PT Kulim Agro Persada	Indonesia	Management services	100.00%	100.00%	-	-
Perfect Synergy Trading Sdn. Bhd.	Malaysia	Fertilizer supplier	75.00%	75.00%	25.00%	25.00%
Optimum Status Sdn. Bhd.	Malaysia	Mill maintenance	75.00%	75.00%	25.00%	25.00%
Held through Kulim Livestocks Sdn. Bhd.:						
+Exquisite Livestock Sdn. Bhd.	Malaysia	Dormant	100.00%	100.00%	-	-
Held through Kulim Civilworks Sdn. Bhd.:						
+KCW Hardware Sdn. Bhd.	Malaysia	Dormant	99.67%	99.67%	0.33%	0.33%
+KCW Kulim Marine Services Sdn. Bhd.	Malaysia	Dormant	99.67%	99.67%	0.33%	0.33%
+KCW Electrical Sdn. Bhd.	Malaysia	Dormant	99.67%	99.67%	0.33%	0.33%
+KCW Roadworks Sdn. Bhd.	Malaysia	Dormant	99.67%	99.67%	0.33%	0.33%
Held through Skellerup Industries (Malaysia) Sdn. Bhd.:						
Skellerup Foam Products (Malaysia) Sdn. Bhd.	Malaysia	Dormant	100.00%	100.00%	-	-
Skellerup Latex Products (M) Sdn. Bhd.	Malaysia	Dormant	100.00%	100.00%	-	-
SIM Manufacturing Sdn. Bhd.	Malaysia	Investment holding and manufacturers and dealers in rubber and rubber products of all kinds	90.00%	90.00%	10.00%	10.00%
Held through Extreme Edge Sdn. Bhd.						
Sovereign Multimedia Resources Sdn. Bhd.	Malaysia	Information and communication technology business	75.00%	75.00%	25.00%	25.00%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests*	
			2016	2015	2016	2015
Held through JTP Trading Sdn. Bhd.:						
+JTP Montel Sdn. Bhd.	Malaysia	Dormant	100.00%	100.00%	-	-
Held through Sindora Berhad:						
+Sindora Wood Products Sdn. Bhd.	Malaysia	Property letting	100.00%	100.00%	-	-
+Sindora Timber Products Sdn. Bhd.	Malaysia	Dormant	100.00%	100.00%	-	-
+Sindora Trading Sdn. Bhd.	Malaysia	Dormant	100.00%	100.00%	-	-
+Sindora Development Sdn. Bhd.	Malaysia	Dormant	100.00%	100.00%	-	-
Sindora Timber Sdn. Bhd.	Malaysia	Timber logging, processing and sale of sawn timber, timber doors, laminated timber scantling and trading of wood products	82.03%	82.03%	17.97%	17.97%
** Granulab (M) Sdn. Bhd.	Malaysia	Trading of GranuMas, a granular synthetic bone graft	-	99.29%	-	0.71%
Epasa Shipping Agency Sdn. Bhd.	Malaysia	Shipping and forwarding agent	100.00%	100.00%	-	-
+E.A. Technique (M) Berhad	Malaysia	Provision of sea transportation and related services	50.60%	50.60%	49.40%	49.40%
Microwell Bio Solutions Sdn. Bhd.	Malaysia	Trading of agricultural fertilizers, water treatment, biotechnology research and development	60.00%	60.00%	40.00%	40.00%
MIT Insurance Brokers Sdn. Bhd.	Malaysia	Insurance broking and consultancy	75.00%	75.00%	25.00%	25.00%
*** Sindora Marketing Sdn. Bhd. (Formerly known as Granulab Marketing Sdn. Bhd.)	Malaysia	Dormant	100.00%	99.29%	-	0.71%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests*	
			2016	2015	2016	2015
Held through Sindora Timber Sdn. Bhd.:						
+Tiram Fresh Sdn. Bhd.	Malaysia	Cultivation and trading of mushroom and related products	82.03%	82.03%	17.97%	17.97%
+Jejak Juara Sdn. Bhd.	Malaysia	Manufacturers and dealers in rubber products	72.92%	72.92%	27.08%	27.08%
Held through E.A. Technique (M) Berhad:						
+Johor Shipyard & Engineering Sdn. Bhd.	Malaysia	Shipbuilding, fabrication of steel structures, engineering services and consultancy	50.60%	50.60%	49.40%	49.40%
+Libra Prefex Precision Sdn Bhd	Malaysia	Hiring and charter of vessels, supplying and installation of equipment supplying of all kinds of chemicals and chemical preparation and cleaning service for the industrial, oil and gas, marine, engineering and agricultural sector	50.60%	-	49.40%	-
Held through Microwell Bio Solutions Sdn. Bhd.:						
Microwell Trading Sdn. Bhd.	Malaysia	Trading of biochemical fertilizer	60.00%	60.00%	40.00%	40.00%
Held through MIT Insurance Broker Sdn Bhd:						
MIT Captive Ltd	Malaysia	Licensed to carry Labuan Captive takaful business	75.00%	-	25.00%	-
Held through Danamin Sdn. Bhd.:						
DQ-IN Sdn. Bhd.	Malaysia	Dormant	75.00%	75.00%	25.00%	25.00%
Xcot Tech Sdn. Bhd.	Malaysia	Dormant	75.00%	75.00%	25.00%	25.00%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests*	
			2016	2015	2016	2015
Held through PT Wisesa Inspirasi Nusantara:						
+PT Sawit Sumber Rejo	Indonesia	Oil palm plantation	70.30%	70.30%	29.70%	29.70%
+PT Wahana Semesta Kharisma	Indonesia	Oil palm plantation	70.30%	70.30%	29.70%	29.70%
+PT Harapan Barito Sejahtera	Indonesia	Oil palm plantation	70.30%	70.30%	29.70%	29.70%
+PT Tempirai Palm Resources	Indonesia	Oil palm plantation	70.30%	-	29.70%	-
+PT Rambang Agro Jaya	Indonesia	Oil palm plantation	70.30%	-	29.70%	-
Held through Asia Economic Development Fund Limited ("AEDF"):						
+Asia Logistics Council Sdn. Bhd. ("ALC")	Malaysia	E-Commerce	36.86%	36.86%	63.14%	63.14%
Held by Granulab (M) Sdn Bhd:						
Sindora Marketing Sdn. Bhd. (Formerly known as Granulab Marketing Sdn. Bhd.)	Malaysia	Sales of Granulab Synthetic Borne Graft	-	99.29%	-	0.71%

* Equals to the proportion of voting rights held

\+ Audited by firms other than PricewaterhouseCoopers

\# Listed on Main Board of Bursa Malaysia Securities Berhad

** Disposed during the year

*** Previously held through Granulab (M) Sdn Bhd

Acquisition of Asia Logistics Council Sdn Bhd ("ALC") in the financial year ended 31 December 2015

On 5 March 2015, Asia Economic Development Fund Limited ("AEDF") entered into a share sale agreement ("SSA") with Johor Logistics Sdn. Bhd. ("JLog"), a wholly-owned subsidiary of the parent corporation, Johor Corporation ("JCorp"), in relation to the proposed acquisition of 2,109,212 ordinary shares in ALC representing a 30% equity interest not already owned by AEDF, for a total consideration of RM23.17 million to be satisfied by the issuance of 158,958 ordinary shares in AEDF.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition of Asia Logistics Council Sdn Bhd ("ALC") in the financial year ended 31 December 2015 (continued)

Upon completion of the acquisition on 1 November 2015, ALC became a 68% owned subsidiary of AEDF which in turn resulted in ALC becoming an indirect subsidiary of the Company.

In the previous financial year, the acquisition was recorded as a business combination and provisional fair values were recorded. In 2016, the Directors determined that the acquisition should be recorded as a business combination under common control. The effect of the prior year adjustment is disclosed in Note 35.

The acquisition of ALC had the following effects on the Group's assets and liabilities as at 1 January 2015:

	Carrying values recognised RM'000
Property, plant and equipment	1,376
Intangible assets	44,123
Investment in associates	(74,091)
Investments	82,074
Trade and other receivables	(36)
Tax recoverable	47
Cash and bank balances	136
Trade and other payables	(10,182)
Borrowings	(124)
Net identifiable assets	43,323
Represented by:	
Capital reserves	19,736
Retained earnings	(1,388)
Non-controlling interests	24,975
	43,323

(a) Acquisition of subsidiaries in 2016

Acquisition of Classruum Technologies Sdn. Bhd. ("CRTSB")

In February 2016, the Group acquired 204,000 ordinary shares in CRTSB representing 51% of the issued and paid up share capital of CRTSB for a total purchase consideration of RM2,142,000. Following the acquisition, CRTSB became a subsidiary of the Group. In November 2016, the Group acquired a further 25% equity interest for a purchase consideration of RM250,000.

The impact to the Group from the date of acquisition or from the beginning of the financial year is not material.

Acquisition of PT Rambang Agro Jaya ("RAJ") and PT Tempirai Palm Resources ("TPR")

On 24 June 2016, the Group acquired 2,375 ordinary shares in RAJ representing 95% of the issued and paid up share capital of RAJ for a total purchase consideration of RM1,199,000. Following the acquisition of the interest, RAJ became a subsidiary of the Group.

On 24 June 2016, the Group acquired 2,375 ordinary shares in TPR representing 95% of the issued and paid up share capital of TPR for a total purchase consideration of RM2,000. Following the acquisition of the interest, TPR became a subsidiary of the Group.

The acquisition of PT RAJ and PT TPR included the settlement of outstanding shareholders' loans and advances amounting to RM35,970,000.

The impact to the Group from the date of acquisition or from the beginning of the financial year is not material.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of subsidiaries in 2016 (continued)

Acquisition of Libra Prefex Precision Sdn. Bhd. ("LIBRA")

On 24 November 2016, the Group acquired 2,000,000 ordinary shares in LIBRA representing 100% of the issued and paid up share capital of LIBRA for a total purchase consideration of RM5,000,000. Following the acquisition of the interest, LIBRA became a subsidiary of the Group.

LIBRA contributed revenue of approximately RM1,596,185 and profit after taxation of approximately RM91,135 to Group for the period from the date of acquisition to 31 December 2016. Had the acquisition been taken effect at the beginning of the financial year, the revenue and profit after taxation contributed to the Group would have been RM10,220,306 and RM106,614 respectively.

The net assets of RAJ, TPR and LIBRA recognised in the Group's statement of financial position for the year ended 31 December 2016 were based on provisional assessments of their fair values while the Group is still evaluating the fair values of their assets acquired and liabilities and contingent liabilities assumed. The purchase price allocation ("PPA") on identifiable assets, liabilities and contingent liabilities had not been completed by the date the Group's statement of financial position for the year ended 31 December 2016 were approved for issue by the Board of Directors. If new information obtained within one year of the acquisition date about facts and circumstances that existed at the acquisition date identify adjustments to the above provisional amounts, or any provisions that existed at the acquisition date, then the accounting for the acquisition will be revised as allowed by MFRS 3 Business Combination.

The acquisitions above had the following effects on the Group's assets and liabilities on the acquisition date:

	Final fair value recognised on acquisition	Provisional fair value recognised on acquisition		
	CRTSB RM'000	RAJ & TPR RM'000	LIBRA RM'000	Total RM'000
Property, plant and equipment	117	218,410	44	218,571
Inventories	-	4,618	-	4,618
Deferred tax assets	-	273	282	555
Intangible assets	1,957	-	5,331	7,288
Cash and cash equivalents	1,070	693	4,100	5,863
Receivables	81	189	626	896
Payables	(623)	(164,885)	(5,003)	(170,511)
Tax payables	-	(60)	-	(60)
Effect of exchange rate	-	(670)	-	(670)
Net identifiable assets	2,602	58,568	5,380	66,550
Less: Non-controlling interest on acquisition	(460)	(1,130)	-	(1,590)
Group's share of net assets acquired	2,142	57,438	5,380	64,960
Bargain purchase on acquisition	-	(20,267)	(380)	(20,647)
Purchase consideration	2,142	37,171	5,000	44,313
Cash and cash equivalents acquired	(1,070)	(693)	(4,100)	(5,863)
Net cash outflow	1,072	36,478	900	38,450

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of subsidiaries in 2016 (continued)

Increase in investment in other subsidiaries

During the current financial year, the Group acquired an additional 40% equity interest in Kulim Topplant Sdn Bhd ("KTSB") for a total consideration of RM4,000,000. The additional acquisition did not have any significant effect on the financial position and results of the Group. Other equity increases in investments in subsidiaries during the year were not significant to the Group.

(b) Disposal of subsidiary in 2016

As disclosed in Note 10(a), the Group disposed of its equity interests in Granulab (M) Sdn Bhd for a total consideration of RM685,000 during the year. The effects of the disposal on the financial position and results of the Group and the Company are disclosed in Note 10(a).

(c) Disposal of subsidiary in 2015

As disclosed in Note 10(b), the Group disposed of its equity interests in New Britain Palm Oil Limited for a total consideration of RM2,887,384,000. The effects of the disposal on the financial position and results of the Group and the Company are disclosed in Note 10(b).

(d) Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group

Proportion of equity interest held by non-controlling interests:

	2016 %	2015 %
E.A. Technique (M) Berhad ("EAT") Group	49.40	49.40
Asia Economic Development Fund Limited ("AEDF") Group	45.79	45.79
PT Wisesa Inspirasi Nusantara ("PT WIN") Group	26.00	26.00

Summarised statements of financial position before intra-group elimination:

At 31 December 2016	AEDF Group RM'000	EAT Group RM'000	PT WIN Group RM'000	Total RM'000
Current assets	406	440,931	23,335	464,672
Non-current assets	175,173	715,047	286,826	1,177,046
Current liabilities	(12,901)	(571,268)	(215,801)	(799,970)
Non-current liabilities	(112,087)	(310,910)	(1,586)	(424,583)
Total equity	50,591	273,800	92,774	417,165
Attributable to:				
- Equity holders of the Company	20,285	138,543	63,438	222,266
- Non-controlling interest	30,306	135,257	29,336	194,899
	50,591	273,800	92,774	417,165

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group (continued)

Summarised statements of financial position before intra-group elimination: (continued)

At 31 December 2015	AEDF Group RM'000 (restated)	EAT Group RM'000 (restated)	PT WIN Group RM'000	Total RM'000 (restated)
Current assets	1,975	302,436	6,035	310,446
Non-current assets	252,787	646,336	92,075	991,198
Current liabilities	(121,268)	(407,962)	(20,138)	(549,368)
Non-current liabilities	-	(270,747)	-	(270,747)
Total equity	133,494	270,063	77,972	481,529
Attributable to:				
- Equity holders of the Company	62,527	136,652	57,699	256,878
- Non-controlling interest	70,967	133,411	20,273	224,651
	133,494	270,063	77,972	481,529

Summarised statements of comprehensive income before intra-group elimination:

At 31 December 2016	AEDF Group RM'000	EAT Group RM'000	PT WIN Group RM'000	Total RM'000
Revenue	-	591,663	302	591,965
Cost of sales	-	(492,106)	(5,224)	(497,330)
Other income	83	-	21,285	21,368
Administrative and other expenses	(741)	(60,619)	(3,301)	(64,661)
Finance costs	-	(17,397)	-	(17,397)
(Loss)/profit before tax	(658)	21,541	13,062	33,945
Income tax expense	-	(12,762)	(1,971)	(14,733)
(Loss)/profit after tax	(658)	8,779	11,091	19,212
Attributable to non-controlling interests	(1,553)	4,337	1,518	4,302
Dividend paid to non-controlling interests	-	2,490	-	2,490

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group (continued)

Summarised statements of comprehensive income before intra-group elimination: (continued)

At 31 December 2015	AEDF Group RM'000 (restated)	EAT Group RM'000 (restated)	PT WIN Group RM'000	Total RM'000 (restated)
Revenue	-	536,530	-	536,530
Cost of sales	-	(418,336)	-	(418,336)
Other income	-	6,629	1,584	8,213
Administrative and other expenses	(561)	(93,303)	(1,220)	(95,084)
Finance costs	(5)	(15,702)	-	(15,707)
(Loss)/profit before tax	(566)	15,818	364	15,616
Income tax expense	-	(4,281)	(92)	(4,373)
(Loss)/profit after tax	(566)	11,537	272	11,243
Attributable to non-controlling interests	(83)	5,699	75	5,691
Dividend paid to non-controlling interests	-	5,602	-	5,602

Summarised cash flows before intra-group elimination:

At 31 December 2016	AEDF Group RM'000	EAT Group RM'000	PT WIN Group RM'000	Total RM'000
Operating	(3,714)	156,910	47,756	200,952
Investing	(3)	(245,840)	(222,178)	(468,021)
Financing	2,157	78,952	18,086	99,195
Net decrease in cash and cash equivalents	(1,560)	(9,978)	(156,336)	(167,874)

At 31 December 2015	AEDF Group RM'000	EAT Group RM'000	PT WIN Group RM'000	Total RM'000
Operating	1,247	(24,890)	(1,124)	(24,767)
Investing	(44,300)	(173,032)	(9,070)	(226,402)
Financing	44,590	196,464	7,992	249,046
Net increase/(decrease) in cash and cash equivalents	1,537	(1,458)	(2,202)	(2,123)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

15. INVESTMENT IN ASSOCIATE

	Group	
	31.12.2016 RM'000	31.12.2015 RM'000
Unquoted shares in Malaysia	800	8,800
Share of post-acquisition reserves	1,690	1,949
	2,490	10,749
Less: Accumulated impairment losses	-	(8,000)
	2,490	2,749

Details of the significant associates are as follows:

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group* 2016	% of ownership interest held by the Group* 2015	Accounting model applied
			%	%	
Held through Sindora Berhad					
Tepak Marketing Sdn Bhd ("Tepak")	Malaysia	Tea blending and packaging	20.00	20.00	Equity method
MM Vita Oils Sdn. Bhd.	Malaysia	Manufacturing and marketing of edible oil product	-	30.00	Equity method

* equals to the proportion of voting rights held

MM Vita Oils Sdn. Bhd. has entered into receivership status and the investment has been impaired in full in previous financial years. During the financial year, the investment was written off.

Summarised financial information on associate

Summarised financial information in respect of each of the Group's material associate is set out below. The summarised financial information represents the amounts in the financial statements of the associate and not the Group's share of those amounts.

(i) Summarised statement of financial position

Tepak	2016 RM'000	2015 RM'000
Current assets	18,110	16,241
Non-current assets	2,143	2,495
Current liabilities	(7,778)	(4,809)
Non-current liabilities	(24)	(180)
Equity	12,451	13,747

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

15. INVESTMENT IN ASSOCIATE (CONTINUED)

Summarised financial information on associate (continued)

(i) Summarised statement of financial position (continued)

Tepak	2016 RM'000	2015 RM'000
Proportion of Group's ownership	20%	20%
Equity attributable to the Group, representing carrying amount of the investment	2,490	2,749

(ii) Summarised statement of comprehensive income

Tepak	2016 RM'000	2015 RM'000
Revenue	36,975	33,569
Cost of sales	(31,201)	(28,779)
Administration expenses	(3,596)	(3,186)
Finance cost	-	(18)
Profit for the year	2,178	1,586
Total comprehensive income for the year	2,178	1,586
Previous year over recognition of profit	(694)	-
Current year share of profit	436	317
Group's share of (loss)/profit for the year	(258)	317

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

16. INVESTMENTS

Group	Shares in Malaysia Unquoted RM'000	Shares in Malaysia Quoted RM'000	Outside Malaysia Unquoted RM'000	Warrants in Malaysia Quoted RM'000	Fund investments RM'000	Total RM'000
2016						
At cost						
Non-current:						
Available-for-sale financial assets	-	-	173,360	-	-	173,360
	-	-	173,360	-	-	173,360
At fair value						
Non-current:						
Available-for-sale financial assets	16,634	36,542	-	-	1,644	54,820
	16,634	36,542	-	-	1,644	54,820
Current:						
Available-for-sale financial assets	-	24,276	-	-	-	24,276
Investment held for trading	7,560	-	-	8,584	-	16,144
	7,560	24,276	-	8,584	-	40,420
	24,194	60,818	173,360	8,584	1,644	268,600

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

16. INVESTMENTS (CONTINUED)

Group	Shares in Malaysia Unquoted RM'000	Shares in Malaysia Quoted RM'000	Outside Malaysia Unquoted RM'000	Warrants in Malaysia Quoted RM'000	Fund investments RM'000	Total RM'000
2015						
At cost						
Non-current:						
Available-for-sale financial assets	-	-	173,360	-	-	173,360
	-	-	173,360	-	-	173,360
At fair value						
Non-current:						
Available-for-sale financial assets	21,222	86,599	-	-	1,729	109,550
	21,222	86,599	-	-	1,729	109,550
Current:						
Investment held for trading	-	-	-	6,005	-	6,005
	-	-	-	6,005	-	6,005
	21,222	86,599	173,360	6,005	1,729	288,915

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

16. INVESTMENTS (CONTINUED)

Company	Shares in Malaysia Unquoted RM'000	Shares in Malaysia Quoted RM'000	Warrant in Malaysia Quoted RM'000	Total RM'000
At fair value				
2016				
Non-current				
Available-for-sale financial assets	9,697	20,426	-	30,123
Current				
Available-for-sale financial assets	-	24,276	-	24,276
Investment held for trading	7,560	-	8,584	16,144
	7,560	24,276	8,584	40,420
	17,257	44,702	8,584	70,543
2015				
Non-current				
Available-for-sale financial assets	768	63,605	-	64,373
Current				
Investment held for trading	-	-	6,005	6,005
	768	63,605	6,005	70,378

17. INVENTORIES

	Group 31.12.2016 RM'000	Group 31.12.2015 RM'000	Company 31.12.2016 RM'000	Company 31.12.2015 RM'000
At cost:				
Agricultural produce	1,667	2,791	-	-
Raw materials and consumables	20,606	16,284	2,184	1,694
Work-in-progress	3	319	-	-
Livestocks	16,539	18,218	-	-
Finished goods	9,646	31,734	136	-
Property development cost	30,417	-	30,417	-
	78,878	69,346	32,737	1,694

During the year, the amount of inventories recognised as an expense in cost of sales of the Group and Company were RM635,451,000 (2015: RM543,743,000) and RM80,897,000 (2015: RM80,253,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000 (restated)	31.12.2016 RM'000	31.12.2015 RM'000
Non-current				
Trade receivables:				
Finance lease receivables	3,027	2,370	-	-
	3,027	2,370	-	-
Current				
Trade receivables:				
Third parties	195,347	216,734	2,191	4,250
Less: Allowance for impairment losses				
Third parties	(38,016)	(31,814)	(1,252)	(1,161)
	157,331	184,920	939	3,089
Finance lease receivables	-	1,028	-	-
Amount due from contract customer	153,861	133,862	-	-
	311,192	319,810	939	3,089
Trade receivables, net	314,219	322,180	939	3,089
Current				
Other receivables:				
Third parties	272,695	153,834	10,411	14,046
Deposit	6,824	7,105	396	333
Prepayments	4,868	11,079	1,441	532
	284,387	172,018	12,248	14,911
Less: Allowance for impairment losses				
Third parties	(14,942)	(7,772)	(10,043)	(7,772)
	(14,942)	(7,772)	(10,043)	(7,772)
Other receivables, net	269,445	164,246	2,205	7,139
Amount due from:				
Subsidiaries	-	-	164,713	685,421
Ultimate holding corporation	46,063	24,239	32,458	10,788
Related companies	5,596	5,889	4,071	582
	51,659	30,128	201,242	696,791

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000 (restated)	31.12.2016 RM'000	31.12.2015 RM'000
Current (continued)				
Less: Allowance for impairment losses				
Subsidiaries	-	-	(22,335)	(6,912)
Related companies	(36)	(849)	-	-
	(36)	(849)	(22,335)	(6,912)
Amount due from, net	51,623	29,279	178,907	689,879
Total trade and other receivables	635,287	515,705	182,051	700,107

Included in other receivables (current) is:

(i) Share subscription monies paid in advance for redeemable convertible preferences shares of RM10 million and dividends and interest receivable of RM1.4 million from a third party. These balances will be settled upon the purchase of the third party topside equipment by a subsidiary, E.A. Technique (M) Berhad which is expected to be completed by June 2017.

(ii) Deposit and prepayment of RM47 million and RM163 million respectively paid for the purchase and subscription of shares in PT Citra Sarana Energi (Note 30(f)).

(a) Trade receivables

Third party trade receivables are non-interest bearing and payment terms range from payment in advance to 90 days (2015: payment in advance to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

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

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Neither past due nor impaired	102,491	105,964	-	11
1 to 30 days past due not impaired	13,611	61,625	144	559
31 to 60 days past due not impaired	6,245	10,031	88	510
61 to 90 days past due not impaired	2,177	3,119	118	286
91 to 120 days past due not impaired	2,634	3,159	73	938
More than 120 days past due not impaired	29,959	1,022	516	785
	54,626	78,956	939	3,078
Impaired	38,016	31,814	1,252	1,161
	195,133	216,734	2,191	4,250

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

Ageing analysis of trade receivables (continued)

The ageing analysis of the Group's and the Company's trade receivables are as follows: (continued)

Receivables that are neither past due nor impaired are mainly due from regular customers that have been transacting with the Group. None of these balances have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group and Company have trade receivables amounting to RM54,626,000 (2015: RM78,956,000) and RM939,000 (2015: RM3,078,000) respectively that are past due at the reporting date but not impaired. These balances are not secured.

Receivables that are impaired

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

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Trade receivables				
- nominal amounts	38,016	31,814	1,252	1,161
Less: Allowance for impairment	(38,016)	(31,814)	(1,252)	(1,161)
	-	-	-	-
Movement in allowance accounts:				
At 1 January	31,814	8,321	1,161	-
Charge for the year	9,282	24,252	872	1,161
Reversal of impairment loss	(785)	(1,474)	(781)	-
Written off	(2,295)	-	-	-
Other adjustment	-	715	-	-
At 31 December	38,016	31,814	1,252	1,161

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Amount due from subsidiaries and related companies

These amounts are unsecured, non-interest bearing and repayable on demand.

The Group's and the Company's amount due from subsidiaries and related companies that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Amount due from				
- nominal amounts	36	849	22,335	6,912
Less: Allowance for impairment	(36)	(849)	(22,335)	(6,912)
	-	-	-	-
Movement in allowance accounts:				
At 1 January	849	1,020	6,912	5,972
Charge for the year	36	-	15,423	2,203
Reversal of impairment loss	(849)	(171)	-	(1,263)
At 31 December	36	849	22,335	6,912

(c) Amount due from ultimate holding corporation

These amounts are unsecured, non-interest bearing and repayable on demand.

(d) Other receivables that are impaired

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

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Other receivables				
- nominal amounts	14,942	7,772	10,043	7,772
Less: Allowance for impairment	(14,942)	(7,772)	(10,043)	(7,772)
	-	-	-	-
Movement in allowance accounts:				
At 1 January	7,772	5,707	7,772	5,707
Charge for the year	7,173	2,065	2,271	2,065
Reversal of impairment loss	(3)	-	-	-
At 31 December	14,942	7,772	10,043	7,772

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(e) Finance lease commitments - as lessor

Finance lease receivable represents the present value of the minimum lease payments receivable by the Group via E.A. Technique (M) Berhad Group, under a finance lease arrangement for a period of five years. At the end of lease term, the ownership of the vessel will be transferred to the lessee for a consideration of RM1,000,000.

During current financial year, the finance lease arrangement has been terminated resulting in derecognition of the finance lease receivable. The carrying amount of the finance lease receivable of RM2,795,000 has been transferred to property, plant and equipment.

The future minimum lease payments under finance leases together with the present value of the minimum lease payments are as follows:

	Group	
	31.12.2016 RM'000	31.12.2015 RM'000
Future minimum lease payment:		
Not later than 1 year	-	1,925
Later than 1 year but not later than 5 years	-	3,023
Total minimum lease payments	-	4,948
Less: Unearned finance income	-	(1,550)
Present value of minimum lease payment	-	3,398
Present value of minimum lease payment:		
Not later than 1 year	-	1,028
Later than 1 year but not later than 5 years	-	2,370
	-	3,398

(f) Amount due from contract customers

	Group	
	31.12.2016 RM'000	31.12.2015 RM'000 (restated)
Construction contract cost incurred to date	628,317	279,588
Attributable profit	95,074	62,629
	723,391	342,217
Less: Progress billings	(526,508)	(185,937)
Effect of foreign exchange differences	(43,022)	(22,419)
	153,861	133,861

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

19. DERIVATIVES

	Group	
	31.12.2016 RM'000	31.12.2015 RM'000
Contractual nominal value		
Interest rate swap	210,000	265,000
Fair value		
Current assets		
Interest rate swap	27	1,325

The Group has entered into an interest rate swap contract with a notional amount of RM210,000,000 (2015: RM265,000,000) that is designed to convert its floating rate liabilities to fixed rate liabilities to reduce the Company's exposure to adverse fluctuations in interest rate on its borrowings.

Under the interest rate swap contract, the Group pays a fixed rate of interest of 4.18% per annum and receives a variable rate based on one month KLIBOR on the amortised notional amount.

The above interest rate swap is not designated as a cash flow or fair value hedge and is entered into for a period consistent with the transaction exposure. It does not qualify for hedge accounting.

20. CASH AND BANK BALANCES

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Cash and bank balances	211,512	174,482	97,759	74,601
Deposits placed with licensed banks	189,887	1,160,013	104,847	1,073,263
Short-term money market funds	129,384	250,310	1,064	201,306
	530,783	1,584,805	203,670	1,349,170

Included in deposits placed with licensed banks of the Group and of the Company are amounts of RM204,070,000 (2015: RM63,086,000) and RM350,000 (2015: RM350,000) respectively, pledged for bank facilities granted to the Group and the Company.

The weighted average interest rate of the fixed deposits of the Group and of the Company at the reporting date are 1.35% (2015: 3.83%) per annum and 0.05% (2015: 4.00%) per annum respectively.

The weighted average maturities of the fixed deposits of the Group and of the Company at the reporting date are 17 days (2015: 77 days) and 1 day (2015: 70 days) respectively.

Short-term money market funds of the Group and of the Company are highly liquid fund investments which can be realised within 2 days (2015: 2 days) and 7 days (2015: 7 days) for the Group and for the Company respectively. They bear interest at rates of 0.91% (2015: 3.83%) per annum and 3.08% (2015: 3.47%) per annum for the Group and for the Company respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

20. CASH AND BANK BALANCES (CONTINUED)

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

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Cash and short-term deposits	530,783	1,584,805	203,670	1,349,170
Less:				
Deposits pledged	(204,070)	(63,086)	(350)	(350)
Bank overdrafts (Note 22)	(7,286)	(5,141)	-	-
Deposits placed with licensed banks with maturities exceeding 90 days	(1,025)	(4,731)	-	-
Cash and cash equivalents	318,402	1,511,847	203,320	1,348,820

21. TRADE AND OTHER PAYABLES

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000 (restated)	31.12.2016 RM'000	31.12.2015 RM'000
Current				
Trade:				
Third parties	239,955	131,221	12,837	6,531
	239,955	131,221	12,837	6,531
Non-trade:				
Third parties	123,190	95,004	15,244	11,173
	123,190	95,004	15,244	11,173
Amount due to:				
Subsidiaries	-	-	80,995	18,888
Related companies	2,485	-	760	399
	2,485	-	81,755	19,287
Total trade and other payables	365,630	226,225	109,836	36,991

(a) Trade payables

Trade and other payables are unsecured and non-interest bearing. Credit terms range from payment in advance to 90 days (2015: payment in advance to 90 days).

(b) Amounts due to subsidiaries and related companies (non-trade)

These amounts which arose mainly from advances and payments on behalf are unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

22. BORROWINGS

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000 (restated)	31.12.2016 RM'000	31.12.2015 RM'000
Current				
Secured:				
Finance leases	3,292	1,235	-	-
Bank overdrafts	1,941	-	-	-
Revolving credits	6,400	6,400	-	-
Term loans	372,859	175,279	-	-
Bankers' acceptances	130	1,760	-	-
	384,622	184,674	-	-
Unsecured:				
Bank overdrafts	5,345	5,141	-	-
Revolving credits	736,884	150,298	240,000	-
Term loans	55,000	55,000	-	-
Bankers' acceptances	300	1,659	-	-
	797,529	212,098	240,000	-
Current borrowings	1,182,151	396,772	240,000	-
Non-Current				
Secured:				
Finance leases	8,712	3,342	-	-
Term loans	302,446	399,563	-	-
	311,158	402,905	-	-
Unsecured:				
Term loans	547,587	109,602	492,787	-
Non-current borrowings	858,745	512,507	492,787	-
Total borrowings:				
Finance leases (Note 29 (c))	12,004	4,577	-	-
Bank overdrafts (Note 20)	7,286	5,141	-	-
Bankers' acceptances	430	3,419	-	-
Revolving credits	743,284	156,698	240,000	-
Term loans	1,277,892	739,444	492,787	-
	2,040,896	909,279	732,787	-

During the financial year, the Group and Company capitalised directly attributable transaction costs relating to certain term loans amounting to RM7,593,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

22. BORROWINGS (CONTINUED)

Details of the Group's term loans are as follows:

Group	Year of maturity	Carrying amount RM'000	Repayment: 2017 Under 1 year RM'000	2018 1 – 2 years RM'000	2019-2021 3 – 5 years RM'000	>2021 Over 5 years RM'000
2016						
Islamic financing facilities	2021 – 2026	767,701	94,584	133,514	223,020	316,583
Islamic financing facility – EPCIC	2017	291,356	291,356	-	-	-
Conventional financing facilities	2017 – 2030	218,835	41,919	36,453	101,942	38,521
		1,277,892	427,859	169,967	324,962	355,104

	Year of maturity	Carrying amount RM'000	Repayment: 2016 Under 1 year RM'000	2017 1 – 2 years RM'000	2018-2020 3 – 5 years RM'000	>2020 Over 5 years RM'000
2015						
Islamic financing facilities	2021-2023	323,072	90,130	90,818	136,672	5,452
Islamic financing facility – EPCIC	2017	215,771	107,997	-	-	107,774
Conventional financing facilities	2018-2030	200,601	33,524	38,853	85,843	42,381
		739,444	231,651	129,671	222,515	155,607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

22. BORROWINGS (CONTINUED)

Details of the Company's term loans are as follows:

Company	Year of maturity	Carrying amount RM'000	<------------------------ Repayment 2017 Under 1 year RM'000	 2018 1 – 2 years RM'000	 2019-2021 3 – 5 years RM'000	------------------------> >2021 Over 5 years RM'000
2016						
Islamic financing facilities	2026	492,786	-	38,481	137,722	316,583

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

22. BORROWINGS (CONTINUED)

Islamic financing facilities, Islamic financing facility - EPCIC

Included in the Islamic financing facilities is a loan denominated in USD amounting to RM101,626,288 (2015: RM94,981,711).

Securities

The term loans are secured by the following:

(a) Charges over certain property, plant and equipment of the Group as disclosed in Note 11;

(b) Charges over certain fixed deposits of the Group as disclosed in Note 20;

(c) Corporate guarantee from the Company;

(d) Joint and several guarantee by certain directors and shareholders of the subsidiary

The Islamic financing facilities, Islamic financing facility – EPCIC are secured by way of the following:

(i) Duly executed and enforceable Memorandum of Deposit and letter of set-off for the placement of fixed deposits totalling RM2,027,304 (2015: RM3,235,608) in form of AL Mudharabah General Investment Account (GIA) throughout the financing period respectively;

(ii) Assignment of the relevant insurance coverage over the vessels indicating the Bank as loss payee (beneficiary), namely;

  (a) Hull and machinery;

  (b) Mortage interest; and

  (c) Protection and Indemnify Club (P&I) acceptable to the Bank.

(iii) Guarantee given by certain directors and shareholders of the Company;

(iv) Duly executed and enforceable Deed of Mortage and Covenant over the vessels and vessels under construction to be financed by the Banks;

(v) Legal Assignment of the contract proceeds throughout the financing period to be duly acknowledged by Charterer; and

(vi) Sinking funds built up by deducting each progressive contract proceeds of the EPCIC channelled to the Designated Collection Account (“DCA”).

Significant covenants

In connection with significant term loan facilities, the Group and the Company have agreed on the following significant covenants with the lenders:

(i) The ratio of the consolidated total borrowings to the consolidated shareholders' funds will not exceed 125% at all times;

(ii) The Group’s gearing ratio is below 1.5 times and finance service coverage ratio is more than 1.25 times;

(iii) The gearing ratio of a subsidiary, Mahamurni Plantations Sdn Bhd Group, will not exceed 1.75 times; and

(iv) A minimum of Tangible Net Worth (TNW) of RM350,000,000 on a consolidated basis and total liabilities to TNW on consolidated basis shall not exceed 2.0 to 1 for a subsidiary, Mahamurni Plantations Sdn Bhd Group, and maintain TNW of least RM350,000,000 million on consolidated basis and total liabilities to TNW on consolidated basis shall not exceed 1.5 to 1 for the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

22. BORROWINGS (CONTINUED)

Significant covenants (continued)

The borrowings of the Group and Company bear interest at the following rates:

	Group		Company	
	31.12.2016 % per annum	31.12.2015 % per annum	31.12.2016 % per annum	31.12.2015 % per annum
Weighted average effective interest rates at the end of reporting period:				
- Finance leases	3.35	3.54	-	-
- Bank overdrafts	5.65	6.50	-	-
- Revolving credits and bankers' acceptances	2.48	3.99	4.17	-
- Term loans	4.99	5.93	6.03	-

23. CONVERTIBLE NOTES

On 5 March 2015, the Group via Asia Economic Development Fund Limited entered into a subscription agreement with Johor Logistics ("Subscriber") who subscribed for the convertible notes issued by the subsidiary at the nominal amount of USD13,550,000 which is equivalent to RM62,891,000 (2015: RM58,186,000).

The conversion period is from 5 March 2015 to 5 March 2020 (the "Maturity Date").

Under the terms for the convertible notes, the Subscriber could, at any time before the Maturity Date, convert in whole or in part the convertible notes into ordinary shares of the subsidiary at conversion prices as determined by the subsidiary's board of directors.

Unless previously redeemed, converted or purchased and cancelled as provided in the subscription agreements, the convertible notes would be converted on the maturity date into ordinary shares of the subsidiary based on the conversion price as determined by the subsidiary's board of directors.

24. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets/(liabilities) as at 31 December relate to the following:

Group	2016 RM'000	2015 RM'000 (restated)
At 1 January, as previously stated	177,363	185,700
Effects of the change in accounting policy (Note 35)	209,682	188,449
Effect of prior year adjustment (Note 35)	(4,885)	-
At 1 January, as restated	382,160	374,149
Recognised in profit or loss (Note 9)	8,030	(10,894)
Acquisition of subsidiaries	(555)	-
Recognised in comprehensive income (Note 26)	16,410	18,905
	406,045	382,160

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

24. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

The movements during the financial year relating to deferred (liabilities)/assets are as follows:

Group (Continued)	2016 RM'000	2015 RM'000 (restated)
As at beginning of the financial year, as restated	382,160	374,149
Charged/(credited) to profit or loss (Note 9)		
- property, plant and equipment	15,111	(6,009)
- payables	(6,959)	-
- tax losses	(210)	-
- others	88	(4,885)
	8,030	(10,894)
Acquisition of subsidiaries (Note 14)	(555)	-
Charged/(credited) to equity (Note 26)		
- property, plant and equipment	24,766	21,233
- exchange differences	103	(2,328)
- others	(8,459)	-
	16,410	18,905
As at end of the financial year	406,045	382,160

Deferred tax assets/(liabilities) as at 31 December relate to the following: (continued)

Group	2016 RM'000	2015 RM'000 (restated)
Deferred tax assets (before offsetting)		
Payables	(6,959)	-
Tax losses	(210)	-
Others	-	(15,698)
	(7,169)	(15,698)
Offsetting	7,622	15,698
Deferred tax assets (after offsetting)	453	-
Deferred tax liabilities (before offsetting)		
Property, plant and equipment	414,032	397,858
Others	88	-
	414,120	397,858
Offsetting	(7,622)	(15,698)
Deferred tax liabilities (after offsetting)	406,498	382,160

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

24. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Deferred tax assets/(liabilities) as at 31 December relate to the following: (continued)

Company	2016 RM'000	2015 RM'000
At 1 January, as previously stated	66,490	67,990
Effect of change in accounting policy (Note 35)	17,401	16,923
At 1 January, as restated	83,891	84,913
Recognised in profit or loss (Note 9)	1,503	(1,500)
Recognised in comprehensive income (Note 26)	5,240	478
	90,634	83,891
The movements during the financial year relating to deferred liabilities are as follows: (continued)		
As at beginning of the financial year, as restated	83,891	84,913
Charged/(Credited) to profit or loss (Note 9)		
- property, plant and equipment	3,598	1,196
- Others	(2,095)	(2,696)
	1,503	(1,500)
Charged to equity (Note 26)		
- property, plant and equipment	5,240	478
As at end of the financial year	90,634	83,891
Deferred tax assets (before offsetting)		
Payables	1,194	1,137
Tax losses	3,501	2,649
Others	2,745	1,559
Offsetting	(7,440)	(5,345)
Deferred tax assets (after offsetting)	-	-
Deferred tax liabilities (before offsetting)		
Property, plant and equipment	98,074	89,236
Offsetting	(7,440)	(5,345)
Deferred tax liabilities (after offsetting)	90,634	83,891

At the reporting date, deferred tax assets have not been recognised in respect of the following items:

	Group	
	31.12.2016 RM'000	31.12.2015 RM'000
Unutilised tax losses	40,046	44,118
Unabsorbed capital allowances	127,227	77,825
Other deductible temporary differences	1,264	2,875
	168,537	124,818

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

24. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

The availability of the above tax losses and allowances for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967, other guidelines issued by the tax authority and subject to the approval from the tax authority of the country in which the losses originate.

25. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares of RM0.25		Amount	
	31.12.2016 '000	31.12.2015 000	31.12.2016 RM'000	31.12.2015 RM'000
Authorised				
At 1 January/31 December	2,000,000	2,000,000	500,000	500,000
Issued and fully paid				
At 1 January	1,350,423	1,342,504	337,605	335,626
Conversion of warrants	25,915	3,834	6,479	958
Exercise of ESOS	31,503	4,085	7,876	1,021
Bonus issue	7,405,469	-	1,851,368	-
Selective capital reduction	(8,686,351)	-	(2,171,588)	-
Cancellation of treasury shares	(122,959)	-	(30,740)	-
At 31 December	4,000	1,350,423	1,000	337,605

During the year, the Company undertook a selective capital reduction ("SCR") and repayment exercise to all shareholders of the Company other than the Non-Entitled Shareholders. Non-Entitled Shareholders are the shareholders that not entitled to give up their shares which comprises Johor Corporation and entities acting in concert with Johor Corporation in relation to the exercise.

A total of 25,914,609 warrants and 31,503,350 ESOS options were fully exercised at exercise prices of RM2.77 and RM2.69 per share respectively, which resulted in proceeds of RM71,784,000 and RM84,744,000 respectively.

Given that the number of the Company's shares to be cancelled was higher than the issued and paid-up share capital, a bonus issue of 7,405,469,351 shares was issued by the Company only to the Non-Entitled Shareholders to increase the issued and paid-up share capital to a level which is sufficient for the selective capital reduction.

Subsequently a total of 529,655,508 shares were redeemed by the Entitled Shareholders (shareholders that are entitled to give up their shares during SCR and obtain cash in return) at RM4.10 per share, amounting to RM2,171,588,000. The balance of 8,156,695,492 shares held by Non-Entitled Shareholders were also cancelled as part of the SCR.

The 122,958,300 treasury shares were similarly cancelled for no consideration.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

26. RESERVES

	Note	Group 31.12.2016 RM'000	Group 31.12.2015 (restated) RM'000	Company 31.12.2016 RM'000	Company 31.12.2015 (restated) RM'000
Reserves					
Non-distributable:					
Share premium reserve	(a)	-	448,910	-	448,910
Translation reserve	(b)	(32,142)	(26,616)	-	-
Fair value reserve	(c)	8,525	(6,091)	8,915	(7,117)
Revaluation reserve	(d)	1,228,303	1,075,396	199,241	129,412
Other reserves	(e)	54,646	54,646	4,165	4,165
Warrant reserve	(a)	-	52,938	-	52,938
Treasury shares	(a)	-	(371,088)	-	(371,088)
Equity transaction reserve	(f)	(2,913)	2,182	-	-
ESOS reserve	(g)	-	36,252	-	36,252
		1,256,419	1,266,529	212,321	293,472

The movements of each category of the reserves during the financial year are disclosed in the statements of changes in equity.

The nature and purpose of each category of reserves are as follows:

(a) Selective capital reduction

Following the SCR and delisting of the Company from the Main Board of Bursa Securities Berhad, there were no outstanding share premium reserve, warrant reserve and treasury shares as at 31 December 2016.

(b) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations where functional currencies are different from that of the Group's presentation currency.

(c) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

26. RESERVES (CONTINUED)

(d) Revaluation reserve

The revaluation reserve relates to the revaluation of the Group's and Company's freehold and leasehold lands for plantation operation on 31 December 2016.

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
At 1 January, as previously stated	1,345,220	1,345,220	897,579	897,579
Effects of change in accounting policy (Note 35)	(269,824)	(326,195)	(768,167)	(768,924)
At 1 January, as restated	1,075,396	1,019,025	129,412	128,655
Arising from revaluation of property, plant and equipment during the financial year				
- revaluation surplus	177,673	77,604	75,071	1,235
- tax effect	(24,766)	(21,233)	(5,241)	(478)
- Net of tax	152,907	56,371	69,830	757
As at end of the financial year	1,228,303	1,075,396	199,242	129,412

(e) Other reserves

Other reserves consist mainly of reserves arising from the scheme of reconstruction, amalgamation, liquidation and merger of certain subsidiaries.

(f) Equity transaction reserve

The equity transaction reserve comprises the differences between the share of non-controlling interests in subsidiaries acquired/disposed and the consideration paid/received.

(g) ESOS reserve

An Executives Share Options Scheme ("ESOS") was implemented on 31 December 2013 for the benefit of senior executives and employees of the Company. The ESOS was for a duration of 5 years. The fair value of each share option on the grant date was RM0.89. The options are to be settled only by the issuance and allocation of new ordinary shares of the Company. There are no cash settlement alternatives.

The options granted are divided into 5 tranches which vest on 31 December 2013, 31 December 2014, 31 December 2015, 31 December 2016 and 31 December 2017. The vesting condition is that the offeree must be an employee or director, as the case may be, of the Company or its subsidiaries on the respective vesting and exercise dates. The options were to expire on 31 December 2018 but were accelerated due to the SCR.

Movement of share options during the financial year

The following table illustrates the number of, and movements in, share options of the Company during the financial year:

	Number of share options at exercise price of RM2.69 each	
	2016 '000	2015 '000
Outstanding at beginning of financial year	27,781	22,410
- vested	26,484	10,125
- exercised	(31,503)	(4,085)
- forfeited	(22,762)	(669)
Outstanding at end of financial year	-	27,781
Exerciseable at end of financial year	-	27,781

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

27. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 December 2016 may be distributed as dividends under the single tier system.

28. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

For the purposes of the financial statements, 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 operating 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.

All entities within the Johor Corporation Group are considered related companies/parties.

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

	Transaction value for the year ended 31 December	
	2016 RM'000	2015 RM'000
Group		
Ultimate holding corporation		
Johor Corporation		
- Agency fees received	1,218	770
- Acquisition of land	-	(17,930)
- Purchase and sales commission received	25	18
- Planting advisory and agronomy fees received	650	638
- Computer charges received	2,725	3,440
- Training, seminar and course fees received	-	14
- Sales of goods	1,867	1,703
- Sales of cattle	1,864	1,520
- Construction work and maintenance fees received	-	482
- Event management fees and replanting services received	1,508	1,746
- Sales of oil palm seedling and bio compost fertilizer	935	519
- Rental payable	(834)	(529)
- Purchase of oil palm fresh fruit bunches	(29,295)	(22,256)
- Insurance charges	115	67
- Secretarial and share registration fees paid	(328)	(209)
- Profit shared from Persada Parking Concession	-	1,810
- Deposit paid for acquisition of Menara Ansar land	(17,100)	-
Other related companies		
Johor Franchise Development Sdn. Bhd.		
- Agency fees received	1,124	757
- Purchase and sales commission received	36	90
- Purchase of oil palm fresh fruit bunches	(51,698)	(36,335)
- Planting advisory and agronomy fees received	628	628

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Sale and purchase of goods and services (continued)

	Transaction value for the year ended 31 December	
	2016 RM'000	**2015 RM'000**
Group (continued)		
Other related companies (continued)		
- Computer charges received	41	23
- Training, seminar and course fees received	-	1
- Sales of goods	1,111	1,751
- Construction work and maintenance fees received	33	565
- Event management fees, replanting fees and booth rental received	395	573
- Sales of oil palm seedling and bio compost fertilizer	47	92
Akedemi JCorp Sdn. Bhd.		
- Training, seminar and course fees payable	-	(37)
Pro Biz Solution Sdn. Bhd.		
- Rental income	60	60
Pro Corporate Management Services Sdn. Bhd.		
- Secretarial and share registration fees paid	(46)	(209)
Damansara Assets Sdn. Bhd.		
- Management fees and services payable	-	(831)
- Rental commission payable	(547)	(591)
- Computer charges received	18	100
Johor Land Berhad		
- Purchase of oil palm fresh fruit bunches	(2,270)	(1,726)
- Management fees received	415	293
- Rendering of services	1,202	980
- Rental payable	(25)	(89)
Tanjung Langsat Port Sdn. Bhd.		
- Computer charges received	-	1,074
KARA Holdings Sdn. Bhd.		
- Computer charges received	587	3,111

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Sale and purchase of goods and services (continued)

	Transaction value for the year ended 31 December	
	2016 RM'000	2015 RM'000
Company		
Ultimate holding corporation		
Johor Corporation		
- Rental payable	(629)	(629)
- Acquisition of land	-	(17,930)
- Secretarial Fee	(36)	-
- Deposit paid for acquisition of Menara Ansar Land	(17,100)	-
Other related companies		
Damansara Assets Sdn. Bhd.		
- Management fees and services payable	(843)	(831)
- Rental commission payable	(547)	(591)
Johor Land Berhad		
- Purchase of oil palm fresh fruit bunches	(2,270)	(1,726)
- Management fees received	415	293
- Purchasing and sales commission received	57	-
Pro Biz Solution Sdn. Bhd.		
-Rental income	60	60
Subsidiaries		
Mahamurni Plantations Sdn. Bhd.		
- Sales of oil palm fresh fruit bunches	76,842	58,355
- Interest income	854	665
Kulim Plantations (Malaysia) Sdn. Bhd.		
- Sales of oil palm fresh fruit bunches	38,769	35,190
- Dividend income	22,000	-
Selai Sdn. Bhd.		
- Dividend income	975	-
Ulu Tiram Manufacturing Company (Malaysia) Sdn. Bhd.		
- Dividend income	1,000	3,000
Kumpulan Bertam Plantations Berhad		
- Dividend income	2,814	2,345

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Sale and purchase of goods and services (continued)

	Transaction value for the year ended 31 December	
	2016 RM'000	2015 RM'000
Company (continued)		
Subsidiaries (continued)		
Sindora Berhad		
- Sales of oil palm fresh fruit bunches	18,870	19,483
- Dividend income	7,880	-
Asia Economic Development Fund Limited		
- Subscription of convertible notes	-	49,170
EPA Management Sdn. Bhd.		
- Computer charges payable	-	(5,545)
- Training, seminar and course fees payable	-	(131)
- Purchase of goods	-	(5,602)
- Construction work and maintenance fees payable	-	(6,340)
- Event management fees replanting and booth rental payable	-	(914)
Kulim Nursery Sdn. Bhd.		
- Purchase of oil palm seedlings and bio compost fertilizers	(1,248)	(101)
Edaran Badang Sdn. Bhd.		
- Purchase of goods	(1,564)	(1,498)
Perfect Synergy Sdn. Bhd.		
- Purchase of chemicals	(1,440)	(1,598)
Extreme Edge Sdn. Bhd.		
- Purchase of computer hardware and software supplies	(7,294)	(830)
- Services performed on conversion of IT software	(1,858)	(865)
- Maintenance of equipments charged	(1,800)	(1,375)
- IT Hardware and maintenance services	(11,742)	(4,681)
Soverign Multimedia Resources Sdn. Bhd.		
- Services performed on software development, implementation and support	(938)	(95)
- Purchase of computer software	(1,565)	(4,389)
Kulim Civilworks Sdn. Bhd.		
- Repair and maintenance charged	(2,502)	(2,710)
- Transportation fee charged	(1,674)	(1,604)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Sale and purchase of goods and services (continued)

	Transaction value for the year ended 31 December	
	2016 RM'000	2015 RM'000
Company (continued)		
Subsidiaries (continued)		
Pinnacle Platform Sdn. Bhd.		
- Services performed on maintenance of IT application systems	(1,299)	(466)
- Purchase of IT application systems and software	(5,415)	(329)
Special Appearance Sdn. Bhd.		
- Replanting cost payables	(1,162)	(598)

(b) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprises all the Directors of the Company and their compensation are disclosed in Note 8.

29. COMMITMENTS

(a) Capital commitments

Committed capital expenditure as at the reporting date is as follows:

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Authorised capital expenditure in respect of property, plant and equipment not provided for in the financial statements at the end of the year:				
- Contracted for	82,389	98,019	58,513	1,251
- Not contracted for	13,236	21,348	-	210
	95,625	119,367	58,513	1,461
Authorised capital expenditure in respect of investment in new subsidiaries:				
- Contracted for	117,974	808,142	-	808,142

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

29. COMMITMENTS (CONTINUED)

(b) Operating lease arrangements

Operating lease commitments – as lessee

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

	Group	
	31.12.2016 RM'000	31.12.2015 RM'000
Not later than 1 year	17,285	31,928
Later than 1 year but not later than 5 years	-	19,112
	17,285	51,040

(c) Finance lease commitments

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group	
	31.12.2016 RM'000	31.12.2015 RM'000 (Restated)
Minimum lease payments		
Not later than 1 year	3,361	1,570
Later than 1 year but not later than 5 years	8,810	3,688
Total minimum lease payments	12,171	5,258
Less: Amounts representing finance charges	(167)	(681)
Present value of minimum lease payments	12,004	4,577
Present value of payments		
Not later than 1 year	3,292	1,235
Later than 1 year but not later than 5 years	8,712	3,342
Present value of minimum lease payments	12,004	4,577
Less: Amounts due within 12 months	(3,292)	(1,204)
Amount due after 12 months	8,712	3,373

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

30. SIGNIFICANT EVENTS

(a) Selective Capital Reduction ("SCR")

On 5 November 2015, the Company announced that the Board of Directors ("Board") had received a letter from its major shareholder, JCorp and parties acting in concert, requesting for the Company to undertake a selective capital reduction and repayment exercise pursuant to Section 64 of the Companies Act, 1965 ("Act") ("Offer" or "Proposed SCR"). The Proposed SCR entails a capital repayment of the proposed cash amount of RM4.10 per ordinary share of RM0.25 each held by the Entitled Shareholders on an entitlement date to be determined later. Entitled shareholders included all shareholders of the Company other than the Non-Entitled Shareholders, whom names appear in the Record of Depositors of the Company as at the close of business on the entitlement date of SCR exercise. Non-Entitled Shareholders consist of JCorp and entities acting in consert with JCorp in relation to SCR exercise.

On 18 November 2015, the Company announced that the Board, save for the Interested Directors, had at a meeting held on 17 November 2015 deliberated on the contents of the Offer Letter and has decided to present the Proposed SCR to shareholders for their consideration.

On 14 December 2015, the Company announced that, the Board, had appointed AmInvestment Bank Berhad ("AmBank") as the Independent Adviser to advise the Entitled Shareholders and the non-interested directors in relation to the Proposed SCR.

On 22 December 2015, the Company announced that the relevant applications in relation to the Proposed SCR have been submitted to the SC pursuant to Sections 1.1, 1.2(b) and 1.2(c), Practice Note 44 of the Malaysian Code on Take-Overs and Mergers, 2010 ("Code").

Reference to the announcement made by the company on 31 December 2013, the Board had offered up to 63,935,462 ESOS Options to eligible employees with the vesting period of the ESOS Options staggered over a five (5) year period ("ESOS Options Vesting Period").

Given that the Proposed SCR will take place prior to the completion of the ESOS Options Vesting Period, any ESOS Options not exercised prior to the Entitlement Date shall automatically lapse and shall thereafter be null and void in accordance with the terms of the ESOS by-laws.

On 10 February 2016, the Company announced that the SC had vide its letter dated 5 February 2016, which was received on 10 February 2016, approved the proposed exemption under Paragraph 1.1 of Practice Note ("PN") 44 of Code in relation to the Proposed SCR, subject to compliance with the requirements under Paragraph 1.2 of PN 44 of the Code.

On 5 April 2016, the Company announced that the SC had vide its letter dated 4 April 2016, which was received on 5 April 2016, granted its consent for the contents and the issuance of the circular, explanatory statement and the independent advice letter to the shareholders in relation to the Proposed SCR pursuant to Sections 1.2(b), (c) and (d) of Practice Note 44 of the Code.

At the EGM of the Company held on 11 April 2016, the shareholders approved the proposed selective capital reduction and repayment exercise pursuant to Section 64 of the Companies Act, 1965, whereby the entire selected shares of the Company (including treasury shares but excluding shares held by Johor Corporation and its related company shall be cancelled via capital repayment of RM4.10 for each share cancelled. Upon completion of the exercise, the Company will become a wholly owned subsidiary of Johor Corporation (89.48% direct shareholding and 10.52% indirect shareholding) and the resultant issued and paid up capital shall be RM1,000,000 comprising 4,000,000 ordinary shares of RM0.25 each.

On 9 May 2016, the Company announced that on 5 May 2016 the Company had filed the petition to the High Court of Malaya at Kuala Lumpur ("High Court") to obtain an order of the High Court to confirm the Proposed SCR pursuant to Section 64 of the Companies Act, 1965.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

30. SIGNIFICANT EVENTS (CONTINUED)

(a) Selective Capital Reduction ("SCR") (continued)

On 2 June 2016, the High Court granted an order confirming the SCR pursuant to Section 64 of the Act. On 9 June 2016, the SCR had become effective upon lodgement of the office copy of the order obtained from the High Court confirming the SCR with the Companies Commission of Malaysia ("CCM").

On 1 August 2016, Bursa Securities had informed the Company that the entire issued and paid-up share capital of Company has been removed from the Official List of Bursa Securities with effect from 9.00 a.m. on Thursday, 4 August 2016 pursuant to Paragraph 16.07(b) of the Main Market Listing Requirements of Bursa Securities. Following to the removal, JCorp effectively holds 100% of the equity interest of the Company.

(b) Acquisition of 51% equity interest in Classruum Technologies Sdn Bhd ("CRTSB")

On 20 January 2016, Kulim announced that it had on 19 January 2016, completed the acquisition of 51% equity interest in CRTSB for a total consideration of RM2,142,000. Following the acquisition of the interest, CRTSB became a subsidiary of the Group.

CRTSB is involved in the information, communication and technology ("ICT") business.

(c) Acquisition of plantation companies in Indonesia

On 10 February 2016, Kulim announced that its 74% owned Indonesian subsidiary, PT Wisesa Inspirasi Nusantara ("PT WIN") had entered into 4 conditional share purchase agreements ("CSPA(s)") with the following Indonesian companies:

(i) PT Agro Maju Raya ("PT AMR") and PT Mitra Plantation ("PT MP") in relation to the proposed acquisition of 95% equity interest in PT Nusa Persada Indonesia ("PT NPI");

(ii) PT AMR in relation to the proposed acquisition of 95% equity interest in PT Surya Panen Subur ("PT SPS");

(iii) PT Agri Capital Resources ("PT ACR") in relation to the proposed acquisition of 95% equity interest in PT Tempirai Palm Resources ("PT TPR") and

(iv) PT ACR in relation to the proposed acquisition of 95% equity interest in PT Rambang Agro Jaya ("PT RAJ").

Collectively, PT AMR, PT MP and PT ACR are referred to as the Vendors.

Transactions (iii) and (iv) were completed during the financial year. Details of these acquisition are disclosed in Note 14.

The Condition Precedents for transaction (i) and (ii) had expired on 10 February 2017. As result, the Group does not plan to complete these transactions. The deposits of RM23.6 million previously paid for the proposed acquisition of PT NPI and PT SPS had been utilised as part of the settlement of bank loans obtained by Vendors which formed part of the acquisition arrangement for PT RAJ and PT TPR (Note 14).

(d) Proposed acquisition of topside equipment by E.A. Technique (M) Berhad ("EAT")

On 14 December 2015, the Group via EAT entered into a conditional Joint Venture & Shareholders' Agreement with MTC Engineering Sdn. Bhd. ("MTCE") to, inter-alia, subscribe in the equity of EAT MTC Floating Services Sdn. Bhd. ("EMF") for the purpose of joint venture on a 73% (EAT): 27% (MTCE) basis ("Proposed JV"). Under the Proposed JV, EMF will undertake the floating services operation and its related ancillary activities.

On 22 November 2016, the Joint Venture Agreement was terminated and a different arrangement to enable an outright transfer of asset belonging to MTCE will be effected. On the same day, EAT entered into a conditional Sale and Purchase Agreement ("SPA") with MTCE in relation to the proposed acquisition of topside equipment currently attached to EAT's vessel known as M.T. Nautica Muar, comprising amongst others, extended well test system, flare tower system, metering skid, cargo pump, quick release hook and helideck (collectively known as the "Topside Equipment") for a total purchase consideration of USD24.0 million (RM107,578,000).

All the conditions precedent under the SPA have been fulfilled on 11 April 2017 and the acquisition has became unconditional.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

30. SIGNIFICANT EVENTS (CONTINUED)

(e) Proposed acquisition of Menara Ansar land by the Company

The Company had on 30 December 2016 entered into a Sale and Purchase Agreement ("SPA") with Johor Corporation for the acquisition of a parcel of lands erected held under Geran 468052 Lot 22414, HSD 475165 PTB 18322 and HSD 500384 PTB 23359 in the Township and District of Johor Bahru, State of Johor for a total cash consideration of RM37,100,000 ("Menara Ansar Land") and paid a deposit of RM17,100,000 in accordance with the SPA.

(f) Proposed acquisition of 60% equity interest in Citra Sarana Energi ("CSE") to participate in the exploration and development of an oil & gas ("O&G") field in South West Bukit Barisan Block, Central Sumatera, Indonesia

On 10 December 2014, Kulim announced that Kulim Energy Nusantara Sdn Bhd ("KENSB"), its wholly owned subsidiary company, had entered into a Conditional Subscription and Share Purchase Agreement ("CSSPA") with CSE and its existing shareholders, namely PT Wisesa Inspirasi Sumatera and PT Inti Energi Sejahtera, to acquire a 60% equity interest in CSE to participate in the exploration and development of an O&G field in South West Bukit Barisan Block, Central Sumatera, Indonesia for a total cash consideration of approximately USD133.55 million (RM442 million).

On 11 November 2015, Kulim announced that the CP completion period of the CSSPA would be extended by 6 months from 7 November 2015 to 6 May 2016.

On 10 February 2016, Kulim announced that it had entered into a supplemental agreement dated 7 February 2016 to revise the total cash consideration under the CSSPA from USD133.55 million (RM442 million) to USD80 million (RM339 million). In addition, the supplemental agreement included a call option for KENSB to acquire an additional 5% equity interest in PT CSE for a consideration of USD4.67 million (RM15.5 million). The call option will expire a year from the date of the supplementary agreement.

As at 31 December 2016, deposit and prepayment of RM47 million and RM163 million respectively were paid for the purchase and subscription of shares in PT CSE.

The CP completion date of the CSSPA had been further extended to 5 November 2017.

As at the date of the financial statements, the Group is in the midst of completing the various conditions precedent as defined in the CSSPA.

(g) Acquisition of Libra Prefex Precision Sdn. Bhd. ("LIBRA")

On 24 November 2016, the Group acquired 2,000,000 ordinary shares in LIBRA representing 100% of the issued and paid up share capital of LIBRA for a total purchase consideration of RM5,000,000. Following the acquisition of the interest, LIBRA became a subsidiary of the Group.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. The audit committee provides independent oversight over the effectiveness of the risk management process.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group applies cash flow hedge accounting on those hedging relationships that qualify for hedge accounting.

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

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investments, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group seeks to invest cash assets safely and profitably. The Group has no significant concentration of credit risk and it is not the Group's policy to hedge its credit risk. The Group has in place, for significant operating subsidiaries, policies to ensure that sales of products and services are made to customers with an appropriate credit history and sets limits on the amount of credit exposure to any one customer. The Directors does not expect any material losses from non-performance by counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

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;
- Corporate guarantees provided by the Company to banks for credit facilities granted to subsidiaries. The amount outstanding on such facilities was RM576,685,000 (2015: RM314,899,000) as at the reporting date.

Financial guarantees have not been recognised in the financial statements as the directors are of the opinion that the fair value on initial recognition was not material and that it is not probable that a future sacrifice of economic benefits will be required.

Credit risk concentration profile

The Group and the Company determine concentrations of credit risk by monitoring individual profile of their trade receivables on an ongoing basis. The Group's and the Company's significant concentration of credit risks are in the form of two (2015: three) major customers which constitute approximately 72% (2015: 78%) and 77% (2015: 78%) of the total trade receivables respectively. There are no other customers which represent more than 10% of the total balance of trade receivables.

Other than the amounts due from the subsidiaries to the Company, the Company is not exposed to any significant concentration of credit risk in the form of receivables due from a single debtor or from groups of debtors.

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 18. Deposits with banks and other financial institutions and investments are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities, which had unutilised balances of RM81,000,000.

Analysis of financial instruments by remaining contractual maturities

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

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
At 31 December 2016				
Financial liabilities:				
Trade and other payables	365,630	-	-	365,630
Borrowings	1,182,151	536,218	353,872	2,072,241
Total undiscounted financial liabilities	1,547,781	536,218	353,872	2,437,871
At 31 December 2015				
Financial liabilities:				
Trade and other payables	226,226	-	-	226,226
Borrowings	504,546	395,054	147,102	1,046,702
Total undiscounted financial liabilities	730,772	395,054	147,102	1,272,928

	On demand or within one year RM'000	Total RM'000
Company		
At 31 December 2016		
Financial liabilities:		
Trade and other payables	105,512	105,512
Financial guarantees*	576,685	576,685
Borrowings	240,000	240,000
Total undiscounted financial liabilities	922,197	922,197
At 31 December 2015		
Financial liabilities:		
Trade and other payables	37,012	37,012
Financial guarantees*	314,899	314,899
Total undiscounted financial liabilities	351,911	351,911

* Based on maximum amount that can be called for under financial guarantee contracts provided to certain subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or 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 exposure to interest rate risk arises primarily from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk whereas those issued at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, a change of 50 basis points ("bp") in interest rates would have (decreased)/increased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group		Company	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
50 bp increase in interest rates	(7,457)	(3,364)	(2,400)	-
50 bp decrease in interest rates	7,457	3,364	2,400	-

(d) Foreign currency risk

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

The Group operates internationally and is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily the United States Dollar ("USD").

The Group's exposure to USD foreign currency risk, based on carrying amounts as at the end of the reporting period was:

	2016 RM'000	2015 RM'000
Group		
Trade and other receivables	206,865	190,816
Cash and bank	302,900	684,176
Trade and other payables	(129,277)	(44,649)
Borrowings	(551,904)	(461,049)
Net exposure	(171,416)	369,294

The Company is exposed to significant foreign currency risk on advances made to a subsidiary that are denominated in a currency other than the functional currency of the Company. The currency giving rise to this risk is primarily the Indonesian Rupiah ("IDR").

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk (continued)

The Company exposure to IDR foreign currency risk based on carrying amounts as at the end of the reporting period was:

	2016 RM'000	2015 RM'000
Company		
Investments in subsidiaries	266,643	58,754
Trade and other receivables	-	19,961

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's (excluding discontinued operations) profit net of tax and other comprehensive income net of tax ("OCI") to a reasonably possible change in the USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Profit net of tax		Other comprehensive income net of tax	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
USD/RM				
- strengthening of USD 5% (2015: 5%)	(8,571)	19,274	742	(848)
- weakening of USD by 5% (2015: 5%)	8,571	(19,274)	(742)	848

The following table demonstrates the sensitivity of the Company's (excluding discontinued operations) profit net of tax to a reasonably possible change in the USD and IDR exchange rates against the respective functional currencies of the Company, with all other variables held constant.

	Profit net of tax	
	31.12.2016 RM'000	31.12.2015 RM'000
USD/RM		
- strengthening of USD by 5% (2015: 5%)	5,293	31,011
- weakening of USD by 5% (2015: 5%)	(5,293)	(31,011)
IDR/RM		
- strengthening of IDR by 5% (2015: 5%)	10,394	998
- weakening of IDR by 5% (2015: 5%)	(10,394)	(998)

(e) Market price risk

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

The Group is exposed to equity price risk arising from its investments in financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Market price risk (continued)

Sensitivity analysis for market price risk

At the reporting date, a 5% (2015: 5%) strengthening in the FTSE Bursa Malaysia KLCI would have increased the Group's pre-tax profit and other comprehensive income by RM1,679,000 (2015: RM1,523,000) and RM3,078,000 (2015: RM3,219,000) respectively. A 5% weakening in the FTSE Bursa Malaysia KLCI would have an equal but opposite effect on the Group's pre-tax profit and other comprehensive income.

At the reporting date, a 5% (2015: 5%) strengthening in the FTSE Bursa Malaysia KLCI would have increased the Company's pre-tax profit and other comprehensive income by RM807,000 (2015: RM300,000) and RM2,259,000(2015: RM3,219,000) respectively. A 5% weakening in the FTSE Bursa Malaysia KLCI would have an equal but opposite effect on the Company's pre-tax profit and other comprehensive income.

(f) Fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values

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

	Note
Trade and other receivables	18
Borrowings	22
Trade and other payables	21

The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's and Company's assets and liabilities:

	<---------- Fair value measurement using ---------->			
	Quoted prices in active market (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unob-servable inputs (Level 3) RM'000	Total RM'000
Assets measured at fair value				
Group				
At 31 December 2016				
Unquoted shares	-	-	24,194	24,194
Quoted shares	60,818	-	-	60,818
Quoted warrants	8,584	-	-	8,584
Fund investments	-	1,644	-	1,644
Derivative financial instruments	-	27	-	27
Investment properties	-	-	116,218	116,218
Property, plant and equipment	-	-	3,553,086	3,553,086

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Fair value (continued)

Fair value hierarchy (continued)

The following table provides the fair value measurement hierarchy of the Group's and Company's assets and liabilities: (continued)

	<---------- Fair value measurement using ---------->			
	Quoted prices in active market (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unob-servable inputs (Level 3) RM'000	Total RM'000
Assets measured at fair value (continued)				
Group (Continued)				
At 31 December 2015				
Unquoted shares	-	-	21,222	21,222
Quoted shares	86,599	-	-	86,599
Quoted warrants	6,005	-	-	6,005
Fund investments	-	1,729	-	1,729
Derivative financial instruments	-	1,325	-	1,325
Investment properties	-	-	115,028	115,028
Property, plant and equipment	-	-	3,380,455	3,380,455
Company				
At 31 December 2016				
Unquoted shares	-	-	17,257	17,257
Quoted shares	44,702	-	-	44,702
Quoted warrants	8,584	-	-	8,584
Investment properties	-	-	114,880	114,880
Property, plant and equipment	-	-	1,193,406	1,193,406
At 31 December 2015				
Unquoted shares	-	-	768	768
Quoted shares	63,605	-	-	63,605
Quoted warrants	6,005	-	-	6,005
Investment properties	-	-	115,028	115,028
Property, plant and equipment	-	-	1,118,336	1,118,336

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equity investments listed in Bursa Malaysia Securities Berhad or foreign stock exchanges classified as trading securities or available for sale and commodity derivatives quoted on Malaysia Derivatives Exchange ("MDEX") for palm oil and other foreign commodity exchanges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Fair value (continued)

Fair value hierarchy (continued)

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Instruments included in Level 2 comprise foreign currency forward contracts and available-for-sales financial assets invested in certain unit trusts. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(iii) Financial instruments in Level 3

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs).

Fair value of financial instruments

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.

	Carrying amount		Fair value	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Available-for-sale financial assets	173,360	173,360	*	*

* Investments (Note 16)

Fair value information has not been disclosed for the Company's investments in AFS financial assets that are carried at cost because fair value cannot be measured reliably.

32. FINANCIAL INSTRUMENTS

The financial instruments of the Group and the Company as at 31 December are categorised into the following classes:

	Note	31.12.2016 RM'000	31.12.2015 RM'000
Group			
(a) Loans and receivables			
Trade and other receivables	18	635,287	515,705
Cash and bank balances	20	530,783	1,584,805
		1,166,070	2,100,510

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

32. FINANCIAL INSTRUMENTS (CONTINUED)

	Note	31.12.2016 RM'000	31.12.2015 RM'000
Group (continued)			
(b) Financial assets at fair value through profit or loss			
Available-for-sale financial assets	16	79,096	109,550
Investment held for trading	16	16,144	6,005
Derivatives	19	27	1,325
		95,267	116,880
(c) Financial liabilities measured at amortised cost			
Trade and other payables	21	365,630	226,225
Borrowings	22	2,040,896	909,279
		2,406,526	1,135,504
Company			
a) Loans and receivables			
Trade and other receivables	18	182,051	700,107
Cash and bank balances	20	203,670	1,349,170
		385,721	2,049,277
(b) Financial assets at fair value			
Available-for-sale financial assets	16	54,399	64,373
Investment held for trading	16	16,144	6,005
		70,543	70,378
(c) Financial liabilities measured at amortised cost			
Trade and other payables	21	109,836	36,991
Borrowings	22	732,787	-
		842,623	36,991

33. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

A subsidiary of the Group which is involved in insurance broking and consultancy is required by Bank Negara Malaysia to maintain a minimum shareholders' fund of RM600,000 at any point in time. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary for the financial years ended 31 December 2016 and 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

33. CAPITAL MANAGEMENT (CONTINUED)

The Group monitors capital using the debt-to-equity ratio. The Group's policy, which is unchanged from 2015, is to maintain the debt-to-equity ratio at the lower bound of the band between 0.5:1 and 0.8:1. The debt-to-equity ratios at 31 December 2016 and at 31 December 2015 were as follows:

	Group	
	31.12.2016 RM'000	**31.12.2015 RM'000 (restated)**
Total borrowings (Note 22)	2,040,896	909,279
Convertible Note (Note 23)	62,891	58,186
Less: Cash and bank balances (Note 20)	(530,783)	(1,584,805)
Net debt	1,573,004	(617,340)
Total equity	4,178,627	6,032,447
Debt-to-equity ratios	0.38	Not applicable

The Group has met its externally imposed financial covenants as described in Note 22 during the financial year.

34. SEGMENT INFORMATION

For management purposes, the Group is organised into strategic business units based on their products and services, and has five reportable segments. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The Group Managing Director (Group MD) reviews internal management reports for each of the strategic business units on a monthly basis. The operations of each of the Group's reportable segments are summarised below:

- Plantation operations — Oil palm planting, crude palm oil processing and plantation management services and consultancy.
- Intrapreneur ventures — Information and communication technology business sales of wood based products and others.
- Oil & gas ("O&G") support services — Sea transportation and construction of oil & gas equipment.
- Agrofood — Commercial cattle farming and trading and distribution of tropical fruits.
- Property investment — Rental of office building.

Performance is measured based on segment profit before tax and interest as included in the internal management reports that are reviewed by the Group MD. Management believes that segment profits are the most relevant measure by which it can assess the results of the segments against those of other entities operating in the same industries.

Other operations of the Group mainly comprise investment holding, tourism, training, and other miscellaneous activities which are not of sufficient size to be reported separately and consolidation adjustments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

34. SEGMENT INFORMATION (CONTINUED)

31 December 2016	Plantations RM'000	Intrapreneur Ventures RM'000	O & G support services RM'000	Agrofood RM'000	Property investment RM'000	Other operations RM'000	Con-solidated RM'000
Segment revenue	899,521	57,609	626,167	14,170	8,810	6,461	1,612,738
Results							
Interest income	325	119	2,857	-	-	30,629	33,930
Finance costs	17,935	446	18,159	8	-	22,929	59,477
Depreciation of property, plant and equipment	80,171	3,121	60,246	5,154	-	6,149	154,841
Amortisation of intangible assets	-	-	556	-	-	832	1,388
Share of result of associate	-	-	-	-	-	(258)	(258)
Segment profit/(loss)	73,267	1,032	36,335	(5,067)	4,088	(23,933)	85,722
Assets							
Investments in associates	-	-	-	-	-	2,490	2,490
Intangible assets	-	4,229	26,260	-	-	2,285	32,774
Additions to non-current assets	96,829	2,829	129,750	4,883	-	10,650	244,941
Segment assets	5,374,510	82,751	1,186,451	25,274	114,880	292,650	7,076,516
Segment liabilities	1,760,201	77,567	901,282	31,676	-	127,163	2,897,889

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

34. SEGMENT INFORMATION (CONTINUED)

31 December 2015 (restated)	Plantations RM'000	Intrapreneur Ventures RM'000	O & G support services RM'000	Agrofood RM'000	Property investment RM'000	Other operations RM'000	Con-solidated RM'000
31 December 2015 (restated)							
Segment revenue	777,264	64,057	569,783	17,143	8,609	6,168	1,443,024
Results							
Interest income	1,018	116	2,322	14	4	33,435	36,909
Finance costs	15,827	657	16,184	39	-	296	33,003
Depreciation of property, plant and equipment	76,278	2,283	50,694	5,249	-	13,433	147,937
Amortisation of intangible assets	-	991	-	-	-	1,609	2,600
Share of result of associate	-	-	-	-	-	317	317
Segment profit/(loss)	72,951	1,629	27,265	(9,571)	3,790	17,512	113,576
Assets							
Investments in associates	-	-	-	-	-	2,749	2,749
Intangible assets	-	4,229	12,560	-	-	53,030	69,819
Additions to non-current assets	121,524	3,545	173,594	4,477	-	510	303,650
Segment assets	6,156,730	91,542	978,320	27,391	115,028	251,435	7,620,446
Segment liabilities	667,687	82,483	696,130	31,525	-	110,174	1,587,999

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

34. SEGMENT INFORMATION (CONTINUED)

Geographical information

Revenue and total assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Total assets	
	31.12.2016 RM'000	31.12.2015 (restated) RM'000	31.12.2016 RM'000	31.12.2015 (restated) RM'000
Continuing operations:				
- Malaysia	1,612,738	1,443,024	7,020,787	7,498,973
- Indonesia	-	-	55,729	78,150
	1,612,738	1,443,024	7,076,516	7,577,123

35. EFFECTS OF THE CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENTS

(a) The Group and the Company have adopted the revaluation model in respect of plantation operations. As a result, adjustments had been made to the opening balances and relevant comparative information of the Group and the Company had been restated accordingly.

(b) A subsidiary of the Group made prior year adjustments in relation to the following:

(i) Over-recognition of revenue from construction contract due to understatement of total estimated budgeted cost used to calculate percentage of completion; and

(ii) Unrealised foreign exchange losses on amount due from customer contract not recognised at reporting date using closing rate; and

(iii) Tax effects of the (i) and (ii).

(c) The Group did not correctly apply their accounting policy for a business combination under common control in respect of Asia Logistics Council Sdn Bhd (Note 14). Accordingly, comparative figures of the Group have been amended. The Group are using the merger accounting method on the basis of common control. Thus the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flow and the related notes to the financial statements of the Group are presented as if the subsidiary have been owned throughout the current and preceding financial periods. Accordingly, comparative figures of the Group have been amended.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

35. EFFECTS OF THE CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENTS (CONTINUED)

The effects of the change in accounting policy and prior year adjustments are as follows:

Group

(a) Impact on the Group's statement of financial position:

As at 1 January 2015

	As previously reported RM'000	Effects of change in accounting policy RM'000	Effects of prior year adjustments RM'000	As restated RM'000
Property, plant and equipment	3,517,968	1,228,532	1,376	4,747,876
Intangible assets	33,439	-	44,123	77,562
Investment in associates	76,522	-	(74,091)	2,431
Investments	68,485	-	82,074	150,559
Trade and other receivables (current)	211,198	-	(36)	211,162
Tax recoverable	15,398	-	47	15,445
Cash and bank balances	342,597	-	136	342,733
Trade and other payables	168,540	-	10,182	178,722
Borrowings	1,202,185	-	124	1,202,309
Deferred tax liabilities	185,700	188,449	-	374,149
Reserves	1,794,906	(326,190)	19,736	1,488,452
Retained earnings	1,943,596	1,366,273	(1,388)	3,308,481
Non-controlling interests	1,590,197	-	24,975	1,615,172

As at 31 December 2015

	As previously reported RM'000	Effects of change in accounting policy RM'000	Effects of prior year adjustments RM'000	As restated RM'000
Property, plant and equipment	3,652,017	1,293,642	-	4,945,659
Intangible assets	121,852	-	(52,033)	69,819
Trade and other receivables (current)	548,061	-	(34,726)	513,335
Deferred tax liabilities	177,363	209,682	(4,885)	382,160
Trade and other payables	226,417	-	(192)	226,225
Borrowings	909,186	-	93	909,279
Current tax liabilities	15,999	-	(3,850)	12,149
Reserves	1,549,051	(269,824)	(12,698)	1,266,529
Non-controlling interests	263,621	-	(54,198)	209,423
Retained earnings	2,876,137	1,353,784	(11,031)	4,218,890

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

35. EFFECTS OF THE CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENTS (CONTINUED)

Group (continued)

(a) Impact on the Group's statement of financial position: (continued)

As at 31 December 2016

	As previously reported RM'000	Effects of change in accounting policy RM'000	As restated RM'000
Property, plant and equipment	3,936,926	1,457,374	5,394,300
Deferred tax liabilities	180,509	225,989	406,498
Reserves	1,373,336	(116,917)	1,256,419
Retained earnings	1,358,902	1,339,844	2,698,746

(b) Impact on the Group's statement of comprehensive income:

For the financial year ended 31 December 2015

	As previously reported RM'000	Effects of change in accounting policy RM'000	Effects of prior year adjustments RM'000	As restated RM'000
Revenue	1,455,545	-	(12,521)	1,443,024
Administrative expenses	174,163	12,494	22,788	209,445
Other income	69,401	-	(120)	69,281
Other expenses	64,220	-	3,093	67,313
Finance costs	32,999	-	4	33,003
Share of results of associates	5,996	-	(6,313)	(317)
Income tax expense	38,928	-	(8,735)	30,193
Surplus on revaluation of land, net of tax	-	56,371	-	56,371

For the financial year ended 31 December 2016

	As previously reported RM'000	Effects of change in accounting policy RM'000	As restated RM'000
Administrative expenses	186,386	13,940	200,326
Profit before tax	73,857	(13,940)	59,917
Net profit for the financial year	27,126	(13,940)	13,186
Other comprehensive income	13,606	153,758	167,364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

35. EFFECTS OF THE CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENTS (CONTINUED)

Group (continued)

(c) Impact on the Group's statement of cash flows:

For the financial year ended 31 December 2015

	As previously reported RM'000	Effects of change in accounting policy RM'000	Effects of prior year adjustments RM'000	As restated RM'000
Profit before tax	162,506	(12,494)	(32,213)	117,799
Unrealised foreign currency exchange gain	(35,214)	-	22,419	(12,795)
(Increase)/decrease in trade and other receivables	(289,087)	-	9,794	(279,293)
Amortisation and depreciation of:				
- property, plant and equipment	(135,249)	(12,494)	-	(147,743)

Company

(a) Impact on the Company's statement of financial position:

As at 1 January 2015

	As previously reported RM'000	Effects of change in accounting policy RM'000	As restated RM'000
Property, plant and equipment	1,118,675	182,522	1,301,197
Deferred tax liabilities	67,990	16,923	84,913
Reserves	1,340,498	(768,924)	571,574
Retained earnings	560,631	934,523	1,495,154

As at 31 December 2015

	As previously reported RM'000	Effects of change in accounting policy RM'000	As restated RM'000
Property, plant and equipment	1,135,593	180,694	1,316,287
Deferred tax liabilities	66,490	17,401	83,891
Reserves	1,061,638	(768,166)	293,472
Retained earnings	2,636,674	931,456	3,568,130

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

35. EFFECTS OF THE CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENTS (CONTINUED)

Company (continued)

(b) Impact on the Company's statement of comprehensive income:

For the financial year ended 31 December 2015

	As previously reported RM'000	Effects of change in accounting policy RM'000	As restated RM'000
Administrative expenses	(80,270)	(3,063)	(83,333)
Surplus on revaluation of land, net of tax	-	757	757

(c) Impact on the Company's Statement of Cash Flows:

For the financial year ended 31 December 2015

	As previously reported RM'000	Effects of change in accounting policy RM'000	As restated RM'000
Profit before tax	2,577,610	(3,067)	2,574,543

36. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 22 May 2017.