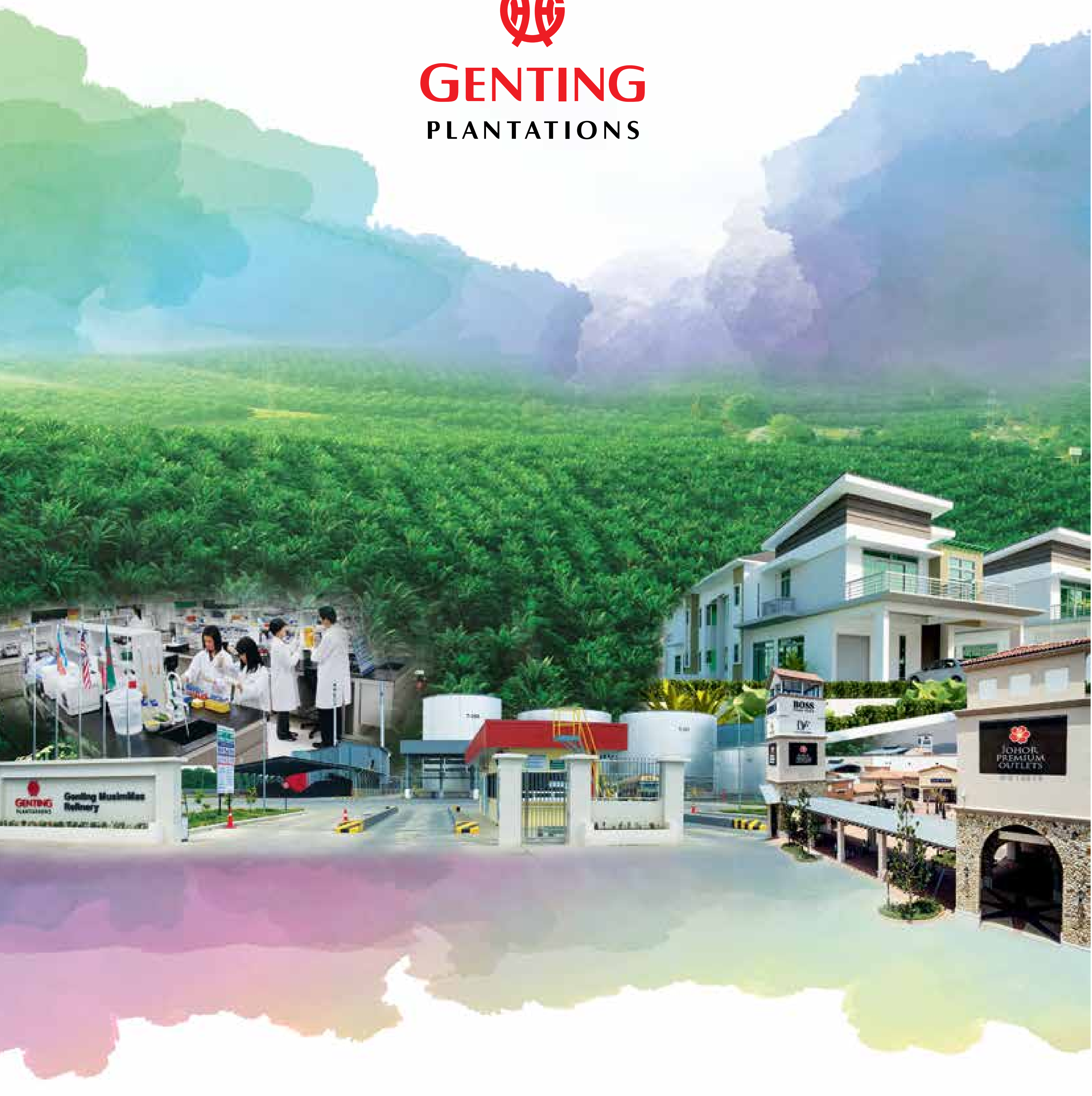
GENTING
PLANTATIONS



ANNUAL REPORT 2016

GENTING PLANTATIONS BERHAD
(34993-X)

about GENTING PLANTATIONS

OUR VISION

We strive:

To become a leader in the plantation industry.

To embark aggressively onto value-added downstream manufacturing activities which are synergistic to our core business.

To enhance return on the company land bank through property development activities.

To adopt a market-driven and customer-oriented approach, with emphasis on product quality and diversity.

To strengthen our competitive position by adopting new technologies and innovations.

As people are the key to achieving the company's vision, we are committed to develop our employees and create a highly motivating and rewarding environment for them.

CORPORATE PROFILE

Genting Plantations, a subsidiary of Genting Berhad, commenced operations in 1980. It has a landbank of about 64,850 hectares in Malaysia and some 194,850 hectares in Indonesia. It owns seven oil mills in Malaysia and three in Indonesia, with a total milling capacity of 490 metric tonnes per hour. In addition, our Group has ventured into the manufacturing of downstream palm-based products.

Genting Plantations has also diversified into property development to unlock the value of its strategically-located landbank and has invested significantly in biotechnology in a major effort to apply genomics to increase crop productivity and sustainability.

www.gentingplantations.com

CONTENTS

BOARD OF DIRECTORS

ENCIK MOHD DIN JUSOH
Independent Non-Executive Director

MR QUAH CHEK TIN
Independent Non-Executive Director

MR LIM KEONG HUI
Chief Information Officer/ Non-Independent Executive Director

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Chairman/Independent Non-Executive Director

AUDIT COMMITTEE

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Chairman/Independent Non-Executive Director

ENCIK MOHD DIN JUSOH
Member/Independent Non-Executive Director

LT. GEN. DATO' ABDUL GHANI BIN ABDULLAH (R)
Member/Independent Non-Executive Director

MR QUAH CHEK TIN
Member/Independent Non-Executive Director

MR CHING YEW CHYE
Member/Independent Non-Executive Director

TAN SRI LIM KOK THAY
Chief Executive/
Non-Independent Executive Director

MR CHING YEW CHYE
Independent Non-Executive Director

LT. GEN. DATO' ABDUL GHANI BIN ABDULLAH (R)
Independent Non-Executive Director

NOMINATION COMMITTEE

MR QUAH CHEK TIN
Chairman/Independent Non-Executive Director

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Member/Independent Non-Executive Director

LT. GEN. DATO' ABDUL GHANI BIN ABDULLAH (R)
Member/Independent Non-Executive Director

REMUNERATION COMMITTEE

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Chairman/Independent Non-Executive Director

ENCIK MOHD DIN JUSOH
Member/Independent Non-Executive Director

MR QUAH CHEK TIN
Member/Independent Non-Executive Director

DIRECTORS' PROFILE

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)

Chairman/Independent Non-Executive Director

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R) (Malaysian, aged 68, male), appointed on 1 July 2005, is an Independent Non-Executive Director. He was appointed as the Chairman of the Company on 1 October 2011. He holds a Masters of Science Degree in Defence and Strategic Studies from the Quaid-I-Azam University, Islamabad, Pakistan and had attended the Senior Executive Programme in Harvard University, United States of America in 2002. He is a Fellow of the Malaysian Institute of Management (MIM). He has had a distinguished career in the Malaysian Armed Forces for 38 years 11 months, before retiring from the Force on 30 April 2005. During the period as a professional military officer, he served 6 years 4 months as the Malaysian Chief of Defence Forces from 1 January 1999 and as the Chief of the Malaysian Army for one year from 1 January 1998. Most notable appointments in the Armed Forces held were Aide de Camp (ADC) to His Majesty Yang Di-Pertuan Agong Sultan Azlan Shah, Commander Infantry Brigade, Assistant Chief of Staff Human Resources, Commander of Army Training and Doctrine Command, Deputy Chief of Army and Chief of Army. In international duties, he served as a Military Observer under the United Nations International Monitoring Group in Iraq after the Iran-Iraq War Ceasefire in 1988/1989. Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) is the Chairman of Affin Holdings Berhad and a Director of Genting Malaysia Berhad, Cahya Mata Sarawak Berhad and Bintulu Port Holdings Berhad.

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) was made a Member of Dewan Negara Perak by DYMM Paduka Seri Sultan Perak on 25 November 2006 and is also a Trustee of Yayasan Sultan Azlan Shah.

On 23 April 2013, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) was appointed as Orang Kaya Bendahara Seri Maharaja Perak Darul Ridzuan by DYMM Paduka Seri Sultan Perak and the Dewan Negara Perak Darul Ridzuan. On 19 April 2014, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) was conferred the Darjah Seri Paduka Sultan Azlan Shah (SPSA), which carries the "Datuk Seri DiRaja" by His Royal Highness The Sultan of Perak, Sultan Azlan Shah. Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) was conferred the Honorary Doctorate of Philosophy (Defence Management) by National Defence University of Malaysia on 26 October 2016.

Tan Sri Lim Kok Thay

Chief Executive/
Non-Independent Executive Director

Tan Sri Lim Kok Thay (Malaysian, aged 65, male), appointed on 29 September 1977, is the Chief Executive and Director. He holds a Bachelor of Science in Civil Engineering from the University of London. He attended the Programme for Management Development of Harvard Business School, Harvard University in 1979. He is a Visiting Professor in the Department of Electrical and Electronic Engineering, Imperial College London and an Honorary Professor of Xiamen University, China.

Tan Sri Lim is the Chairman and Chief Executive of Genting Berhad and Genting Malaysia Berhad; and the Executive Chairman of Genting Singapore PLC and Genting UK Plc. He is the Chairman and Chief Executive Officer of Genting Hong Kong Limited ("GENHK"), a company primary listed on the Main Board of The Stock Exchange of Hong Kong Limited and secondary listed on the Main Board of The Singapore Exchange Securities Trading Limited. He is also a Director of Travellers International Hotel Group, Inc., a company listed on the Main Board of The Philippine Stock Exchange, Inc. and an associate of GENHK. He joined the Genting Group in 1976 and has since served in various positions within the Group. He is a Founding Member and a Permanent Trustee of The Community Chest, Malaysia. He also sits on the Boards of other Malaysian and foreign companies as well as the Boards of Trustees of several charitable organisations in Malaysia.

For his leadership excellence and significant contributions to the leisure and travel industry, he was named the "Travel Entrepreneur of the Year 2009" by Travel Trade Gazette (TTG) Asia, "The Most Influential Person in Asian Gaming 2009" by Inside Asian Gaming, "Asian Leader for Global Leisure and Entertainment Tourism 2011" by Seagull Philippines Inc. and "Lifetime Achievement Award for Corporate Philanthropy 2013" by World Chinese Economic Forum.

Mr Lim Keong Hui

Chief Information Officer/
Non-Independent Executive Director

Mr Lim Keong Hui (Malaysian, aged 32, male), appointed on 23 November 2011 as a Non-Independent Non-Executive Director, was redesignated as a Non-Independent Executive Director, following his appointment as the Chief Information Officer ("CIO") of the Company on 1 January 2015.

He holds a Bachelor of Science (Honours) Degree in Computer Science from the Queen Mary University of London, United Kingdom and a Master's Degree in International Marketing Management from Regent's Business School London, United Kingdom.

He is a son of Tan Sri Lim Kok Thay, the Chief Executive and Director of the Company. He has also been redesignated as Non-Independent Executive Director of Genting Malaysia Berhad ("GENM") following his appointment as the CIO of GENM on 1 January 2015.

He is a Non-Independent Executive Director of Genting Berhad ("GENT") following his appointment as the Senior Vice President ("SVP") – Business Development on 1 March 2013 until he was redesignated as the Executive Director – Chairman's Office of GENT on 1 June 2013 and assumed additional role as the CIO on 1 January 2015. He is also a director of Genting UK Plc and a member of the Board of Trustees of Yayasan Lim Goh Tong.

Prior to his appointment as the SVP – Business Development of GENT, he was the SVP - Business Development of Genting Hong Kong Limited ("GENHK") until he was redesignated as the Executive Director – Chairman's Office of GENHK following his appointment as an Executive Director of GENHK on 7 June 2013. He is currently the Executive Director – Chairman's Office and CIO of GENHK after taking up additional role of CIO of GENHK on 1 December 2014. Prior to joining GENHK in 2009, he had embarked on an investment banking career with The Hongkong and Shanghai Banking Corporation Limited.

Encik Mohd Din Jusoh

Independent Non-Executive Director

Encik Mohd Din Jusoh (Malaysian, aged 73, male), appointed on 12 June 1980, is an Independent Non-Executive Director. He is a member of the Institute of Chartered Secretaries and Administrators (UK) and had attended a number of senior management courses abroad. He is also the Chairman and/or director of a number of private companies.

Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)

Independent Non-Executive Director

Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) (Malaysian, aged 75, male), appointed on 14 February 1996 was redesignated as an Independent Non-Executive Director on 21 May 2007. Dato' Abdul Ghani has had a distinguished career with the Malaysian Armed Forces for 36 years. He was Field Army Commander before his retirement as a three star general. Prior to that, Dato' Abdul Ghani served in Kuching, Sarawak as Commander of the First Division for East Malaysia and earlier between 1990 and 1993 commanded the Armed Forces' Strategic Division with the rank of Major General. His long army career also saw Dato' Abdul Ghani doing planning and logistics at the Ministry of Defence and attending training programs at the US Army Intelligence School, Defence Services Staff College in India, the Joint Services Staff College in Canberra and the National Defence College in Pakistan. Dato' Abdul Ghani holds a Masters of Science in Defence and Strategic Studies.

Mr Quah Chek Tin

Independent Non-Executive Director

Mr Quah Chek Tin (Malaysian, aged 65, male), appointed on 19 October 2001, was redesignated as an Independent Non-Executive Director on 8 October 2008. He began his career with Coopers & Lybrand London, before returning to Malaysia.

He joined the Genting Group in 1979 and has served in various positions within the Group. He was the Executive Director of Genting Berhad as well as the Executive Director and Chief Operating Officer of Genting Malaysia Berhad prior to his retirement in October 2006. He holds a Bachelor of Science (Honours) in Economics from the London School of Economics and Political Science and is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

In addition, he sits on the Boards of Genting Malaysia Berhad, Paramount Corporation Berhad and Batu Kawan Berhad.

Mr Ching Yew Chye

Independent Non-Executive Director

Mr Ching Yew Chye (Malaysian, aged 63, male), appointed on 23 November 2011, is an Independent Non-Executive Director. He holds an Honours Degree in Computer Science from the University of London. He is a seasoned management and information technology professional with more than 25 years of experience. He held various management positions in Accenture until his retirement in 2007 as a senior partner of Accenture, a global management consulting, technology services and outsourcing company.

During his career with Accenture, he worked primarily with clients in the financial services industry in ASEAN. Major client assignments included strategic information planning, design and implementation of major information technology systems, bank reorganisation and operational integration arising from bank mergers. He is also a director of Petronas Chemicals Group Berhad, AIA Bhd and YTL Starhill Global Reit Management Limited.

Notes:

The details of Directors' attendances at Board Meetings are set out in the Corporate Governance Statement on page 36 of this Annual Report.

The details of the Board Committees where certain Directors are also members are set out on pages 2 and 3 of this Annual Report.

Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of Genting Plantations Berhad, have no conflict of interest with Genting Plantations Berhad, have not been convicted for any offence within the past five years and have no public sanction or penalty imposed by relevant regulatory bodies during the financial year.

MANAGEMENT & CORPORATE INFORMATION

PRINCIPAL EXECUTIVE OFFICERS' PROFILE

TAN SRI LIM KOK THAY
Director and Chief Executive

His profile is disclosed in the Directors' Profile on page 5 of this Annual Report.

MR LIM KEONG HUI
Director and Chief Information Officer

His profile is disclosed in the Directors' Profile on page 6 of this Annual Report.

MR TAN KONG HAN
Deputy Chief Executive

Mr Tan Kong Han (Malaysian, aged 51, male), was appointed as the Deputy Chief Executive of the Company on 1 December 2010. He is also the President and Chief Operating Officer of Genting Berhad, the holding company. He has more than 13 years working experience in investment banking prior to joining Tanjong Public Limited Company as the Group Chief Operating Officer in 2003. He left Tanjong Public Limited Company in 2007 to join Genting Berhad. He read economics and law and has been conferred a Master of Arts by the University of Cambridge. Mr Tan was called to the English Bar (Lincoln's Inn) in 1989 and the Malaysian Bar in 1990.

He serves as a director of a variety of subsidiary companies within the Genting Berhad and Genting Plantations Berhad ("GENP") group. He is also a member of the Board of Trustees of Yayasan Genting and Yayasan Kebajikan Komuniti Malaysia, the Administrator of The Community Chest, Malaysia, the Managing Director of Pan Malaysian Pools Sdn Bhd as well as a Director of Asian Centre for Genomics Technology Berhad and GB Services Berhad, both of which are public companies.

Mr Tan Kong Han does not have family relationship with any Director and/or major shareholder of GENP, has no conflict of interest with GENP, has not been convicted of any offences within the past five years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MR YONG CHEE KONG
President & Chief Operating Officer

Mr Yong Chee Kong (Malaysian, aged 62, male), was appointed the President & Chief Operating Officer of the Company on 1 December 2010. He joined Genting Berhad in 1985 and was transferred to Genting Plantations Berhad ("GENP") in 1991 as Chief Financial Officer where he was subsequently promoted to Chief Operating Officer in 2006. Prior to joining the Genting Group, he was attached to two major international accounting firms.

He is a Fellow of the Association of Chartered Certified Accountants (UK), an Associate of the Institute of Chartered Secretaries and Administrators (UK) and a member of the Malaysian Institute of Accountants. In 1999, he attended the Advanced Management Program in the Harvard Business School, Harvard University.

He holds directorships in several companies within the GENP Group and is a director of Asian Centre for Genomics Technology Berhad and Benih Restu Berhad, both of which are public companies. He is also a council member of the Malaysian Palm Oil Association and a member of the Board of Trustees of the Planters Benevolent Trust of Malaysia.

Mr Yong Chee Kong does not have family relationship with any Director and/or major shareholder of GENP, has no conflict of interest with GENP, has not been convicted of any offences within the past five years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MR TAN WEE KOK

Chief Financial Officer

Mr Tan Wee Kok (Malaysian, aged 51, male), was appointed the Chief Financial Officer of Genting Plantations Berhad ("GENP") on 1 January 2009. He graduated with a Bachelor of Accounting (Hons.) degree from University of Malaya. He is a member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants. Prior to this appointment, he was the Senior Vice President – Corporate, in charge of corporate affairs and strategic planning, new projects and investments, as well as investor relations. He started his career with PricewaterhouseCoopers in 1991 and later joined Malaysia Mining Corporation Berhad as the Corporate Planner in 1995. He joined GENP in 1997 and currently holds directorships in various subsidiaries within the GENP Group as well as a public company, Benih Restu Berhad.

Mr Tan Wee Kok does not have family relationship with any Director and/or major shareholder of GENP, has no conflict of interest with GENP, has not been convicted of any offences within the past five years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

SENIOR MANAGEMENT

TAN SRI LIM KOK THAY
Chief Executive

MR TAN KONG HAN
Deputy Chief Executive

MR LIM KEONG HUI
Chief Information Officer

MR YONG CHEE KONG
President & Chief Operating Officer

MR TAN WEE KOK
Chief Financial Officer

MR TAN CHENG HUAT
Senior Vice President, Plantation (Malaysia)

MR ARUNAN KANDASAMY
Senior Vice President, Plantation (Indonesia)

MR RAYMOND CHONG MING KONG
Senior Vice President, Property

DR CHEAH SUAN CHOO
Chief Scientific Officer

MR KAN SOON KONG
Vice President, Biorefinery

CORPORATE INFORMATION

GENTING PLANTATIONS BERHAD

A public limited liability company
Incorporated and domiciled in Malaysia
Company No. 34993-X

REGISTERED OFFICE

24th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (603) 2178 2288/2333 2288
Fax : (603) 2161 5304
E-mail : gpbinfo@genting.com

REGISTRARS

Genting Management and Consultancy Services Sdn Bhd
24th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (603) 2178 2266/2333 2266
Fax : (603) 2161 5304

SECRETARY

Ms Loh Bee Hong
MAICSA 7001361

CORPORATE HEAD OFFICE/ PRINCIPAL PLACE OF BUSINESS

10th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (603) 2178 2255/2333 2255
Fax : (603) 2161 6149

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
(Listed on 30 August 1982)

Stock Name : GENP
Stock Code : 2291

AUDITORS

PricewaterhouseCoopers
(Chartered Accountants)

INTERNET HOMEPAGE

www.gentingplantations.com

CORPORATE
DIARY

2016

22 FEBRUARY 2016
Announcement of Consolidated Unaudited Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2015.

22 MARCH 2016
Announcement of the out-of-court settlement of litigation in connection with the agricultural land situated at Sungai Tongod, District of Kinabatangan, Sabah by Genting Tanjung Bahagia Sdn Bhd, a wholly owned subsidiary of the Company.

29 MARCH 2016
Announcement of the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

8 APRIL 2016
Announcement of the proposed renewal of authority for the Company to purchase its own shares.

11 APRIL 2016
Announcement of the entitlement date for the proposed final single-tier dividend in respect of the financial year ended 31 December 2015.

27 APRIL 2016
Notice to shareholders of the Thirty-Eighth Annual General Meeting.

23 MAY 2016
Announcement of the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2016.

31 MAY 2016
Thirty-Eighth Annual General Meeting.

27 JUNE 2016
Announcement on the proposed acquisition of 100% equity interest in Cahaya Agro Abadi Pte Ltd and Palm Capital Investment Pte Ltd from Green Palm Capital Corp for a total cash consideration of USD42.15 million ("Proposed Acquisition of CAA and PCI").

25 AUGUST 2016
Announcement of the following :
(a) Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2016.
(b) Entitlement Date for the interim single-tier dividend in respect of the financial year ending 31 December 2016.

15 SEPTEMBER 2016
Announcement of the completion of the Proposed Acquisition of CAA and PCI.

23 NOVEMBER 2016
Announcement of the Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2016.

2017

22 FEBRUARY 2017
Announcement of the following:
(a) Consolidated Unaudited Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2016.
(b) Entitlement date for the special single-tier dividend of 11 sen per ordinary share in respect of the financial year ended 31 December 2016.

6 MARCH 2017
Announcement of the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

8 MARCH 2017
Announcement of the entitlement date for the proposed final single-tier dividend for the financial year ended 31 December 2016.

10 MARCH 2017
Announcement of the proposed renewal of authority for the Company to purchase its own shares.

21 MARCH 2017
Announcement of the proposed payment of retirement gratuity to Encik Mohd Din Jusoh, Independent Non-Executive Director.

DIVIDENDS		Announcement	Entitlement Date	Payment
2015	Final single-tier – 3 sen per ordinary share of 50 sen each	22 February 2016	30 June 2016	22 July 2016
2016	Interim single-tier - 2 sen per ordinary share of 50 sen each	25 August 2016	30 September 2016	20 October 2016
2016	Special single-tier – 11 sen per ordinary share	22 February 2017	9 March 2017	27 March 2017
2016	Proposed Final single-tier - 8 sen per ordinary share	22 February 2017	1 June 2017	19 June 2017 *

** Upon approval of shareholders at the Thirty-Ninth Annual General Meeting.*

FINANCIAL HIGHLIGHTS 2016

REVENUE

RM**1,480.1** MILLION

2015: RM1,374.9 million

MARKET CAPITALISATION

RM**8.57** BILLION

AS AT 30 DECEMBER 2016

ADJUSTED EBITDA*

RM**543.2** MILLION

2015: RM338.4 million

TOTAL EQUITY

RM**5.0** BILLION

2015: RM4.5 billion

NET PROFIT

RM**370.0** MILLION

2015: RM176.6 million

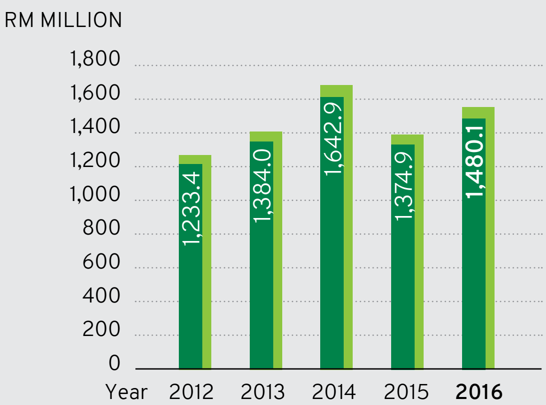
TOTAL ASSETS EMPLOYED

RM**7.9** BILLION

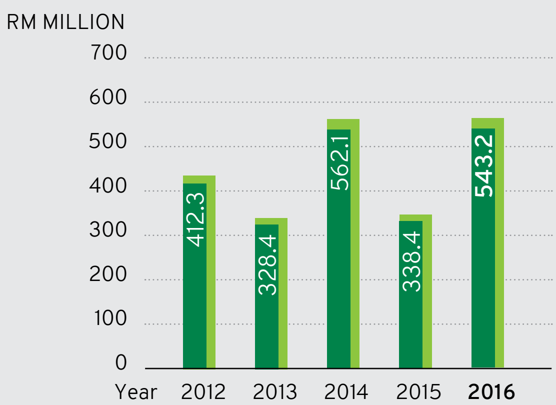
2015: RM7.2 billion

* EBITDA refers to earnings before interest, tax, depreciation and amortisation.

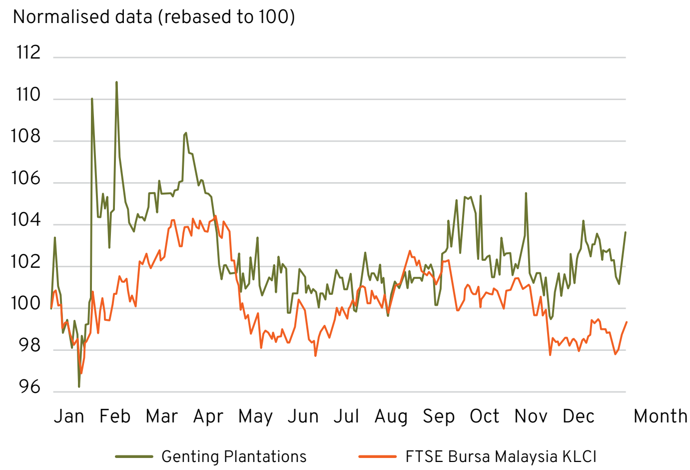
REVENUE



ADJUSTED EBITDA



2016 GENTING PLANTATIONS SHARE PRICE PERFORMANCE RELATIVE TO FTSE BURSA MALAYSIA KLCI



Source - Bloomberg

All figures are in Ringgit Malaysia

TOP 10 BURSA MALAYSIA PLANTATION COMPANIES

	By Market Capitalisation (30 Dec 2016)	RM billion
1	IOI Corporation Berhad	27.67
2	Kuala Lumpur Kepong Berhad	25.56
3	**Genting Plantations Berhad**	**8.57**
4	Batu Kawan Berhad	7.45
5	Felda Global Ventures Holdings Berhad	5.65
6	United Plantations Berhad	5.59
7	IJM Plantations Berhad	2.99
8	Boustead Plantations Berhad	2.66
9	TSH Resources Berhad	2.52
10	Sarawak Oil Palms Berhad	2.10

Sources - Bursa Malaysia & Bloomberg

FIVE-YEAR
SUMMARY

Amount in RM'000 unless otherwise stated	2016	2015	2014	2013	2012
Revenue	1,480,079	1,374,931	1,642,939	1,384,009	1,233,417
Adjusted EBITDA	543,245	338,378	562,135	328,409	412,255
Profit before taxation	500,971	247,429	519,786	300,325	403,838
Taxation	(131,014)	(70,834)	(136,009)	(80,462)	(81,965)
Profit for the financial year	369,957	176,595	383,777	219,863	321,873
Attributable to:-					
Equity holders of the Company	367,488	189,749	377,245	227,797	327,063
Non-controlling interests	2,469	(13,154)	6,532	(7,934)	(5,190)
	369,957	176,595	383,777	219,863	321,873
Issued capital	397,019	391,331	385,223	379,423	379,423
Retained earnings	3,681,890	3,350,418	3,227,142	2,848,838	2,980,312
Other reserves	596,625	477,562	285,347	198,016	63,982
Equity attributable to equity holders of the Company	4,675,534	4,219,311	3,897,712	3,426,277	3,423,717
Non-controlling interests	289,688	285,280	255,432	177,658	229,355
Total equity	4,965,222	4,504,591	4,153,144	3,603,935	3,653,072
Borrowings	2,315,708	2,232,537	999,762	861,454	702,720
Other payables	-	-	-	-	44,938
Provision for retirement gratuities	12,469	9,511	9,841	5,584	5,023
Derivative financial liability	2,073	512	476	1,571	2,801
Deferred tax liabilities	97,179	65,438	58,019	51,697	51,296
Deferred income	8,493	8,493	-	-	-
	7,401,144	6,821,082	5,221,242	4,524,241	4,459,850
Property, plant and equipment	1,728,093	1,561,740	1,338,762	1,110,238	1,011,099
Land held for property development	254,825	175,016	158,644	162,847	206,216
Investment properties	25,517	26,137	24,757	19,424	12,993
Plantation development	2,465,927	2,109,655	1,672,275	1,504,985	1,425,792
Leasehold land use rights	495,758	387,063	305,329	238,702	235,489
Intangible assets	34,628	145,684	159,233	163,139	173,913
Joint ventures	77,894	59,440	43,559	37,466	27,099
Associates	12,501	10,774	18,864	24,459	20,049
Available-for-sale financial assets	143,170	137,854	111,187	106,865	100,391
Derivative financial assets	-	-	-	456	-
Other non-current assets	14,361	15,748	17,062	10,307	11,487
Deferred tax assets	92,556	134,314	83,289	77,644	31,767
	5,345,230	4,763,425	3,932,961	3,456,532	3,256,295
Net current assets	2,055,914	2,057,657	1,288,281	1,067,709	1,203,555
	7,401,144	6,821,082	5,221,242	4,524,241	4,459,850
Basic earnings per share (sen)	46.54	24.49	49.33	30.02	43.10
Net dividend per share (sen)	21.0	5.5	10.0	35.8	9.4
Dividend cover (times)	2.2	4.5	4.9	0.8	4.6
Current ratio	5.5	5.8	4.5	4.2	5.6
Net assets per share (RM)	5.89	5.39	5.06	4.52	4.51
Return (after tax and non-controlling interests) on average shareholders' equity (%)	8.3	4.7	10.3	6.7	9.8
Market share price					
- highest (RM)	11.56	10.90	11.62	11.98	10.10
- lowest (RM)	10.02	8.91	9.43	8.12	8.13

Certain figures relating to the previous years have been reclassified/ adjusted to conform with current year's presentation.

OPERATIONS

	2016			2015			2014		
	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total
OIL PALM									
FFB Production (mt)	1,134,803	479,334*	1,614,137	1,289,314	437,824*	1,727,138	1,348,735	307,183*	1,655,918
Yield Per Mature Hectare (mt)	20.7	12.6	17.5	22.9	12.4	19.0	23.5	11.7	20.1
Average Selling Prices									
Crude Palm Oil (RM/mt)	2,700	2,477	2,631	2,180	1,900	2,122	2,424	2,204	2,386
Palm Kernel (RM/mt)	2,583	2,137	2,477	1,612	1,255	1,552	1,715	1,336	1,667

	2013			2012		
	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total
OIL PALM						
FFB Production (mt)	1,339,457	185,142*	1,524,599	1,310,931	81,287*	1,392,218
Yield Per Mature Hectare (mt)	23.3	13.8	21.7	23.0	9.7	21.4
Average Selling Prices						
Crude Palm Oil (RM/mt)	2,404	2,182	2,378	2,794	2,136	2,784
Palm Kernel (RM/mt)	1,348	1,034	1,324	1,555	788	1,543

* excluding Plasma

LAND AREAS

HECTARES	2016			2015			2014		
	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total
Oil Palm									
Mature	54,388	38,303	92,691	55,050	35,162	90,212	57,130	30,276	87,406
Immature	4,831	33,637	38,468	3,713	32,540	36,253	2,125	30,369	32,494
	59,219	71,940	131,159	58,763	67,702	126,465	59,255	60,645	119,900
Oil Palm (Plasma)									
Mature	-	7,756	7,756	-	6,454	6,454	-	4,890	4,890
Immature	-	2,271	2,271	-	1,909	1,909	-	3,473	3,473
	-	10,027	10,027	-	8,363	8,363	-	8,363	8,363
TOTAL PLANTED AREA	59,219	81,967	141,186	58,763	76,065	134,828	59,255	69,008	128,263
Unplanted Area	273	111,923	112,196	1,245	96,150	97,395	1,132	110,004	111,136
Buildings, Infrastructure, etc.	5,054	969	6,023	5,206	649	5,855	4,938	851	5,789
Property Development	309	-	309	298	-	298	316	-	316
	5,636	112,892	118,528	6,749	96,799	103,548	6,386	110,855	117,241
TOTAL LAND AREA	64,855	194,859	259,714	65,512	172,864	238,376	65,641	179,863	245,504

HECTARES	2013			2012		
	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total
Oil Palm						
Mature	57,284	17,220	74,504	57,033	8,523	65,556
Immature	2,241	40,196	42,437	2,590	44,993	47,583
	59,525	57,416	116,941	59,623	53,516	113,139
Oil Palm (Plasma)						
Mature	-	2,055	2,055	-	812	812
Immature	-	5,923	5,923	-	4,405	4,405
	-	7,978	7,978	-	5,217	5,217
TOTAL PLANTED AREA	59,525	65,394	124,919	59,623	58,733	118,356
Unplanted Area	914	96,525	97,439	913	103,220	104,133
Buildings, Infrastructure, etc.	4,813	822	5,635	4,765	788	5,553
Property Development	335	-	335	304	-	304
	6,062	97,347	103,409	5,982	104,008	109,990
TOTAL LAND AREA	65,587	162,741	228,328	65,605	162,741	228,346

LOCATION OF GROUP PROPERTIES

Plantation

Peninsular Malaysia
- Genting Bukit Sembilan Estate
- Genting Selama Estate
- Genting Sepang Estate
- Genting Tebong Estate
- Genting Cheng Estate
- Genting Tanah Merah Estate
- Genting Sri Gading Estate
- Genting Sungei Rayat Estate
- Genting Kulai Besar Estate

Sabah
- Genting Sabapalm Estate
- Genting Indah Estate
- Genting Permai Estate
- Genting Kencana Estate
- Genting Mewah Estate
- Genting Lokan Estate
- Genting Sekong Estate
- Genting Suan Lamba Estate
- Genting Jambongan Estate
- Genting Tanjung Estate
- Genting Bahagia Estate
- Genting Tenegang Estate
- Genting Landworthy Estate
- Genting Layang Estate

Indonesia
- Mulia Estates
- Abadi Estates
- Surya Estates
- Cemerlang Estates
- Kapuas Estates
- Mangkatip Estates
- Bakuta Estates
- Lamunti Estates
- UAI Estates
- AAC Estates
- PALJ Estates

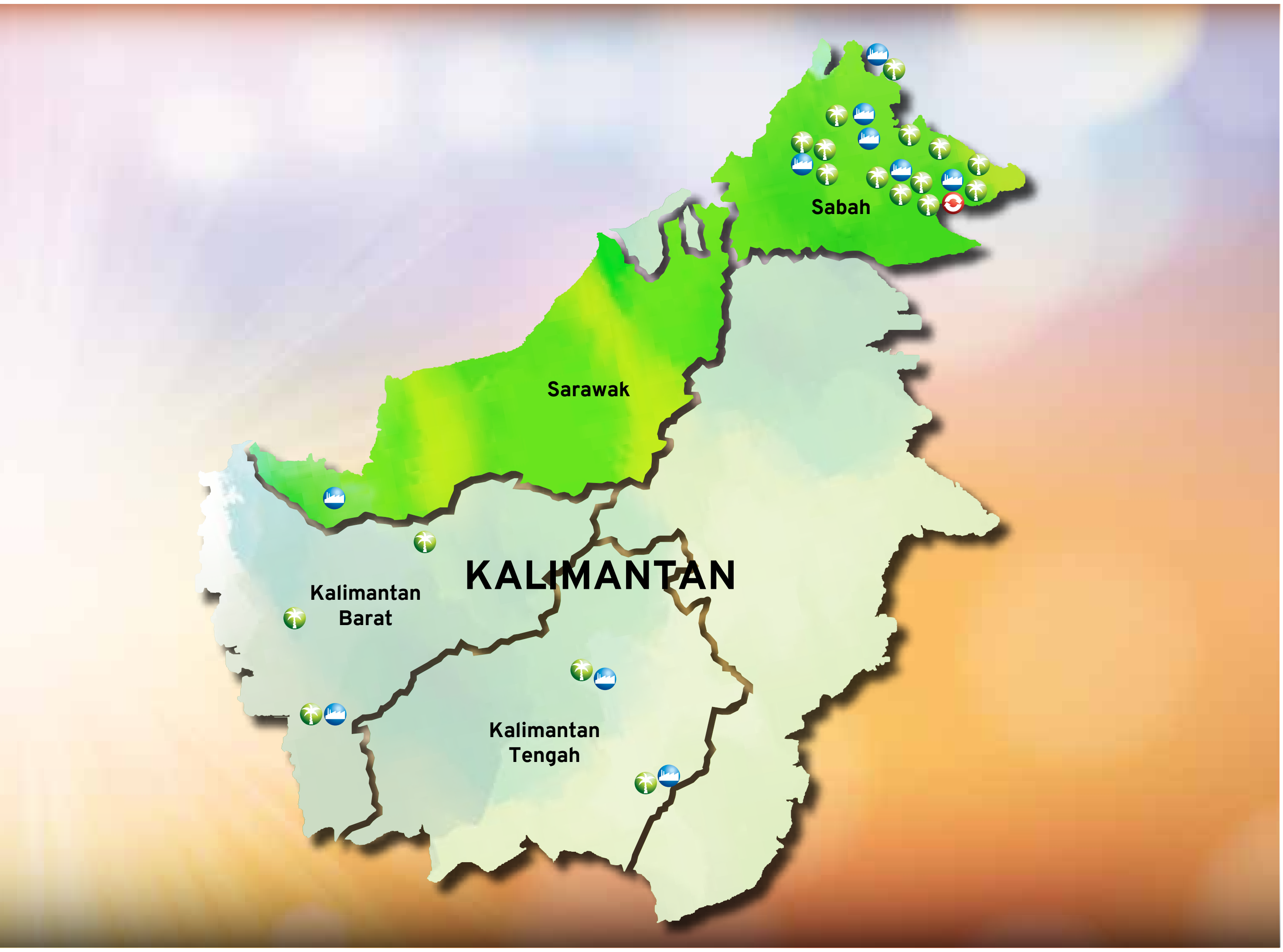
Oil Mill

Peninsular Malaysia
- Genting Ayer Item Oil Mill

Sabah
- Genting Sabapalm Oil Mill
- Genting Mewah Oil Mill
- Genting Trushidup Oil Mill
- Genting Indah Oil Mill
- Genting Tanjung Oil Mill
- Genting Jambongan Oil Mill

Sarawak
- Serian Palm Oil Mill

Indonesia
- Mulia Oil Mill
- Golden Hill Oil Mill
- Globalindo Oil Mill



Property

Peninsular Malaysia

- Genting Indahpura
- Genting Pura Kencana
- Genting Cheng Perdana
- Johor Premium Outlets®
- Segambut Land

Biotechnology

Peninsular Malaysia

- ACGT Laboratories
- The Gasoline Tree™ Experimental Research Station

Downstream Manufacturing

Sabah

- Genting Integrated Biorefinery Complex

LIST OF GROUP PROPERTIES

AS AT 31 DECEMBER 2016

Location	Tenure	Year Of Expiry	Hectares: Plantation	Hectares: Property Developement	Description	Age Of Buildings (years)	Year Of Acquistion/ Revaluation*	Net Book Value As At 31 Dec 2016 (RM000)
PENINSULAR MALAYSIA								
A. NORTH								
1. Genting Bukit Sembilan Estate,Baling/Jitra, Kedah	Freehold		1,268				1981*	40,639
2. Genting Selama Estate, Serdang & Kulim, Kedah/Selama, Perak	Freehold		1,830				1981*	25,488
B. CENTRAL								
3. Genting Sepang Estate, Sepang & Ulu Langat, Selangor	Freehold		666				1981*	18,349
4. Genting Tebong Estate, Jasin & Alor Gajah, Melaka/Tampin & Kuala Pilah, Negeri Sembilan	Freehold		2,230				1981*	31,756
5. Genting Cheng Estate, Melaka Tengah, Alor Gajah & Kuala Linggi, Melaka	Freehold		793	1			1981*	19,702
6. Genting Tanah Merah Estate, Tangkak, Johor	Freehold		1,801				1981*	31,040
C. SOUTH								
7. Genting Sri Gading Estate, Batu Pahat, Johor	Freehold		3,366	235			1983	139,252
8. Genting Sungei Rayat Estate, Batu Pahat, Johor	Freehold		1,707				1983	30,305
9. Genting Sing Mah Estate, Air Hitam, Johor	Freehold		669			36	1983	14,086
10. Genting Kulai Besar Estate, Kulai/ Simpang Renggam, Johor	Freehold		2,513	14			1983	205,451
11. Genting Setiamas Estate, Kulai & Batu Pahat, Johor	Freehold		71	55			1996	48,839
SABAH								
12. Genting Sabapalm Estate, Labuk Valley, Sandakan	Leasehold	2085,2887	4,360			46	1991	55,020
13. Genting Tanjung Estate, Kinabatangan	Leasehold	2086, 2096	4,345			22	1988, 2001	44,082
14. Genting Bahagia Estate,Kinabatangan	Leasehold	2085, 2086	4,548				1988, 2003	52,474
15. Genting Tenegang Estate, Kinabatangan	Leasehold	2088	3,653				1990	38,694
16. Genting Landworthy Estate, Kinabatangan	Leasehold	2083	4,039				1992	40,378
17. Genting Layang Estate, Kinabatangan	Leasehold	2090	2,077				1993	21,619
18. Genting Jambongan Estate, Beluran	Leasehold	2033 - 2100, 2043, 2044, 2045	4,062			3	2001 - 2004, 2014, 2015,2016	114,112
19. Genting Indah, Genting Permai & Genting Kencana Estates, Kinabatangan	Leasehold	2096	8,182			8	2001	184,246
20. Genting Mewah & Genting Lokan Estates, Kinabatangan	Leasehold	2083 - 2890	5,611			20	2002	124,581
21. Genting Sekong & Genting Suan Lamba Estates, Kinabatangan	Leasehold	2022 - 2098	6,755			20	2004	203,778
INDONESIA								
22. Ketapang, Kalimantan Barat	Leasehold	2037, 2044, 2046 *Note*	54,615			4	2006, 2009, 2011, 2014	619,875
23. Sanggau, Kalimantan Barat	Leasehold	*Note*	25,595				2010, 2016	336,261
24. Sintang, Kalimantan Barat	Leasehold	*Note*	13,900				2016	59,924
25. Kapuas & Barito Selatan, Kalimantan Tengah	Leasehold	*Note*	100,749			3 & 1	2008, 2012, 2015	1,866,876
OTHER PROPERTIES OWNED								
26. Bangi Factory, Selangor	Leasehold	2086		12,140 (sq.m)		35	1990	2,058
27. Wisma Genting Plantations, Sandakan, Sabah	Leasehold	2100	2,023 (sq.m)			14	2004	3,296
28. Residential Bungalows, Sandakan, Sabah	Leasehold	2887	1,206 (sq.m)			32	1991	118
29. Genting Vegetable Oils Refinery, Sandakan, Sabah	Leasehold	2080	8				1992	1,899
30. Genting Integrated Biorefinery Complex, Lahad Datu, Sabah	Leasehold	2104, 2105	41.50			8	2011, 2014, 2015	101,046
31. Commercial land, Segambut, Kuala Lumpur	Leasehold	2074		4			2016	68,182

Plantation
Property Development
Johor Premium Outlets®
Downstream Manufacturing
Mill
Office
Vacant Land
Note: Yet to be determined
Residential Bungalow
Factory
The Gasoline Tree™ Experimental Research Station
Genting Indahpura Car City
Genting Indahpura Sports City
Seed Garden

MANAGEMENT'S DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

DESCRIPTION OF OUR GROUP'S BUSINESS AND STRATEGIES

Genting Plantations Berhad ("our Group"), commenced operations in 1980 and is principally involved in the oil palm plantation business. As at 31 December 2016, our Group has a landbank of about 64,850 hectares in Malaysia and some 194,850 hectares in Indonesia. Our Group owns seven oil mills in Malaysia and three in Indonesia, with a total milling capacity of 490 metric tonnes per hour. Genting Plantations Berhad has also diversified into property development, biotechnology and the manufacturing of downstream palm-based products.

As a forward-looking corporation, our Group will continue to pursue future growth objectives for value enhancement and better returns for our shareholders. For our mainstay Plantation Division, our Group continuously explores opportunities to expand through value-accretive investments while planting up new areas of our existing landbank at a sustainable pace. At the same time, we are fully focused on managing costs and yield improvement through better agronomic administration and operational efficiency.

For the Property Division, we remain vigilant in identifying and developing our strategically-located landbank for property development. We have also invested significantly in biotechnology in a major effort to apply genomics to increase crop productivity and sustainability. In addition, as part of efforts to further enhance our Group's competitive strengths in the long term, our Group has also ventured into the manufacturing of downstream products which are synergistic to our core plantation business.

FINANCIAL REVIEW

Revenue

Our Group's revenue for the financial year ended 31 December 2016 was RM1.48 billion compared with RM1.37 billion a year ago. The 8% year-on-year improvement was mainly attributable to better selling prices for palm products through much of 2016. The boost from the firmer prices more than compensated for the decline in the production of fresh fruit bunches ("FFB") and property sales.

	Financial Year ended 31 December		
	2016	**2015**	**Change (%)**
Average Selling Price/metric tonne (RM)			
CPO	**2,631**	2,122	+24
PK	**2,477**	1,552	+60
Production for FFB ('000mt)	**1,614**	1,727	-7

Costs and Expenses

Total cost and expenses before finance cost and share of results in joint ventures and associates for 2016 amounted to RM1,164.7 million compared with RM1,179.2 million in 2015. The reduction of RM14.5 million was mainly due to the effects of the lower cost of sales from the Plantation and Property segments - where the former was due to some savings in the upkeep and manuring activities whilst the latter was in tandem with the lower sales - as well as a lower foreign currency exchange loss arising from our Group's USD denominated financial assets and liabilities, which collectively more than compensated for the write-off of intangible assets.

EBITDA

Our Group's EBITDA improved markedly by 77% year-on-year to RM598.3 million in 2016 driven by higher contribution from our mainstay Plantation segment, covering both Malaysia and Indonesia operations, along with lower loss from the Biotechnology segment. Aside from these improvements, the gain from the foreign currency translation also contributed to the higher EBITDA during the year whilst in contrast a loss was registered in 2015. Meanwhile, the Property segment saw a reduction in contribution from the previous year.

EBITDA (cont'd)

In addition to the above, the higher EBITDA can be attributed to the net effect of a gain from disposal of a parcel of plantation land in Semenyih amounting to RM131.8 million and the write-off of intangible assets amounting to RM80.1 million.

a) Plantation Segment
The higher EBITDA achieved by the Plantation-Malaysia segment as compared to a year ago was underpinned by the better palm product selling prices which more than compensated for the weather-induced reduction in FFB production.

As for the Plantation-Indonesia segment, EBITDA surged almost ten-fold year-on-year due not only to the better palm product selling prices but also to the higher FFB production, despite the adverse weather effects, owing primarily to an enlarged harvesting area and improving maturity profile.

b) Property Segment
The property market, which generally tracks the country's underlying economic conditions, experienced a general slowdown in 2016. Against such headwinds, sales of new properties for the year lagged the level achieved in 2015, with considerably smaller gains from land sales leading to a year-on-year decline in the Property segment's EBITDA.

c) Biotechnology Segment
Biotechnology segment, excluding the write-off, recorded a smaller loss during the year, reflective of its lower research and development spending year-on-year.

d) Downstream Manufacturing Segment
Downstream Manufacturing segment continued to be affected by its low capacity utilisation from biodiesel operations coupled with the pre-commissioning costs incurred for the refinery, leading to a loss being registered in 2016.

e) Others
The gain in 2016 comprised predominantly the foreign currency translation gain of RM9.6 million arising from the weakening of Ringgit Malaysia on U.S. Dollar denominated cash reserves, as well as dividends received from our Group's additional investment in income funds in Malaysia corporations.

Other Income

Other income of RM220.2 million was higher year-on-year mainly due to the aforementioned gain from the disposal of plantation land and the foreign currency translation gain from our Group's U.S. Dollar denominated cash reserves.

Finance Cost

Our Group's finance cost was RM59.6 million during the year, an increase of 19% from a year ago, mainly reflecting the full year impact of the finance cost for the RM1.0 billion Sukuk Murabahah along with higher quantum of borrowing cost recognised as expenses for Indonesia operations.

Taxation

The higher effective tax rate against the statutory tax rate for the financial year 2016 was mainly due to expenses not deductible for tax purposes and tax losses of certain subsidiaries where deferred tax assets have not been recognised. However, the effective tax rate was moderated by the lower tax levied on gain on disposal of plantation land which is subject to real property gains tax.

Profit Attributable to Equity Holders of the Company

Profit attributable to equity holders of the Company and earnings per share of our Group improved 94% and 90% year-on-year to RM367.5 million and 46.54 sen respectively.

Liquidity and Capital Resources

As at 31 December 2016, our Group's cash and cash equivalents declined 12% or RM164.6 million to RM1.3 billion, underpinned by the net effects of the following:

(a) Net cash generated from operating activities of RM351.9 million mainly contributed by the Plantation and Property segments;

Liquidity and Capital Resources (cont'd)

(b) An amount of RM505.9 million was expended for investing activities largely for the capital expenditure requirements of RM402.0 million. In addition, as announced on 15 September 2016 and 12 July 2016, our Group concluded two acquisitions during the year - firstly, 100% equity interests in Cahaya Agro Abadi Pte Ltd and Palm Capital Investment Pte Ltd ("Land Acquisitions") and secondly, two parcels of adjoining leasehold land, for total cash considerations of RM106.8 million and RM65.8 million respectively. These cash outflows were partly cushioned by an inflow of RM39.4 million and RM24.0 million derived from interest income and proceed from disposal of property, plant and equipment respectively; and

(c) Financing activities registered a net outflow of RM25.1 million during the year mainly on the back of repayment of borrowings of RM433.0 million, finance cost of RM80.8 million and dividend payment of RM42.3 million. These cash outflows more than offset the cash inflows derived from the additional drawdown of bank borrowings to finance the Land Acquisitions, our planting activities and construction of a refinery in Lahad Datu, along with the proceeds from the exercise of warrants, amounting to RM443.0 million and RM88.2 million respectively.

Gearing

The gearing ratio of our Group as at 31 December 2016 moderated slightly from 33.7% a year ago to 32.1%. The gearing ratio is calculated as total debt divided by total capital where the total debt is calculated as total borrowings (including "short term and long term borrowings" as shown in the statements of financial position). Total capital is calculated as the sum of total equity plus total debt.

Prospects

For 2017, the prospects of our Group's Plantation segment will largely be driven by the direction of palm oil prices and the FFB production. Palm oil prices are in turn dictated by a combination of factors including the overall industry-wide production trend, changes in weather conditions and the resultant impact on crop productivity, the extent of demand from major importing countries, the direction of substitute commodities and crude oil prices, currency movements, global economic conditions and the progress of the implementation of biodiesel mandates in Malaysia and Indonesia.

On the FFB production front, the addition of newly-mature areas and the progress of existing mature areas into higher yielding brackets in Indonesia will remain the major growth drivers as output growth from Malaysia region is expected to be muted amid the intensification of replanting activities.

For the Property segment, cognisant of the potential impact of the generally subdued market conditions, the focus will be on ensuring that the range of new offerings are aligned with prevailing demand trends.

The Biotechnology segment will focus on leveraging its discoveries and capabilities for the development of solutions and applications within specific targeted areas of prospective commercial value.

Besides continuing with the production of biodiesel to cater to the national mandatory blending programme, the Downstream Manufacturing segment has commenced operations of our Group's maiden 600,000 metric tonnes per annum palm oil refinery in Lahad Datu. Concurrently, global market developments will be closely evaluated in determining an opportune time to undertake the proposed metathesis plant.

OPERATIONAL REVIEW

Genting Jambongan Estate and Compost Plant (on the left), Sabah

Plantation - Malaysia

2016 turned out to be another year of lower fresh fruit bunches ("FFB") production as our Group's Malaysian operations continued to bear the brunt of the adverse weather conditions that befell the region in the previous years. This decline echoed a broader downturn in output that was felt across the Malaysian oil palm plantation sector.

FFB production from our estates in Malaysia totalled 1.13 million metric tonnes ("mt") in 2016, down from 1.29 million mt a year ago, owing to the lagged biological effects of the weather on crop productivity.

Accordingly, our Group's average FFB yield in Malaysia was at 20.7 mt per hectare for the year against 22.9 mt in 2015.

With the sector-wide decline in output leading to a generally more bullish supply and demand balance, palm product prices strengthened in response and more than compensated for the setback in production. Our Group's average achieved prices for crude palm oil ("CPO") and palm kernel ("PK") in Malaysia were 24% and 60% higher at RM2,700 per mt and RM2,583 per mt respectively.

Changes in market dynamics aside, the year 2016 saw further progress being made in our Group's ongoing drive to improve operating efficiencies through innovative approaches focusing on soil moisture conservation and soil health.

Apart from ongoing progress in the mechanisation of key field processes - from crop collection and evacuation to fertiliser application, the Division has also adopted various initiatives during the year to serve as a strategic roadmap to achieve steady annual yield increments over the next 3 years.

Further, as a testament to our Group's commitment to human resource development and competency enhancement, a new training centre was established at one of our estates in Sabah in August 2016, where centralised employee training programmes are conducted, especially in the areas of soft skills and technical knowledge.

Meanwhile, on the crop processing front, our Group's oil mills in Malaysia recorded an average oil extraction rate of 21.0% in 2016 compared with 21.7% in 2015.

Implementation of initiatives aimed at enhancing the operating efficiency has been an annual feature across our Group's oil mills and 2016 was no different.

At Genting Indah Oil Mill ("GIOM") in Sabah, a belt press sludge dewatering system was installed, allowing for the separation of solids and liquid, with the former to be used for the production of fertiliser and the latter to be channeled back to anaerobic ponds. Additional treatment

1. GENP Training Centre, sited at Genting Sekong Estate, Sabah
2. Effluent treatment pond and compost plant at Genting Trushidup Oil Mill, Sabah

ponds were also set up at GIOM to ensure that effluent at final discharge is consistently maintained at permissible level of biological oxygen demand ("BOD_3").

To enhance the productivity of oil mills, a virtual 'Centralised Monitoring System' was also introduced in 2016 to facilitate better and more systematic process monitoring.

In addition, the automation of mill processes, which has been an ongoing effort in recent years, continued through 2016. The automated FFB cage handling with integrated indexer systems, automated water pumping systems, and mill process synchronising systems are among examples of innovations introduced at our Group's oil mills aimed at helping to reduce labour dependence and create a safer working environment, besides improving process efficiency and performance consistency.

Keeping machineries and equipment in their best working conditions is paramount in ensuring the optimum operating performance of the oil mills, and hence, specific instruments and systems were installed to enhance the efficacy of the monitoring and maintenance process.

Over the course of 2016, further forward strides were made in our Group's sustainability certification journey. The audit of Genting Tanjung Oil Mill and its supply bases for RSPO Principles and Criteria and Supply Chain Certification (Mass Balance Module) was completed during the year, bringing the number of oil mills and estates audited or certified under the scheme to three and twelve respectively. All oil mills and their supply bases remained certified to ISCC EU and ISCC PLUS standards.

As at 31 December 2016, our Group had a total 59,219 hectares of oil palm planted area in Malaysia, along with 7 oil mills with combined capacity of 295 mt per hour.

The fully-automated Globalindo Oil Mill is our Group's 3rd oil mill in Indonesia.
Automation at various stations at the oil mill - 1. Sterilising station, 2. Threshing station, 3. Clarification station, 4. Kernel station

Plantation – Indonesia

In Indonesia, in much the same way as in Malaysia, the plantation sector was also significantly affected by the lagged impact of the previous year's dry weather conditions. National crop production in Indonesia is estimated to by 4% drop in 2016, making it the first annual decline since 1998.

Notwithstanding the industry-wide weather-induced production downturn, our Group's Indonesian operations bucked the broader trend to deliver moderately positive output growth for the year, resulting from the addition of new harvesting areas and the progress of existing mature areas into higher yielding brackets.

For 2016, our Group's FFB production in Indonesia totalled 479,334 mt, up 9% from 437,824 mt in 2015. Average FFB yield was 12.6 mt per hectare in 2016 against 12.4 mt per hectare in the previous year. Oil extraction rate averaged 22.7% compared with 23.6% in 2015.

In signalling our commitment to operating in Indonesia for the long-term, our Group's presence in the country expanded further in 2016 following the completion of the acquisition of effective 70% interests in PT Agro Abadi Cemerlang and PT Palm Agro Lestari Jaya, which have a combined 21,995 hectares of landholdings in Kalimantan Barat, of which 4,253 hectares have been planted with oil palm.

Complementing the acquisition was the ongoing organic expansion in planted area as our Group carried on with plantation development activities on existing sites. In total, some 1,649 hectares of new areas were cultivated with oil palm in 2016, bringing the total area planted with oil palm as at 31 December 2016 to 81,967 hectares.

During the year, our Group also commissioned the third oil mill in Indonesia, namely Globalindo Oil Mill, located in Kalimantan Tengah. The commencement of operations of the 60 mt per hour oil mill in April 2016 took our Group's total processing capacity in Indonesia to 195 mt per hour. Preparations have begun for the construction of a fourth oil mill, which is targeted for completion in 2019.

Meanwhile, mitigation measures were taken to address challenges unique to certain regions of our Group's operations in Indonesia. Periods of heavy rainfall experienced in 2016 brought increased risks of flooding to low lying estate areas. To minimise potential operational disruptions caused by floods, steps taken included ensuring proper drainage in the field, ensuring unimpeded water flow of the canals and implementing efficient overall water management practices as well as maintaining the condition of roads and bridges.

Mulia Estates, Kalimantan Barat

On the processing side of our Group's operations, a key challenge encountered during the year relates to the acidity level of available water sources and stability of supply. In response to these issues, which are especially apparent in the Kalimantan Tengah region, a multi-pronged approach was taken, comprising the establishment of rainwater and ground water harvesting systems to complement river water intake, the lining of water ponds with high density polyethylene to preserve pH quality and the treatment of water using the reverse osmosis system.

As we continue to build our Group's business in Indonesia, we remain mindful of the importance of upholding the principles of sustainable development through engagement with stakeholders even while pursuing our economic objectives. Towards this end, our Group remained focused in 2016 on carrying out plantation development in a sustainable manner and on the certification of our operating units to the relevant sustainable palm oil standards.

Having attained our Group's first Indonesian Sustainable Palm Oil ("ISPO") certification for the PT Sepanjang Intisurya Mulia estates and oil mill in 2015, PT Sawit Mitra Abadi in Kalimantan Barat is expected to be ISPO-certified in 2017, following the successful completion of its compliance audit recently. At the same time, further progress was made during the year on the Roundtable on Sustainable Palm Oil ("RSPO") front, keeping our Group's Indonesian operations on track to securing their maiden certification in 2017.

Flood mitigation projects implemented included the construction of
1. Concrete bridge
2. Box culvert bridge
3. Bund

Property

At the start of 2016, industry players generally had mixed views about market conditions, with some expecting a pick-up in sales in the latter part of the year while others braced for bearishness to persist, citing cautious sentiment amid a tighter financing environment.

In the end, 2016 proved to be a tough year overall for the local property sector. The challenges confronting the global and domestic economies negatively impacted buyers' confidence. Stricter bank lending guidelines also continued to weigh on property sales, although Bank Negara's lowering of the overnight policy rate by 25 basis points provided some measure of relief.

Amid these prevailing conditions, most developers focused on mass market properties or affordable units priced at RM500,000 and below as demand for affordable housing improved. Many also offered a variety of incentives and competitive promotion packages to boost sales.

For the year as a whole, our Group's Property Division delivered a reasonable performance by registering RM125.6 million in revenue and RM42.2 million in EBITDA. However, these were lower compared to the revenue of RM188.9 million and EBITDA of RM61.1 million a year earlier.

The Group's flagship development in Kulai, Johor - Genting Indahpura, contributed the bulk of the revenue with sales of RM108.7 million. Sales were mainly generated from commercial and residential properties as well as the sale of land.

Genting Pura Kencana, in Sri Gading, Batu Pahat, Johor, recorded RM21.0 million in sales mainly from commercial and residential properties.

Johor Premium Outlets® celebrated its 5th anniversary in 2016 and delivered another positive annual performance. The centre, the first Premium Outlet Center® in Malaysia and Southeast Asia, is a collection of 130 designer and name brand outlet stores featuring savings of 25% to 65% every day with a gross leasable area of 269,000 square feet.

Genting Highlands Premium Outlets®, which will be the second Premium Outlet Center®, is expected to open by the first half of 2017. It will have gross leasable area of 275,000 square feet, with 150 designer and name brand outlet stores.

1. Genting Highlands Premium Outlets® *(artists' impression)*

Genting Indahpura, Johor
2. Artists' impression of Kensington

Genting Pura Kencana, Johor
3. Double-storey Link Bungalow
4. Double-storey Semi-Detached

Genting MusimMas Refinery at POIC Lahad Datu, Sabah

Downstream Manufacturing

For the Downstream Manufacturing Division, activity over the course of 2016 was largely focused on two fronts – the construction of our Group's maiden palm oil refinery and the ongoing production of biodiesel primarily for Malaysia's domestic mandate.

Construction of Genting MusimMas Refinery, which commenced in mid-2015, has since been completed in September 2016 and is scheduled to commence operation in January 2017. Notably, this would then add a new dimension to our Group's growing presence in the palm oil business.

Located in the Palm Oil Industrial Cluster ("POIC") Lahad Datu, Sabah, the refinery is a 72:28 collaboration between our Group and Musim Mas Group, one of the world's leading integrated palm oil producers. With a capacity of approximately 600,000 mt per annum, the refinery is also a key component of the larger Genting Integrated Biorefinery Complex project our Group is undertaking to elevate palm oil value creation.

Meanwhile, on the biodiesel front, 2016 was another challenging year overall for the industry as discretionary blending was still not economically feasible owing to the high palm oil – gas oil spread.

On the whole, in light of the subdued global biodiesel market conditions, our Group's biodiesel plant in POIC Lahad Datu continued to operate mainly to cater for the requirements of the nation's B7 biodiesel mandate. As an active member of the Malaysian Biodiesel Association, our Group continued to work closely with other members to promote the development of the biodiesel industry in Malaysia, including facilitating the proposed adoption of the B10 mandate. The implementation of this higher blend is still pending confirmation by the government.

For the year, our Group's total biodiesel production and sales volumes were generally in line with those of 2015.

Biotechnology

The Biotechnology Division conducts research and development ("R&D") for enhancing productivity in the oil palm plantation. The Division is focusing on using its comprehensive oil palm genomic database for producing high yielding oil palm planting materials through novel means. At the same time, it is harnessing the power of microbes for maximising input utilisation in the estate. Products and services arising from the R&D are being tested in the field with promising results, bringing the division closer to its commercialisation goals.

Through its R&D entity, ACGT Sdn Bhd ("ACGT"), the Division continues to develop DNA markers for yield improvement in the oil palm. To intensify marker development, genome resequencing was initiated in 2012, leading to the establishment of a genome-wide association study in oil palm directed towards the identification of DNA markers for the yield trait. As a result, ACGT successfully identified DNA markers associated with oil yield in 2016, and the efficacy of these markers is being tested in the field. Together with the efforts initiated in 2015, a total of over 500 hectares have been planted with marker-screened oil palms. This effort will be continued into 2017.

1. ACGT Laboratories at TPM, Bukit Jalil
2. R&D activities at ACGT Laboratories
3. Planting material at seed production facility in Tangkak, Johor

The enhancement of field practices through microbial means is another focused area of the Division's R&D programme. The Division's efforts in this area have resulted in the introduction of a biofertiliser product, branded as Yield Booster. This product has both plant growth promoting properties and the ability to reduce ganoderma infection. Its large scale application was initiated during the year for evaluation under estate practices.

The rise in ganoderma infection with each replanting cycle is a matter of great concern to the oil palm industry. Through the efforts made in isolating microbes which have the capability of either killing or retarding growth of the pathogen in the lab, scientists at ACGT have formulated microbial products which can be used to treat the fungal disease. Production scale up and formulation improvement are some of the activities being pursued currently.

Genting AgTech Sdn Bhd ("GAT"), the seed production unit of the Division, is entrusted with the role of developing high yielding planting materials using both conventional breeding and new genomic approaches. As a seed company, GAT has secured a wide variety of germplasm materials from the Malaysia Palm Oil Board ("MPOB") and is collaborating with the Department of Agriculture Sabah ("DoA Sabah"). The wide collection of germplasm serves as a strong base for the development of high yielding planting materials.

Going forward, the Biotechnology Division will concentrate on its focus areas of generating high yielding planting materials and increasing the use of its plant health and growth enhancing products in the estates.

AWARDS

Best Company for Investor Relations (Medium Cap) 2016

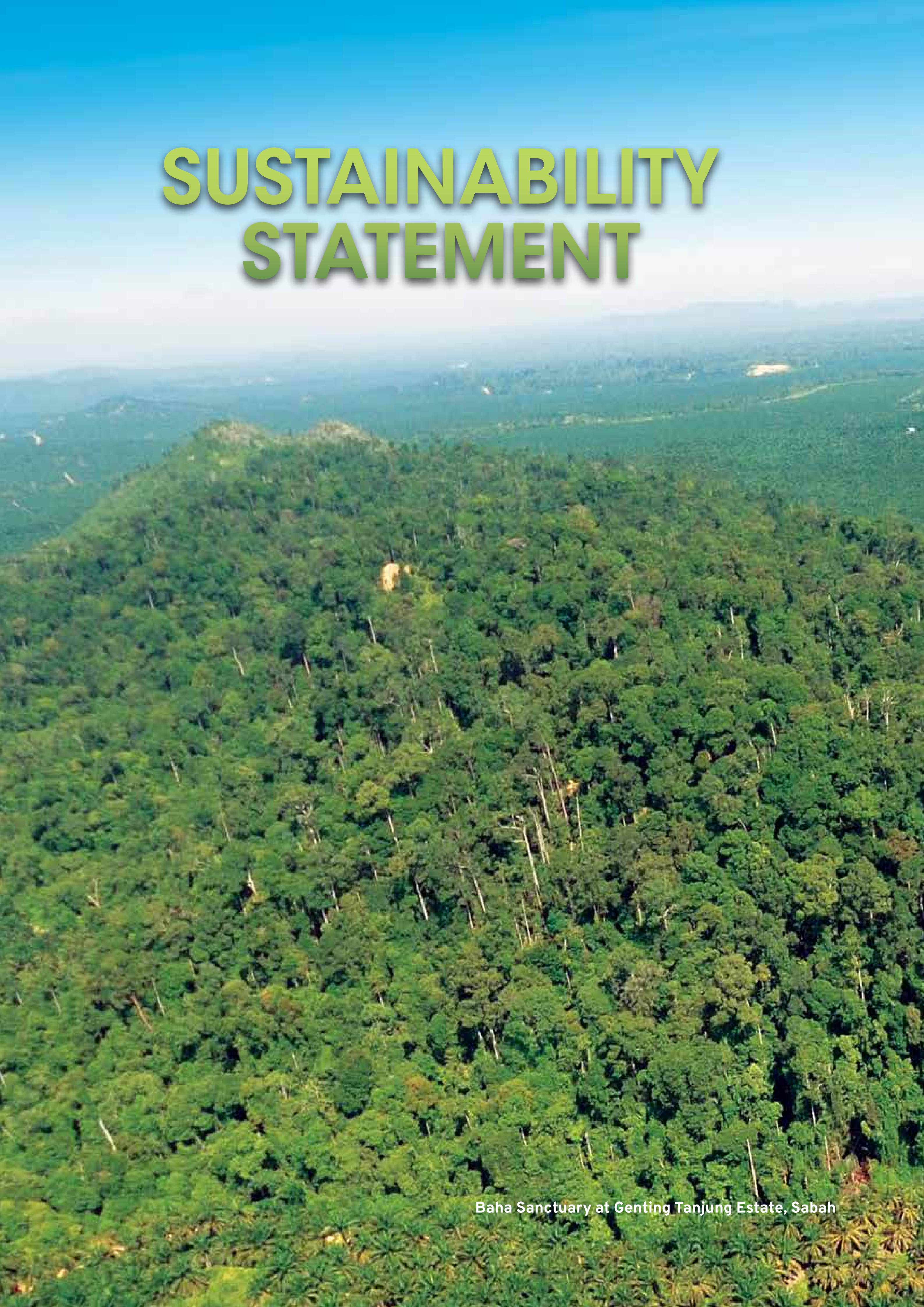
Best CEO for Investor Relations (Medium Cap) 2016

by Malaysian Investor Relations Association

Best Managed Company in Malaysia (Medium Cap) 2016

by Asiamoney

SUSTAINABILITY STATEMENT



Baha Sanctuary at Genting Tanjung Estate, Sabah

SUSTAINABILITY
STATEMENT

We aspire to achieve a balanced integration of ethical, social, environmental and economic considerations in the way we conduct our business to create sustainable long-term value for our stakeholders.

Our Group is fully cognizant that it is imperative for businesses to forge mutually-desirable outcomes founded on shared values for our stakeholders, and seeks to pay as much heed to continuously raising our sustainability performance as we do to meeting our commercial goals.

Hence, we are always guided by the core commitments of our four-pillared sustainability agenda, encompassing Environment, Community, Workplace and Marketplace.

Environment

- To practise responsible stewardship of the environment given that our business is closely related to nature
- To strive to adhere to the principles of sustainable development for the benefit of current and future generations

Community

- To build mutually beneficial relationship with the communities where we operate and with society at large through active engagement
- To enrich the communities where we operate

Workplace

As our people is our most important asset, we strive

- To create a conducive and balanced working environment encircling good practices, safety and well-being of employees
- To attract and retain talent, and nurture our employees to enable them to realise their full potential
- To remunerate employees commensurating to their academic and work achievements
- To provide continuous development through training and further academic learning

Employees form an integral part of our Group and we remain committed to human resource development. Our global workforce was about 18,564 as at 31 December 2016 with 10.46% Malaysians comprising Malay (7.4%), Chinese (1.66%), Indian (1.35%) and Others (0.05%) and the remaining 89.54% from other countries including but not limited to Korea, Mauritius, India, Bangladesh, Philippines, Nepal, Sri Lanka, Pakistan, Thailand and Indonesia. The male to female employee ratios is 83:17; with ages below 30 (5.9%), between 30 to 55 (90.08%) and above 55 (4.02%).

Marketplace

- To conduct our business with honesty, integrity and a commitment to excellence
- To personify exemplary corporate governance and transparent business conduct

This Sustainability Statement is made in accordance with a resolution of the Board of Directors dated 22 February 2017. Our Sustainability Report is available for download from **www.gentingplantations.com/sustainability**

HIGHLIGHTS OF GROUP'S KEY
SUSTAINABILITY PERFORMANCE

ISCC EU
ISCC PLUS
certifications for all oil mills and supply bases in Malaysia

RSPO
certifications for 2 oil mills and 7 estates with total certified area of 17,102 hectares in Malaysia

ISPO
certifications for Mulia Oil Mill and supply bases in Indonesia

Zero
discharge
Genting Jambongan Oil Mill - 1st oil mill with zero discharge in Malaysia

Over 30,000
trees planted to date under reforestation project along Tenegang Besar River, Sabah

BOD_3 Level - average 13ppm
for oil mills with 20ppm BOD_3 limit

Amicable resolution
of Native Customary Rights land case in Tongod, Sabah

Supports 8 scholars
to date under Tan Sri (Dr.) Lim Goh Tong Endowment Fund

Supports over 700 children
in 13 Humana schools in Sabah

Over 18,500
employees

It is the policy of the Company to manage the affairs of the Group in accordance with the appropriate standards for good corporate governance. Set out below is a description of how and the extent to which the Company has applied the principles and complied with the recommendations as set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012").

A. PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

The Board has seven members, comprising three Executive Directors and four Independent Non-Executive Directors. This composition fulfils the requirements mandated by the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") which stipulate that at least two Directors or one-third of the Board, whichever is higher, must be independent. The Directors have wide ranging experience and all had previously held or are currently holding senior positions in the public and/or private sectors. A brief profile of each of the Directors is presented on pages 12 to 16 of this Annual Report.

The Board has overall responsibility for the proper conduct of the Company's business and the Board Charter adopted by the Board clearly sets out the respective roles and responsibilities of the Board and the management to ensure accountability. The Board Charter is made available on the Company's website and is periodically reviewed and updated to take into consideration the needs of the Company as well as any development in relevant rules, regulations and laws that may have an impact on the discharge of the Board's duties and responsibilities. The Board is guided by the prevailing legal and regulatory requirements as well as the Company's policies in discharging its fiduciary duties and responsibilities. The Independent Non-Executive Directors, who form the majority of Board members, provide a check and balance to ensure that deliberation and decision making by the Board is independent of management. The Independent Non-Executive Directors also play a role to ensure a clear separation between the policy-making process and day-to-day management of the Group's businesses.

In discharging its fiduciary duties in respect of the Group, the Board is responsible for the following :

- Reviewing and adopting a strategic plan for the Group
- Overseeing and evaluating the conduct of the Group's businesses
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks
- Establishing a succession plan for senior management
- Overseeing the development and implementation of a shareholder communication policy for the Company
- Formulating corporate policies and strategies
- Reviewing the adequacy and the integrity of the management information and internal controls system of the Group
- Approving key matters such as financial results as well as major investments and divestments, major acquisitions and disposals and major capital expenditure in accordance with the limits of authority
- Assessing on an annual basis the effectiveness of the Board, Board Committees and individual Directors including the Chief Executive
- Reviewing the term of office and performance of the Audit Committee and each of its members annually

The Chairman is responsible for ensuring the smooth and effective functioning of the Board. His duties include providing leadership for the Board, ensuring that the Board carries out its responsibilities in the best interest of the Company and that all the key issues are discussed in a timely manner. The Chairman is also tasked with facilitating active discussion and participation by all Directors and ensuring that sufficient time is allocated to discuss all relevant issues at Board meetings.

The Chief Executive is responsible for providing the vision and strategic direction of the Group and to formulate appropriate corporate strategies and develop the business. He is assisted by the Deputy Chief Executive and President & Chief Operating Officer for implementing the policies and decisions of the Board and overseeing the day-to-day operations of the Group.

Certain matters are specifically reserved for the Board's decision, including overall strategic direction, annual operating plan, capital expenditure plan, material acquisitions and disposals, material capital projects, monitoring the Group's operating and financial performance and reviewing key risks affecting the Group's businesses.

A. PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

The Board meets on a quarterly basis and additionally as required from time to time to consider urgent proposals or matters that require the Board's decision. Quarterly meetings are scheduled in advance annually so that the Directors can plan ahead to ensure their attendance at Board meetings. The Board reviews, amongst others, the performance of the Company and its major operating subsidiaries of the Company, risk management and compliance reports and approves the quarterly results of the Group. The Board tracks the performance of the management against the annual plan submitted for each financial year. Quarterly performance reports are presented to the Board by management for review and approval. The Deputy Chief Executive, President & Chief Operating Officer, Chief Financial Officer and respective Heads/senior management of the operating units, where relevant, are invited to attend the Board meetings to brief the Board on the performance of the respective business operations.

Notice of meetings setting out the agenda and accompanied by the relevant Board papers are given to the Directors in sufficient time to enable the Directors to review, seek additional information and/or further clarification on the matters to be deliberated at Board meetings. Materials for Board meetings are uploaded onto a secured website, which can be assessed by the Directors via their i-pads or lap-tops at their convenience by using a personal password.

As a Group practice, any Director who wishes to seek independent professional advice in the course of discharging his duties may do so at the Group's expense. The Directors may convey their requests to the key senior management or the Company Secretary. Directors have access to all information and records of the Company and also the advice and services of the Company Secretary. The Company Secretary, an Associate member of The Malaysian Institute of Chartered Secretaries and Administrators, satisfies the qualification as prescribed under Section 235(2) of the Companies Act, 2016 and has the requisite experience and competency in company secretarial services. The Company Secretary advises the Board on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors and promptly disseminates communications received from the relevant regulatory/governmental authorities. The Company Secretary organises and attends all Board and Board Committee meetings and is responsible to ensure meetings are properly convened and accurate and proper records of the proceedings and resolutions passed are taken and maintained at the Registered Office of the Company.

During the year under review, four meetings of the Board were held and all Directors have complied with the requirement in respect of board meeting attendance as provided in the MMLR.

The details of Directors' attendances during the financial year 2016 are set out below:

Name of Directors	Number of Meetings Attended
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	4 out of 4
Tan Sri Lim Kok Thay	4 out of 4
Encik Mohd Din Jusoh	4 out of 4
Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	4 out of 4
Mr Quah Chek Tin	4 out of 4
Mr Ching Yew Chye	4 out of 4
Mr Lim Keong Hui	4 out of 4

The Articles of Association of the Company provide that at least one-third of the Directors are subject to retirement by rotation at each Annual General Meeting ('AGM') and that all Directors shall retire once in every three years. A retiring Director is eligible for re-election. The Articles of Association also provide that a Director who is appointed by the Board in the course of the year shall be subjected to re-election at the next AGM to be held following his appointment.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965. Pursuant to the shareholders' approval under Section 129(6) of the Companies Act, 1965, Lt. Gen. Dato' Abdul Ghani bin Abdullah and Encik Mohd Din Jusoh who were re-appointed at last year's AGM held on 31 May 2016 would hold office until the conclusion of the forthcoming AGM in 2017. Encik Mohd Din Jusoh has indicated his intention to retire at the conclusion of the forthcoming AGM. The Companies Act 2016 which came into force on 31 January 2017 has abolished the age limit for directors. The Board of Directors of the Company resolved to appoint Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) as a Director immediately following the cessation of office of Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) at the conclusion of the forthcoming AGM.

A. PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

The Directors observe the Company Directors' Code of Ethics established by the Companies Commission of Malaysia ("CCM") which can be viewed from CCM's website at www.ssm.com.my as well as the Company's website at www.gentingplantations.com. The Code of Ethics provides guidance to the Directors of the Company in performing their duties as it aims to establish a standard of ethical behavior based on trustworthiness and values as well as uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administration of a company.

The Company recognises that any genuine commitment to detecting and preventing actual or suspected unethical, unlawful, illegal, wrongful or other improper conduct must include a mechanism whereby employees and other stakeholders can report their concerns freely without fear of reprisal or intimidation. To this end, the Company has adopted a Whistleblower Policy which is disseminated to employees at the Company's intranet portal. The Whistleblower Policy can also be assessed at the Company's website at www.gentingplantations.com. The Whistleblower Policy establishes the Whistleblower Committee which is tasked to receive, process and investigate any complaint received from a whistleblower and to take action, as appropriate, to address such complaint. The Whistleblower Policy also sets out detailed procedures on how to make a complaint, the procedures after a complaint is received and provides general information about whistleblowing and whistleblower protection.

The Group is committed to operating in a sustainable manner and seeks to contribute positively to the well-being of stakeholders. Details of the Group's sustainability activities in 2016 can be found in the Sustainability Statement on pages 32 to 34 of this Annual Report.

B. PRINCIPLE 2: STRENGTHEN COMPOSITION

Formal Board Committees established by the Board, namely the Audit Committee, Nomination Committee and Remuneration Committee assist the Board in the discharge of its duties. The Audit Committee consists of five members, who are all Independent Non-Executive Directors. The Nomination Committee and Remuneration Committee each consist of 3 members, who are all also Independent Non-Executive Directors.

The Nomination Committee has been established since 2002 and information on the members of the Nomination Committee are set out on page 3 of this Annual Report.

The Nomination Committee met once during the financial year ended 31 December 2016 where all the members attended.

The Chairman of the Nomination Committee, Mr Quah Chek Tin (email address: chektin.quah@genting.com) has been designated as the Senior Independent Non-Executive Director identified by the Board pursuant to Recommendation 2.1 of the MCCG 2012.

The Nomination Committee carried out its duties in accordance with its Terms of Reference which can be obtained from the Company's website at www.gentingplantations.com. The main activities carried out by the Nomination Committee during the financial year ended 31 December 2016 are set out below:

(a) considered and reviewed the Board's succession plans, the present size, structure and composition of the Board and Board Committees as well as the required mix of skills, experience and competency required;

(b) considered and reviewed the Senior Management's succession plans;

(c) considered and reviewed the trainings attended by the Directors, discussed the training programmes required to aid the Directors in the discharge of their duties as directors and to keep abreast with industry developments and trends;

(d) reviewed and recommended to the Board, the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference; and

(e) assessed and recommended to the Board, the effectiveness of the Board, Board Committees and individual Directors, including the Chief Executive.

B. PRINCIPLE 2: STRENGTHEN COMPOSITION (cont'd)

Members of the Nomination Committee would meet up with potential candidates for the position of director to assess their suitability based on a prescribed set of criteria as set out in the Terms of Reference of the Nomination Committee. Potential candidates are required to declare and confirm in writing, amongst others, his/her current directorships, that he/she is not an undischarged bankrupt, or is involved in any court proceedings in connection with the promotion, formation or management of a corporation or involving fraud or dishonesty punishable on conviction with imprisonment or is subject to any investigation by any regulatory authorities under any legislation. Further, candidates being considered for the position of independent directors are required to declare and confirm their independence based on the criteria set out in the MMLR.

Management would assist new Directors to familiarise themselves with the Group's structure and businesses by providing the Directors with relevant information about the Group. New Directors are also encouraged to undertake site visits and to meet with key senior executives.

The process of assessing the Directors is an on-going responsibility of the entire Board. The Board has put in place a formal evaluation process to annually assess the effectiveness of the Board as a whole; and the Board Committees, as well as the contribution and performance of each individual Director (including the Independent Non-Executive Directors) and the Chief Executive. The criteria used, amongst others, for the annual assessment of individual Directors/ Chief Executive include an assessment of their roles, duties, responsibilities, competency, expertise and contribution whereas for the Board and Board Committees, the criteria used include composition, structure, accountability, responsibilities, adequacy of information and processes.

In respect of the assessment for the financial year ended 31 December 2016, the Board was satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director, including the Chief Executive are satisfactory. The Board was also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills was adequate.

The Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organisation. This includes the selection of Board members. In addition, the Group believes it is of utmost importance that the Board is composed of the best-qualified individuals who possess the requisite knowledge, experience, independence, foresight and good judgement to ensure that the Board functions effectively and is able to discharge its duties in the best interests of the Company and shareholders. In 2016, all the Directors of the Company are male and the racial composition is 43% Malay and 57% Chinese. 14% of the Directors are between the ages of 30 and 55 and the remaining 86% are above 55 years old.

The Remuneration Committee has been established since 2002 and information on the members of the Remuneration Committee are set out on page 11 of this Annual Report. The Remuneration Committee is responsible for making recommendations to the Board on the remuneration packages of Executive Directors and members of the Board Committees. The Company has established a formal remuneration policy for the Executive Directors to align with business strategy and long term objectives of the Group. The basis and factors taken into account in determining the remuneration of the Executive Directiors include but not limited to the financial performance of the Group, general economic situation, prevailing market practice, individual performance of the Executive Directors and such other factors as may be determined by the Board from time to time. In making recommendations by the Remuneration Committee to the Board, the financial performance of the Group tracked against the annual plan, information provided by independent consultants and appropriate survey data are taken into consideration. The Board as a whole determines the level of fees of Non-Executive Directors and Executive Directors. Directors' fees are approved at the AGM by the shareholders. Directors do not participate in decisions regarding their own remuneration packages.

The Remuneration Committee met twice during the financial year ended 31 December 2016 where all the members attended.

Details of the Directors' remuneration are set out in the Audited Financial Statements on page 98 of this Annual Report. In the interest of security, additional information have not been provided other than the details stipulated in the MMLR.

C. PRINCIPLE 3: REINFORCE INDEPENDENCE

The Board noted Recommendation 3.2 of the MCCG 2012 that the tenure of an independent director should not exceed a cumulative term of nine (9) years. The Board is of the view that the ability of long serving independent directors to remain independent and to discharge their duties with integrity and competency should not be measured solely by tenure of service or any pre-determined age. Their long service should not affect their independence as they are independent-minded and they continue to provide the necessary checks and balances in the best interest of the Company. The Independent Directors have provided an undertaking to Bursa Securities since their appointment confirming and declaring that they are "independent directors" as defined under paragraph 1.01 of the MMLR. The Board agreed that ultimately the Independent Directors themselves are the best persons to determine whether they can continue to bring independent and objective judgement to board deliberations.

The Independent Non-Executive Directors do not participate in the day-to-day management of the Company. They engaged with the senior management, external and internal auditors as and when required to address matters concerning the management and oversight of the Company's business and operations.

In line with Recommendation 3.1 of the MCCG 2012 whereby the Board is required to develop criteria to assess independence of directors, the Board had adopted the same criteria used in the definition of "independent directors" prescribed by the MMLR. However, the Board does not agree that the tenure should be a criteria in determining independence of the Directors for the reasons stated above. As such, Recommendation 3.2 of the MCCG 2012 (assessment criteria for independence of directors should include tenure) and Recommendation 3.3 of the MCCG 2012 (the Board is allowed to seek shareholders' approval for independent directors after 9 years tenure to remain as an independent director) have not been adopted.

Accordingly, Encik Mohd Din Jusoh, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R) and Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) who have been Independent Non-Executive Directors of the Company since 12 June 1980, 1 July 2005 and 21 May 2007 respectively, will continue to be Independent Directors of the Company notwithstanding having served as independent directors on the Board for more than nine years.

For the financial year ended 31 December 2016, all five Independent Non-Executive Directors had provided their annual confirmations of independence to the Board based on the Company's criteria of assessing independence in line with the definition of "independent directors" prescribed by the MMLR. The Board had assessed and concluded that the five Independent Non-Executive Directors of the Company, namely Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R), Encik Mohd Din Jusoh, Lt. Gen. Dato' Abdul Ghani bin Abdullah (R), Mr Quah Chek Tin and Mr Ching Yew Chye continue to demonstrate conduct and behavior that are essential indicators of independence, and that each of them is independent of the Company's management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. Each Independent Director has undertaken to notify the Board of any changes in their circumstances or of any new interest or relationship that would affect their independence as an independent director of the Company. The Board will promptly consider that new information in reassessing the Director's independence.

In addition to the annual confirmation mentioned above from the Independent Non-Executive Directors, all the Directors are required to confirm on an annual basis if they have any family relationship with any other Director and/or major shareholder of the Company, if there are any conflict of interests with the Company and if they have been convicted of any offences within the past five years other than traffic offences and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. These information, together with the annual evaluation and assessment of each Director during the financial year, form the basis and justification for recommending whether the retiring Director should be nominated for re-election at the AGM.

There is a clear division of roles and responsibilities between the Chairman and Chief Executive. The Chairman of the Board of Directors of the Company is Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R), an Independent Non-Executive Director whilst the Chief Executive is Tan Sri Lim Kok Thay. Given that the Chairman is an Independent Non-Executive Director and there is a balanced Board with five experienced Independent Directors representing more than 50% of the Board, there is a strong independent element on the Board to exercise independent judgement which satisfies Recommendation 3.5 of the MCCG 2012.

D. PRINCIPLE 4: FOSTER COMMITMENT

In line with Recommendation 4.1 of the MCCG 2012 whereby the Board should set out expectations on time commitment for its members and protocols for accepting new directorships, each Director has set aside reasonable time commitment to fulfil its fiduciary duties as Directors of the Company. Each Director is required to notify the Chairman of the Board prior to accepting directorships in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction. The Chairman of the Board shall notify all the Board members before accepting directorships in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction. The notification will also include an approximate indication of time per year that will be spent by the Directors on the new directorships.

All the Directors have attended the Mandatory Accreditation Programme and are also encouraged to attend courses whether in-house or external to help them in the discharge of their duties.

During the financial year ended 31 December 2016, the Directors received regular briefings and updates on the Group's businesses, operations, risk management, internal controls, corporate governance, finance and any new or changes to the relevant legislation, rules and regulations.

The Company maintains a policy for Directors to receive training at the Company's expense, in areas relevant to them in the discharge of their duties as Directors or Board Committee members.

The following are the courses and training programmes attended by the Directors in 2016:

COURSES	NAME OF DIRECTORS	Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	Tan Sri Lim Kok Thay	Mr Lim Keong Hui	Mr Quah Chek Tin	En Mohd Din Jusoh	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye
"Brand Engagement & Team Building – Star & Dream" by StarCruises.				•				
Seminar on HSBC Economic & FX Outlook 2016 by HSBC Bank Malaysia Berhad.					•			
Directors' Remuneration Report 2015: Briefing Session For Directors by FIDE.								•
CG Breakfast Series for Directors: "Improving Board Risk Oversight Effectiveness" by Bursa Malaysia Berhad.					•		•	
Focus Group Discussion (Insurance) In Preparation for Dialogue with BNM Senior Management by FIDE.								•
Future of Auditor Reporting – The Game Changer For Boardroom by Bursa Malaysia Berhad, Malaysian Institute of Accountants and The Malaysian Institute of Certified Public Accountants.								•
"Geeks On The Hill" by RW Tech Labs.				•				
8th Annual Corporate Governance Summit "Decoding uncertainties, delivering value" by Asian World Summit Sdn Bhd.							•	

D. PRINCIPLE 4: FOSTER COMMITMENT (cont'd)

COURSES	NAME OF DIRECTORS	Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	Tan Sri Lim Kok Thay	Mr Lim Keong Hui	Mr Quah Chek Tin	En Mohd Din Jusoh	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye
Independent Directors Programme: "The Essence of Independence" by Bursa Malaysia Berhad.		•			•			
BNM–FIDE Forum Dialogue with the Governor: "Financial Services Sector: Trends and Challenges Moving Forward"								•
Sustainability Engagement Series 2016 for Directors/Chief Executive Officers of Listed Issuers by Bursa Malaysia Berhad					•			
PREMONEY Hong Kong: An investor program about the most disruptive strategies, models & technologies for the future of venture capital.				•				
Briefing on "Companies Bill 2015" by Messrs Wong and Partners organised by Genting Group.				•		•	•	•
Directors Duties, Business Ethics & Governance Seminar 2016 by Malaysian Institute of Corporate Governance						•		
CG Breakfast Series with Directors: "The Strategy, the Leadership, the Stakeholders and the Board" by Bursa Malaysia Berhad							•	
Risk Management Workshop by IBM.		•						
Talk on Current Economic Environment by Mr Lim Chee Seng, Head of RHB Research Institute.					•			
Briefing on "New Companies Bill" by Messrs Wong and Partners organised by Paramount Corporation Berhad.					•			
Audit Committee Seminar for the Public and Private Sectors 2016 "Improving Audit Effectiveness" by Federation of Public Listed Companies Bhd.						•		
Sustainability Engagement Series for Directors / Chief Executive Officers by Bursa Malaysia Berhad.						•		
Leading the Digital and Analytics Revolution by McKinsey & Company.								•
Dialogue/Review session on the "Securities Commission's Draft Malaysian Code on Corporate Governance 2016" (Public Consultation Paper No. 2/2016).					•	•	•	•
Forbes Asia Forum: The Next Tycoons "A Generation Emerges" by Forbes Asia.				•				
LIAM Open Consultation on Draft FSPD Code of Conduct.								•

D. PRINCIPLE 4: FOSTER COMMITMENT (cont'd)

COURSES	NAME OF DIRECTORS	Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	Tan Sri Lim Kok Thay	Mr Lim Keong Hui	Mr Quah Chek Tin	En Mohd Din Jusoh	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye
35th Management Conference (Plantation Division) of Genting Plantations Berhad ("GENP") - EES/ESG on Value Creation – Market Dynamics and Challenges by Ms Khor Yu Leng, Head Research for Southeast Asia, LMC International. - Progress in Innovation and Sustainability Certifications at GENP Plantations and Mills to Enhance Productivity by Messrs Tan Cheng Huat, Arunan Kandasamy and Choo Huan Boon. - Applications of Innovative Technology in UAV and Remote Sensing to Enhance Plantation Productivity by Mr Chiew Teck Wee of Insight Robotics (SEA) - The Psychology of Excellence – Making a Difference in the Workplace by Mr Todd Hutchison of Peopleistic, Australia.		•	•		•	•	•	•
28th Annual Senior Managers' Conference 2016 of Genting Malaysia Berhad Theme: "Sustaining Growth through an Innovative Culture, Creative Scene Investigation - How to Build a Culture that Supports Innovation" by Mr Andrew Grant.			•		•			
FIDE Forum: FinTec – Business Opportunity or Disruptor by Markus Gnirck and Veiverne Yuen.								•
National Coconut Workshop 2016 - Coconut: "The Sunrise Industry" by UPM Alumni Association.						•		
Nomination Committee Programme Part 2 - "Effective Board Evaluations" by Bursa Malaysia Berhad and The Iclif Leadership and Governance Centre.							•	
Qualified Risk Director Program: "The Role of Boards in Fraud Risk Management" by Institute of Enterprise Risk Practitioners.							•	
Malaysia Financial Reporting Standard; Internal Capital Adequacy Assessment Process and Shariah Non-Compliance Risk and Its Impact to Islamic by AFFIN Holdings Berhad.		•						
Corporate Governance Statement Workshop: "The Interplay between CG, Non-Financial Information (NFI) and Investment Decisions" by Cahya Mata Sarawak Berhad.		•						
Managers' Conference on "Leading Self and Culture Change" by Kuala Lumpur Kepong Berhad.					•			
Lecture Series by DYMM Sultan Perak, Sultan Nazrin Shah: "Bahasa Melayu dalam Kesultanan Melayu" by Dewan Negara Perak.		•						

D. PRINCIPLE 4: FOSTER COMMITMENT (cont'd)

COURSES	NAME OF DIRECTORS	Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Hj Zainuddin	Tan Sri Lim Kok Thay	Mr Lim Keong Hui	Mr Quah Chek Tin	En Mohd Din Jusoh	Lt. Gen. (R) Dato' Abdul Ghani bin Abdullah	Mr Ching Yew Chye
Kuala Lumpur SOGO Conference 2016: "Between Us, Our Journey into the Future" by SOGO (KL) Store Sdn Bhd.		•						
3rd World Conference on Islamic Thought and Civilization - Future World by State Secretariat Perak.		•						
Barclays Asia Forum 2016 by Barclays Bank Plc.				•				
12th Khazanah Global Lecture by Dr. Jane Goodal – Preservation and Awareness for World Environment by Khazanah Nasional Berhad.		•						
Sultan Azlah Shah Law Lecture – The Supreme Court: Guardian of the Constitution by the Right Honorable the Baroness Hale of Richmond organised by Yayasan Sultan Azlan Shah.		•						
Director's Training - Listing requirements by Bursa Malaysia; Companies Act 2016; Code of Corporate Governance 2016; Policy Document on Corporate Governance by Bank Negara Malaysia.		•						
Conference on "Collaborate to Innovate" by Zouk.				•				
Lecture Series by DYMM Sultan Perak, Sultan Nazrin Shah: "Education is the First Line for the Defence and Security of the Nation" by Universiti Pertahanan Nasional Malaysia.		•						
CG Breakfast Series with Directors: "The Cybersecurity Threat and How Board Should Mitigate the Risks" by Bursa Malaysia Berhad.		•		•				
Launch of the AGM Guide & CG Breakfast Series: "How to Leverage on AGMs for Better Engagement with Shareholders" by Bursa Malaysia Berhad and The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)					•	•	•	•
Seminar on Corporate Governance by Risks, Opportunities, Assessment and Management (ROAM), Inc. (Manila).			•					
The New Malaysian Companies Act 2016 by Messrs Rahmat Lim & Partners organised by Cahya Mata Sarawak Berhad.		•						
Family Office Innovation Forum organised by Kuvera Holdings.				•				
Tax Seminar - The 2017 Budget organised by Genting Group.		•				•		•
CG Breakfast Series with Directors: "Anti-Corruption & Integrity - Foundation of Corporate Sustainability by Bursa Malaysia Berhad.						•		

E. PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board aims to ensure that the quarterly reports, annual financial statements as well as the annual review of operations in the annual report are presented in a manner which provides a balanced and comprehensive assessment of the Group's performance and prospects.

The Audit Committee, amongst others, has been delegated with the responsibility to review the quarterly reports of the Group, focusing particularly on:

(a) changes in or implementation of major accounting policies;
(b) significant matters highlighted by management or the external auditors, including financial reporting issues, significant judgemnets made by management, significant and unusual events or transactions, and how these matters were addressed; and
(c) compliance with accounting standards and other legal or regulatory requirements.

The Directors are also required by the Companies Act 1965 to prepare financial statements for each financial year which have been made out in accordance with the Financial Reporting Standards, the Malaysian Accounting Standards Board Approved Accounting Standards in Malaysia for Entities Other Than Private Entities which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

A statement by the Board of its responsibilities for preparing the financial statements is set out on page 131 of this Annual Report.

The Company through the Audit Committee has an appropriate and transparent relationship with the external auditors. In the course of audit of the Group's financial statements, the external auditors would highlight to the Audit Committee and the Board, matters that require the Board's attention. Audit Committee meetings are attended by the external auditors for purposes of presenting their audit plan and report and for presenting their comments on the audited financial statements. At least twice a year, these meetings are held without the presence of the management of the Company to ensure that the external auditors can freely discuss and express their opinions on any matter to the Audit Committee and the Audit Committee can be sufficiently assured that management has fully provided all relevant information and responded to all queries from the external auditors. In addition, the external auditors are invited to attend the AGM of the Company and are required to be available to answer shareholders' questions on the conduct of the statutory audit and contents of their audit report.

The Audit Committee is responsible for reviewing the audit and non-audit services provided by the external auditors. Non-audit services comprise mainly regulatory reviews and reporting, review of quarterly financial results, tax advisory and compliance services. The Audit Committee ensures that the independence and objectivity of the external auditors are not compromised in accordance with the assessment criteria set out in the "Group Policy on External Auditors' Independence". The terms of engagement for services provided by the external auditors are reviewed by management and approved in accordance with managements' authority limits. The purpose of and rationale for such services are tabled to the Audit Committee in the quarter in which the approval is given.

The external auditors are also required to provide a confirmation to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The policies governing the circumstances under which contracts for the provision of non-audit services could be entered into and procedures that must be followed by the external auditors have been approved by the Board.

The Audit Committee is satisfied with the suitability and independence of the external auditors based on the quality and competency of services, sufficiency of the firm and professional staff assigned to the audit as well as the non-audit services performed for the financial year ended 31 December 2016 and has recommended their re-appointment for the financial year ending 31 December 2017.

F. PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

The Board is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity. While acknowledging their responsibility for the system of internal control, the Directors are aware that such a system is designed to manage rather than eliminate risks and therefore cannot provide an absolute assurance against material misstatement or loss.

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets, the Group has in place, an adequately resourced internal audit department. The department undertakes regular and systematic audits and reports audit results quarterly to the Audit Committee, which provide the Board with sufficient assurance regarding the adequacy and effectiveness of the system of internal controls. The department functions independently of the activities it audits and carries out its works according to the standards set by professional bodies. During the financial year ended 31 December 2016, the internal audit carried out duties in areas covering operation audit, information system audit and compliance audit and were further elaborated in the Audit Committee Report.

As proper risk management is a significant component of a sound system of internal control, the Group has also put in place a risk management process to help the Board in identifying, evaluating and managing risks. The implementation and maintenance of the risk management process is carried out by the Risk and Business Continuity Management Committee of the Company.

A Statement on Risk Management and Internal Control which provides an overview of the state of internal controls within the Group is set out on pages 51 to 53 of this Annual Report.

G. PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board observes the Corporate Disclosure Guide issued by the Bursa Securities which can be viewed from Bursa Securities' website at www.bursamalaysia.com as well as adhering to and complying with the disclosure requirements of the MMLR.

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Company holds separate quarterly briefings for fund managers, institutional investors and investment analysts after each quarter's financial results announcement.

The Group maintains a corporate website at www.gentingplantations.com which provides information relating to annual reports, press releases, quarterly results, announcements and investor presentations. In line with the MCCG 2012 and MMLR, the Board Charter, Memorandum and Articles of Association of the Company, Terms of Reference of Audit Committee and Nomination Committee, Sustainability Report as well as other relevant and related documents or reports relating to Corporate Governance are made available on the aforesaid website.

The Group also participates in investor forums held locally and abroad and periodically organises briefings and meetings with analysts and fund managers to give them a better understanding of the businesses of the Group.

H. PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Company's AGM remains the principal forum for dialogue with shareholders. Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed and the operations of the Group.

The Board has identified Encik Mohd Din Jusoh (email address: din.jusoh@genting.com) to whom concerns may be conveyed.

The current minimum notice period for notices of meetings is as prescribed in MMLR and the Board is of the view that it is adequate. However, the Board notes the recommendation of the MCCG 2012 to serve notices for meetings earlier than the minimum notice period and will endeavour to meet this recommendation for future meetings.

H. PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (cont'd)

The rights of shareholders, including the right to demand for a poll, are found in the Articles of Association of the Company, a copy of which has been made available on the Company's website. At the 38th AGM of the Company held on 31 May 2016, the Chairman had notified the shareholders of their right to demand a poll vote at the commencement of the AGM.

With effect from 1 July 2016 and pursuant to paragraph 8.29A(1) of the MMLR, all resolutions set out in the notice of general meetings of the Company will be put to vote by poll.

The Board has taken the requisite steps to adopt electronic voting, where feasible, to facilitate greater shareholders participation at general meetings and to ensure accurate recording of votes.

I. OTHER INFORMATION

Material Contracts

Material contracts of the Company and its subsidiaries involving Directors and major shareholders either subsisting at the end of the financial year ended 31 December 2016, or entered into since the end of the previous financial year are disclosed in Note 43 to the financial statements under "Significant Related Party Transactions and Balances" on pages 124 to 125 of this Annual Report.

This Corporate Governance Statement is made in accordance with a resolution of the Board of Directors dated 22 February 2017.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE

The Audit Committee was established on 26 July 1994 to serve as a Committee of the Board.

MEMBERSHIP

The present members of the Audit Committee comprise:

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	Chairman/Independent Non-Executive Director
Mr Quah Chek Tin	Member/Independent Non-Executive Director
Encik Mohd Din Jusoh	Member/Independent Non-Executive Director
Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Member/Independent Non-Executive Director
Mr Ching Yew Chye	Member/Independent Non-Executive Director

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee are made available on the Company's website at www.gentingplantations.com

ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR 2016

The Audit Committee held a total of six (6) meetings. Details of attendance of the Audit Committee members are as follows:

Name of Member	Number of Meetings Attended*
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	6 out of 6
Mr Quah Chek Tin	6 out of 6
Encik Mohd Din Jusoh	6 out of 6
Lt. Gen. Dato' Abdul Ghani Bin Abdullah (R)	6 out of 6
Mr Ching Yew Chye	6 out of 6

* *The total number of meetings include the special meetings held between members of the Audit Committee who are non-executive Directors of the Company and representatives of the external auditors, PricewaterhouseCoopers without the presence of any Executive Director or management.*

SUMMARY OF WORK DURING THE FINANCIAL YEAR 2016

The Audit Committee carried out its duties in accordance with its Terms of Reference.

During the financial year ended 31 December 2016, this entailed, inter-alia, the following:

i) reviewed and deliberated the internal audit plan for the Company and the Group with the Head of Internal Audit and authorised deployment of the necessary resources to address risk areas identified;

ii) reviewed and deliberated the internal audit reports of the Company and of the Group which were prepared on completion of each internal audit assignment;

iii) engaged with the external auditors on the external audit plan for the Company and the Group;

iv) reviewed and deliberated the external audit reports of the Company and of the Group prepared by the external auditors, including all the key audit matters raised;

v) reviewed with management and the external auditors and deliberated the quarterly results and reports of the Company and of the Group and recommended for their approval by the Board;

vi) reviewed related party and recurrent related party transactions of the Company and of the Group;

vii) analysed and reviewed the proposed audit fees for the external auditors in respect of their audit of the financial statements of the Company and of the Group;

viii) assessed the suitability and independence of the external auditors and recommended their re-appointment;

ix) reviewed with management and the external auditors the annual financial statements of the Company and of the Group for the financial year ended 31 December 2015 and recommended for their approval by the Board; and

x) reviewed and deliberated the half-yearly reports submitted by the Risk and Business Continuity Management Committee of the Company.

HOW THE AUDIT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR 2016

1. Financial Reporting

The Audit Committee reviewed with management and the external auditors and deliberated on the quarterly consolidated financial statements and the annual financial statements of the Company and of the Group prior to the approval by the Board, focusing particularly on:

(a) changes in or implementation of major accounting policies;

(b) significant matters highlighted by management or the external auditors, including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters were addressed; and

(c) compliance with accounting standards and other legal or regulatory requirements

to ensure that the financial statements give a true and fair view of the state of affairs, results and cash flows of the Group and of the Company and are in compliance with the Financial Reporting Standards, the Malaysian Accounting Standards Board Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the provisions of the Companies Act, 1965 as well as the Listing Requirements of Bursa Malaysia Securities Berhad. New financial reporting standards and amendments that are effective for the financial year were discussed and it was noted that the adoption of these new standards and amendments did not have any significant impact on the current or prior year and are not likely to materially affect future periods.

The Audit Committee also reviewed and where applicable, commented on the representation letters by the management to the external auditors in relation to the financial statements every quarter.

2. External Audit

In the course of each review of the quarterly financial statements and each audit of the annual financial statements, the external auditors identified discrepancies or matters involving estimates or the exercise of judgement which could have material impact on the financial statements. These matters were discussed with management and resolved, wherever possible, or held for future monitoring and resolution in future.

Significant matters requiring follow-up were highlighted in the reports by the external auditors to the Audit Committee. In accordance with International Standards on Auditing, key audit matters which in the opinion of the external auditors were of most significance in their audit of the annual financial statements were brought to the attention of the Audit Committee and highlighted and addressed by the external auditors in their audit report.

The Audit Committee also reviewed and discussed the external auditors' annual audit plan setting out the proposed scope of work before their commencement of the audit of the financial statements of the Group.

The proposed audit fees for the external auditors in respect of their audit of the financial statements of the Company and its subsidiaries were analysed and reviewed by the Audit Committee for recommendation to the Board for approval. Non-audit fees payable to the external auditors in respect of non-audit services rendered by the external auditors during the financial year were also reviewed and considered in ascertaining the suitability and independence of the external auditors.

The Audit Committee conducted its annual assessment based on the Group's policy on external auditors' independence for recommending the reappointment of the external auditors to the shareholders for approval.

Two Audit Committee meetings were held on 18 February 2016 and 23 August 2016 without the presence of any Executive Director or management of the Company to ensure that the external auditors can freely discuss and express their opinions on any matter to the Audit Committee, and the Audit Committee can be sufficiently assured that management has fully provided all relevant information and responded to all queries from the external auditors.

The Audit Committee also discussed the requirements of the New Auditor Reporting Standards and Sustainability Statement for inclusion in the annual report to shareholders as well as other significant operational matters and key audit findings.

3. Internal Audit

The Group has an adequately resourced internal audit function to assist the Boards in maintaining a sound system of internal control. The internal audit department of the Company reports to the Audit Committee and the primary role of the department is to undertake regular and systematic review of the risk management and internal control processes to provide sufficient assurance that the Company and the Group have sound systems of internal control and that established policies and procedures are adhered to and continue to be effective in addressing the risks identified.

Internal audit functions independently of the activities it audits and carries out its work according to the standards set by professional bodies, primarily consistent with the Standard for Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and where applicable, reference is made to the standards and statements issued by the international accounting and auditing organisations. For each audit, a systematic methodology is adopted, which primarily includes performing risk assessment, developing audit planning memorandum, conducting audit, convening exit meeting and finalising audit report. The audit reports detail out the objectives, scope of audit work, findings, management responses and conclusion in an objective manner and are distributed to the responsible parties.

The Audit Committee reviewed and approved the 2017 Internal Audit Plan for the Company and the Group and authorised the deployment of necessary resources to address risk areas identified.

The following were considered in the Audit Committee's review:

- The Internal Audit plan was prepared based on a risk based approach with the consideration of 4 factors, namely materiality of transactions and balances, management concerns (including company risk profiles), regulatory requirements and audit evaluation.

- The internal audit scope extends to cover major operating areas of the Company and its subsidiaries which include financial, accounting, information systems, operational support services and administrative activities.

- The internal audit resources comprise degree holders and professionals from related disciplines. Senior personnel possess vast experience in the audit profession as well as in the industries that the Company is involved in.

The Audit Committee reviewed and deliberated the internal audit reports issued in respect of the Group's entities or operations each quarter. The audits covered various operations, systems, processes and functions across the Company and the Group. Some weaknesses in internal control were identified for the year under review but these are not deemed significant and have not materially impacted the business or operations of the Group. Nevertheless, measures have been or are being taken to address these weaknesses. The internal audit reports also included follow-up on corrective measures to ensure and to report to the Audit Committee that management has dealt with the weaknesses identified satisfactorily.

The total cost incurred for the internal audit function of the Group for the financial year ended 31 December 2016 amounted to RM3.7 million.

4. Related Party Transactions

Related party transactions of the Company and its subsidiaries which exceeded pre-determined thresholds were reviewed by the Audit Committee to ensure the transactions were fair, reasonable, on normal commercial terms, not detrimental to the interests of the minority shareholders and in the best interest of the Company before recommending to the Board or shareholders for approval.

The Audit Committee reviewed the recurrent related party transactions of a revenue or trading nature which were necessary for the day-to-day operations of the Company or its subsidiaries that arose within the Group to ensure that the transactions were in the ordinary course of business and on terms not more favourable to the related parties than those generally available to the public.

5. Risk Management

The Audit Committee reviewed the risk management processes and deliberated on the reports submitted by the Risk and Business Continuity Management Committee of the Company and the annual Statement on Risk Management and Internal Control to ensure that all necessary risk mitigation measures to address the critical risk areas have been or were being put in place.

The Audit Committee also reviewed the adequacy and effectiveness of the internal control system to ensure compliance with the internal controls and procedures set up within the Group.

RISK MANAGEMENT PROCESS

As proper risk management is a significant component of a sound system of internal control, the Group has also put in place a risk management process to help the Board in identifying, evaluating and managing risks. The implementation and maintenance of risk management process is carried out by the Risk and Business Continuity Management Committee of the Company.

The review of the risk management processes and reports is delegated by the Board to the Audit Committee. In this regard, half-yearly risk management reports and the annual Statement on Risk Management and Internal Control are reviewed and deliberated by the Audit Committee prior to recommending for endorsement by the Board.

A Statement on Risk Management and Internal Control which provides an overview of the state of internal controls within the Group is set out on pages 51 to 53 of the Annual Report.

This Audit Committee Report is made in accordance with a resolution of the Board of Directors dated 22 February 2017.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

for the Financial Year ended 31 December 2016

1) THE BOARD'S RESPONSIBILITIES

In relation to risk management and internal control, pursuant to the requirements under the Malaysian Code on Corporate Governance (March 2012) for companies listed on the Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors of Genting Plantations Berhad ("the Board") hereby acknowledges their responsibilities under the Bursa Securities Main Market Listing Requirements to:

- Review the risk management framework, processes and responsibilities to provide reasonable assurance that risks are managed within tolerable ranges and embed risk management in all aspects of business activities via identifying principal risks and ensure implementation of appropriate control measures to manage such risks.

- Review the adequacy and integrity of the internal control system and management information systems and systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The risk management framework was developed and implemented more than ten (10) years ago based on established risk management standards and practices. The framework is continuously enhanced to ensure that the ongoing risk management process is able to identify, evaluate, and manage significant risks to effectively mitigate the risks that may impede the achievement of Genting Plantations Berhad Group of Companies' ("the Group") business and corporate objectives. It should be noted that an internal control system is designed to manage risks rather than eliminate them and can provide only reasonable but not absolute assurance against any material misstatement or loss.

The review of the risk management and internal control reports and processes is delegated by the Board to the Audit Committee ("AC").

2) MANAGEMENT'S RESPONSIBILITIES

Management is accountable to the Board for risk management and internal control and has implemented processes to identify, evaluate, monitor and report risks and controls. In this regard a Risk and Business Continuity Management Committee ("RBCMC") has been established to:-

- Undertake the implementation and maintenance of the risk management process.

- Ensure the effectiveness of the risk management process and implementation of risk management policies.

- Identify risks relevant to the business of the Group to achieve its objectives.

- Identify significant changes to risk or emerging risks, take actions as appropriate and communicate to the AC and the Board respectively.

The RBCMC is chaired by the Chief Financial Officer and represented by senior management of the Group.

3) THE RISK MANAGEMENT PROCESS

The Group adopts the Control Self-Assessment ("CSA") on an ongoing basis to formalise the risk management process at the Business/Operating Unit level. With the CSA, Departments/Business Areas of the Group are required to identify risks and evaluate controls within key functions/activities of their business processes. The risks relating to the Group's strategic objectives are assessed at the Group level.

The key aspects of the risk management process are:-

- Risks are identified by each key business function/activity assessing the probability and impact of their occurrence and are evaluated as Low, Medium or High. The level of residual risk is determined after identifying and evaluating the effectiveness of existing controls/mitigating measures.

- Business/Operations Heads undertake to update their risk profiles on a half yearly basis from the previous update and issue a letter of assurance to confirm that they have reviewed the risk profiles and risk reports of their related business processes and are also monitoring the implementation of action plans.

- The risk profiles, control procedures and status of the action plans are reviewed on a regular basis by the Head of Risk Management with the respective Business/Operations Heads.

- Business/Operations Heads are provided with reports to enable them to review, discuss and monitor the risk profiles and implementation of action plans.

- On a quarterly basis the RBCMC and Executive Committee ("EXCO") review the status of risk assessments, the significant risks identified and the progress of implementation of action plans. Consequently a risk management report summarizing the significant risks and/or status of action plans of the respective Business/Operating Units are presented to the AC for review, deliberation and recommendation for endorsement by the Board.

Business continuity management is regarded an integral part of the Group's risk management process. In this regard to minimize potential disruptions to business and operations either due to failure of critical IT systems and/or operational processes, the key Business/Operating Units have put in place their business continuity plans.

4) THE INTERNAL CONTROL PROCESSES

The other key aspects of the internal control process are:

- The Board and the AC meet at least every quarter to discuss matters raised by Management, Internal Audit and the external auditors on business and operational matters including potential risks and control issues.

- The external auditors independently test certain internal controls as part of their audit of the financial statements, and provide recommendations on any significant findings detected. Management takes appropriate action on these internal control recommendations.

- The Board has delegated the responsibilities to relevant committees established by the Board to implement and monitor the Board's policies on control.

- Delegation of authority including authorisation limits at various levels of Management and those requiring the Board's approval are documented and designed to ensure accountability and responsibility.

- Internal procedures and policies are documented in manuals, which are reviewed and revised periodically to meet changing business, operational requirements and statutory reporting needs.

- Performance and cash flow reports are provided to the Management and EXCO to facilitate review and monitoring of the financial performance and cash flow position.

- Business/Operating Units present their annual budget, which includes the financial and operating targets, capital expenditure proposals and performance indicators for approval by the EXCO.

- A half yearly review of the annual budget is undertaken by the Management to identify and where appropriate, to address significant variances from the said budget.

For the year under review, some weaknesses in internal controls were identified but were deemed not significant to be mentioned in this statement as none of the weaknesses had materially impacted the business or operations of the Group. Nevertheless, measures have been or are being taken to address these weaknesses.

5) THE INTERNAL AUDIT FUNCTION

The Internal Audit Department ("Internal Audit") is responsible for undertaking regular and systematic review of the risk management and internal control processes to provide the AC and the Board with sufficient assurance that the systems of internal control are effective in addressing the risks identified.

Internal Audit functions independently of the operational activities it audits and carries out its duties according to the standards and best practices set out by professional bodies, primarily consistent with the Standard for Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and where applicable, reference is made to the standards and statements issued by international accounting bodies.

On a quarterly basis, Internal Audit submits audit reports and audit plan status for review and approval by the AC. Included in the reports are recommended corrective measures on risks identified, if any, for implementation by Management. Internal Audit also conducts subsequent follow-up work to check that Management has dealt with the recommendations satisfactorily.

6) THE RISK MANAGEMENT FUNCTION

The Risk Management Department ("Risk Management") facilitates the implementation of the risk management framework and processes with the respective Business/Operating Units. The Risk Management is responsible for reviewing risks on an ongoing basis so that risks that may impede the achievement of objectives are adequately identified, evaluated, managed and controlled.

On a quarterly basis, Risk Management prepares a report detailing the significant risks, the status of risk reviews and the status of implementation of action plans for review by the RBCMC and EXCO.

The representations made by the Business/ Operations Heads of the Group in respect of their risk management and internal control systems have been taken into consideration by the Board in issuing this statement. In addition, the Group in issuing this statement has excluded its insignificant associates and joint ventures' state of risk management and internal control.

The process as outlined on this statement for identifying, evaluating and managing risks has been in place for the year under review and up to date of approval of this statement. The risk management process and internal control system of the Group have been reviewed and found to be operating adequately and effectively in all material respects and the Board has accordingly received a statement of assurance from the relevant key executives officers including the Chief Executive, Deputy Chief Executive, President and Chief Operating Officer and Chief Financial Officer of the Company.

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants, which does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Company and that of the Group. Based on the procedures performed, nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control set out above was not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor was factually inaccurate.

This Statement on Risk Management & Internal Control is made in accordance with a resolution of the Board dated 22 February 2017.

DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

The Directors of **GENTING PLANTATIONS BERHAD** have pleasure in submitting their report together with their statement pursuant to Section 169(15) of the Companies Act, 1965 therein and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activities of the Company are plantation and provision of management services to its subsidiaries.

The principal activities of the subsidiaries include plantation, property development, property investment, genomics research and development and downstream manufacturing activities.

Details of the principal activities of the subsidiaries, joint ventures and associates are set out in Note 44 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit before taxation	500,971	48,108
Taxation	(131,014)	(3,006)
Profit for the financial year	369,957	45,102

TREASURY SHARES

The shareholders of the Company had granted a mandate to the Company to purchase its own shares at the Annual General Meeting of the Company held on 31 May 2016.

During the financial year, the Company purchased 20,000 ordinary shares of 50 sen each of its issued share capital from the open market at an average price of RM10.83 per share. The share buy back transactions were financed by internally generated funds. As at 31 December 2016, the total number of shares purchased was 160,000 and held as treasury shares in accordance with the provisions of Section 67A of the Companies Act, 1965.

Details of the treasury shares are set out in Note 33 to the financial statements.

DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were:

(i) a final single-tier dividend of 3 sen per ordinary share of 50 sen each amounting to RM23,741,644 in respect of the financial year ended 31 December 2015 was paid on 22 July 2016; and

(ii) an interim single-tier dividend of 2 sen per ordinary share of 50 sen each amounting to RM15,839,690 in respect of the financial year ended 31 December 2016 was paid on 20 October 2016.

A special single-tier dividend of 11 sen per ordinary share in respect of the financial year ended 31 December 2016 has been declared for payment on 27 March 2017 to shareholders registered in the Register of Members on 9 March 2017. Based on the total number of issued shares (excluding treasury shares) of the Company as at the date of this report, the special dividend would amount to RM87,715,144.

The Directors recommend payment of a final single-tier dividend of 8 sen per ordinary share in respect of the financial year ended 31 December 2016 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid to shareholders registered in the Register of Members on a date to be determined by the Directors. Based on the total number of issued shares (excluding treasury shares) of the Company as at the date of this report, the final dividend would amount to RM63,792,832.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, 11,375,779 new ordinary shares of RM0.50 each were issued by virtue of the exercise of 11,375,779 warrants to subscribe for 11,375,779 ordinary shares of RM0.50 each in the capital of the Company at an exercise price of RM7.75 per ordinary share pursuant to the non-renounceable restricted issue of 139,199,464 new warrants in the Company ("Warrants 2013/2019").

All the above mentioned ordinary shares rank pari passu with the then existing ordinary shares of the Company.

There were no issue of debentures during the financial year.

DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965 (cont'd)

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up the unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

WARRANTS 2013/2019

The Warrants 2013/2019 are constituted by a Deed Poll dated 8 November 2013. The Warrants 2013/2019 are listed on the Main Market of Bursa Malaysia Securities Berhad with effect from 20 December 2013.

Each Warrant carries the right to subscribe for 1 new ordinary share of RM0.50 each in the Company at any time from 20 December 2013 up to the expiry date on 17 June 2019, at an exercise price of RM7.75 for each new share. Any Warrant not exercised by the expiry of the exercise period will lapse and cease to be valid for all purposes.

The ordinary shares issued from the exercise of Warrants 2013/2019 shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of Warrants 2013/2019.

At the end of the financial year, there were 104,008,060 outstanding Warrants in the Company.

DIRECTORATE

The Directors who served since the date of the last report are:

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)
Tan Sri Lim Kok Thay
Encik Mohd Din Jusoh
Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)
Mr Quah Chek Tin
Mr Ching Yew Chye
Mr Lim Keong Hui

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year have interests in shares and/or warrants and/or performance shares of the Company; Genting Berhad, a company which owns 52.2% equity interest in the Company as at 31 December 2016; Genting Malaysia Berhad, a company which is 49.3% owned by Genting Berhad and Genting Singapore PLC, a subsidiary of Genting Berhad, as set out below:

Interest in the Company	1.1.2016	Acquired	Disposed	31.12.2016
	(Number of ordinary shares of 50 sen each)			
Shareholding in which a Director has direct interest				
Tan Sri Lim Kok Thay	369,000	-	-	369,000

DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965 (cont'd)

Interest in the Company (cont'd)	1.1.2016	Acquired	Exercised/ Disposed	31.12.2016
	(Number of warrants 2013/2019)			
Warrantholding in which a Director has direct interest				
Tan Sri Lim Kok Thay	73,800	-	-	73,800

Interest in Genting Berhad	1.1.2016	Acquired	Disposed	31.12.2016
	(Number of ordinary shares of 10 sen each)			
Shareholdings in which the Directors have direct interests				
Tan Sri Lim Kok Thay	68,119,980	-	-	68,119,980
Mr Quah Chek Tin	5,000	-	-	5,000
Interest of Spouse/Child of a Director				
Mr Quah Chek Tin	1,000,000	-	-	1,000,000

	1.1.2016	Acquired	Exercised/ Disposed	31.12.2016
	(Number of warrants 2013/2018)			
Warrantholdings in which the Directors have direct interests				
Tan Sri Lim Kok Thay	17,029,995	-	-	17,029,995
Mr Quah Chek Tin	1,250	-	-	1,250
Interest of Spouse/Child of a Director				
Mr Quah Chek Tin	250,000	-	-	250,000

Interest in Genting Malaysia Berhad ("GENM")	1.1.2016	Acquired	Disposed	31.12.2016
	(Number of ordinary shares of 10 sen each)			
Shareholdings in which the Directors have direct interests				
Tan Sri Lim Kok Thay	2,540,000	1,809,800	-	4,349,800
Mr Quah Chek Tin	5,000	-	-	5,000
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	10,000	-	-	10,000
Mr Lim Keong Hui	-	61,200	-	61,200

DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965 (cont'd)

Interest in GENM (cont'd)	1.1.2016	Granted	Vested	31.12.2016
	(Number of ordinary shares of 10 sen each)			
Long Term Incentive Plan shares in the names of Directors				
Restricted Share Plan				
Tan Sri Lim Kok Thay	1,842,700^	1,866,500^	-	3,709,200^
Mr Lim Keong Hui	62,300^	61,100^	-	123,400^
Performance Share Plan				
Tan Sri Lim Kok Thay	5,429,500^	5,905,048^	1,809,800	9,524,748^
Mr Lim Keong Hui	183,700^	193,238^	61,200	315,738^

Interest in Genting Singapore PLC ("GENS")	1.1.2016	Acquired	Disposed	31.12.2016
	(Number of ordinary shares)			
Shareholdings in which the Directors have direct interests				
Tan Sri Lim Kok Thay	11,945,063	750,000	-	12,695,063
Mr Quah Chek Tin	1,190,438	-	-	1,190,438
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	988,292	-	-	988,292
Shareholdings in which the Directors have indirect/deemed interests				
Tan Sri Lim Kok Thay	6,353,828,069#	-	-	6,353,828,069#
Mr Lim Keong Hui	6,353,828,069#	-	-	6,353,828,069#

	1.1.2016	Awarded	Vested	Lapsed	31.12.2016
	(Number of performance shares)				
Performance Shares in the name of a Director					
Tan Sri Lim Kok Thay	750,000@	750,000@	750,000	-	750,000@

Legend:

\# *Deemed interest in accordance with the Singapore Securities and Futures Act (Cap. 289) on account of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being beneficiaries of a discretionary trust of which Parkview Management Sdn Bhd ("PMSB") is the trustee.*

PMSB as trustee of the discretionary trust is deemed interested in the GENS shares held by Kien Huat Realty Sdn Berhad ("KHR") and Genting Overseas Holdings Limited, a wholly-owned subsidiary of Genting Berhad ("GENT"). KHR controls more than 20% of the voting capital of GENT.

@ *Represents the right of the participant to receive ordinary shares, upon the participant satisfying the criteria set out in the Performance Share Scheme of GENS and upon satisfying such conditions as may be imposed.*

^ *Represents the right of the participant to receive ordinary shares subject to the performance conditions as determined by the Remuneration Committee of GENM.*

Apart from the above disclosures:

(a) the Directors of the Company do not have any other interests in shares in the Company and in shares in other related corporations of the Company either at the beginning or end of the financial year; and

(b) neither during nor at the end of the financial year was the Company a party to any arrangement whose object is to enable the Directors to 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 of the Company 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 and the provision for Directors' retirement gratuities or the fixed salary of a full-time employee of the Company and/or its related corporations as shown in the respective financial statements of the Company and/or its related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the following transactions:

A corporation in which Tan Sri Lim Kok Thay is a director and has substantial financial interest, has:

(a) leased an office premise on the 10th Floor, Genting Centre, Singapore from Resorts World Properties Pte. Ltd., a wholly owned subsidiary of Genting Singapore PLC, which in turn is an indirect 52.8% owned subsidiary of Genting Berhad; and

(b) been appointed by Genting Malaysia Berhad ("GENM"), a company which is 49.3% owned by Genting Berhad, as the consultant for theme park and resort development and operations of the Resorts World Genting at Genting Highlands.

Tan Sri Lim Kok Thay and Mr Ching Yew Chye are due to retire by rotation at the forthcoming Annual General Meeting ("AGM") in accordance with Article 99 of the Articles of Association of the Company and they, being eligible, have offered themselves for re-election.

Pursuant to the shareholders' approval under Section 129(6) of the Companies Act, 1965, Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) and Encik Mohd Din Jusoh who were re-appointed at last year's AGM held on 31 May 2016 would hold office until the conclusion of the forthcoming AGM in 2017. Encik Mohd Din Jusoh has indicated his intention to retire at the conclusion of the forthcoming AGM. The Companies Act 2016 which came into force on 31 January 2017 has abolished the age limit for directors. The Board of Directors of the Company resolved to appoint Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) as a Director immediately following the cessation of office of Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) at the conclusion of the forthcoming AGM.

OTHER STATUTORY INFORMATION

Before the income statements, 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 adequate allowance had been made for doubtful debts; and

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

At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amounts of the allowance for doubtful debts of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group or of the Company misleading; or

(iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements misleading.

At the date of this report, there does not exist:

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

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

No contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

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

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

In the opinion of the Directors, the financial statements set out on pages 60 to 130, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2016 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with Financial Reporting Standards, the Malaysian Accounting Standards Board Approved Accounting Standards in Malaysia for Entities Other than Private Entities and comply with the requirements of the Companies Act, 1965 in Malaysia.

ULTIMATE HOLDING COMPANY

The Company's immediate and ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

AUDITORS

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

On behalf of the Board,

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Chairman

MOHD DIN JUSOH
Director

Kuala Lumpur
22 February 2017

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2016	2015	**2016**	2015
Revenue	5&6	**1,480,079**	1,374,931	**451,137**	329,940
Cost of sales	7	**(848,926)**	(923,987)	**(53,922)**	(69,608)
Gross profit		**631,153**	450,944	**397,215**	260,332
Other income		**220,202**	79,921	**76,200**	48,902
Selling and distribution costs		**(37,583)**	(50,125)	**(6,117)**	(6,660)
Administration expenses		**(120,296)**	(100,755)	**(69,605)**	(58,110)
Other expenses		**(157,920)**	(104,364)	**(303,258)**	(8,776)
Operating profit		**535,556**	275,621	**94,435**	235,688
Finance cost		**(59,573)**	(50,161)	**(46,327)**	(26,581)
Share of results in joint ventures		**21,139**	18,566	**-**	-
Share of results in associates		**3,849**	3,403	**-**	-
Profit before taxation	5&8	**500,971**	247,429	**48,108**	209,107
Taxation	12	**(131,014)**	(70,834)	**(3,006)**	773
Profit for the financial year		**369,957**	176,595	**45,102**	209,880
Attributable to:					
Equity holders of the Company		**367,488**	189,749	**45,102**	209,880
Non-controlling interests		**2,469**	(13,154)	**-**	-
		369,957	176,595	**45,102**	209,880
Earnings per share for profit attributable to the equity holders of the Company:					
- basic (sen)	13	**46.54**	24.49		
- diluted (sen)	13	**44.92**	23.68		

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

Amounts in RM'000 unless otherwise stated

	Group		Company	
	2016	2015	**2016**	2015
Profit for the financial year	**369,957**	176,595	**45,102**	209,880
Other comprehensive income, net of tax				
Items that will not be reclassified subsequently to profit or loss:				
Reversal of revaluation surplus on intangible assets	**(13,258)**	-	**-**	-
Actuarial gain on retirement benefit liability	**1,011**	-	**-**	-
	(12,247)	-	**-**	-
Items that will be reclassified subsequently to profit or loss:				
Cash flow hedge	**(360)**	43	**(26)**	-
Foreign currency translation differences	**55,109**	102,487	**-**	-
	54,749	102,530	**(26)**	-
Other comprehensive income/(loss) for the financial year, net of tax	**42,502**	102,530	**(26)**	-
Total comprehensive income for the financial year	**412,459**	279,125	**45,076**	209,880
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	**408,009**	301,429		
Non-controlling interests	**4,450**	(22,304)		
	412,459	279,125		

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2016	2015	**2016**	2015
ASSETS					
Non-current assets					
Property, plant and equipment	15	**1,728,093**	1,561,740	**228,956**	231,723
Land held for property development	16	**254,825**	175,016	**-**	-
Investment properties	17	**25,517**	26,137	**-**	-
Plantation development	18	**2,465,927**	2,109,655	**285,306**	284,625
Leasehold land use rights	19	**495,758**	387,063	**-**	-
Intangible assets	20	**34,628**	145,684	**-**	-
Subsidiaries	21	**-**	-	**3,095,284**	2,514,996
Joint ventures	22	**77,894**	59,440	**-**	-
Associates	23	**12,501**	10,774	**2,123**	2,123
Available-for-sale financial assets	24	**143,170**	137,854	**-**	-
Other non-current assets	25	**14,361**	15,748	**8,000**	8,000
Deferred tax assets	26	**92,556**	134,314	**-**	-
		5,345,230	4,763,425	**3,619,669**	3,041,467
Current assets					
Property development costs	16	**50,006**	90,847	**-**	-
Inventories	28	**174,278**	98,078	**1,598**	938
Tax recoverable		**13,112**	25,175	**7,613**	10,058
Trade and other receivables	29	**504,758**	334,097	**38,053**	58,294
Amounts due from subsidiaries	21	**-**	-	**783,375**	1,005,512
Amounts due from other related companies	30	**-**	3	**1,200**	788
Amounts due from a joint venture	22	**3,759**	3,203	**-**	-
Amounts due from associates	23	**380**	475	**380**	475
Derivative financial assets	37	**424**	-	**-**	-
Available-for-sale financial assets	24	**500,006**	500,006	**500,006**	500,006
Cash and cash equivalents	31	**1,260,266**	1,424,897	**827,754**	1,013,797
		2,506,989	2,476,781	**2,159,979**	2,589,868
Assets classified as held for sale	27	**6,034**	5,373	**-**	-
		2,513,023	2,482,154	**2,159,979**	2,589,868
Total assets		**7,858,253**	7,245,579	**5,779,648**	5,631,335

STATEMENTS OF FINANCIAL POSITION (cont'd)
AS AT 31 DECEMBER 2016

Amounts in RM'000 unless otherwise stated

	Note	Group 2016	Group 2015	Company 2016	Company 2015
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	32	**397,019**	391,331	**397,019**	391,331
Reserves	33 & 34	**4,278,515**	3,827,980	**4,278,634**	4,190,883
		4,675,534	4,219,311	**4,675,653**	4,582,214
Non-controlling interests		**289,688**	285,280	**-**	-
Total equity		**4,965,222**	4,504,591	**4,675,653**	4,582,214
Non-current liabilities					
Borrowings	38	**2,315,708**	2,232,537	**-**	-
Amount due to a subsidiary	21	**-**	-	**1,000,000**	1,000,000
Provision for retirement gratuities	36	**12,469**	9,511	**10,872**	7,068
Derivative financial liabilities	37	**2,073**	512	**-**	-
Deferred tax liabilities	26	**97,179**	65,438	**4,679**	529
Deferred income	39	**8,493**	8,493	**-**	-
		2,435,922	2,316,491	**1,015,551**	1,007,597
Current liabilities					
Trade and other payables	35	**412,350**	361,272	**19,770**	20,699
Amount due to ultimate holding company	30	**960**	1,566	**960**	1,566
Amounts due to subsidiaries	21	**-**	-	**66,682**	17,101
Amounts due to other related companies	30	**1,112**	2,173	**1,006**	2,158
Borrowings	38	**29,097**	56,896	**-**	-
Derivative financial liabilities	37	**574**	1,350	**26**	-
Taxation		**13,016**	1,240	**-**	-
		457,109	424,497	**88,444**	41,524
Total liabilities		**2,893,031**	2,740,988	**1,103,995**	1,049,121
Total equity and liabilities		**7,858,253**	7,245,579	**5,779,648**	5,631,335

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Amounts in RM'000 unless otherwise stated

Group	Attributable to equity holders of the Company										Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Warrants Reserve	Re-valuation Reserve	Fair Value Reserve	Reserve on Exchange Differences	Cash Flow Hedge Reserve	Treasury Shares	Retained Earnings	Total		
Balance at 1 January 2016	391,331	255,205	189,720	33,973	40,679	(39,802)	(1,058)	(1,155)	3,350,418	4,219,311	285,280	4,504,591
Profit for the financial year	-	-	-	-	-	-	-	-	367,488	367,488	2,469	369,957
Other comprehensive income/(loss)	-	-	-	(13,258)	-	52,937	(221)	-	1,063	40,521	1,981	42,502
Total comprehensive income/(loss) for the financial year	-	-	-	(13,258)	-	52,937	(221)	-	368,551	408,009	4,450	412,459
Transfer due to realisation of revaluation reserve	-	-	-	(2,652)	-	-	-	-	2,652	-	-	-
Transactions with owners:												
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	-	(149)	(149)	2,694	2,545
Total changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	(149)	(149)	2,694	2,545
Issue of shares upon exercise of warrants *(see Note 34)*	5,688	101,179	(18,705)	-	-	-	-	-	-	88,162	-	88,162
Buy-back of shares *(see Note 33)*	-	-	-	-	-	-	-	(217)	-	(217)	-	(217)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,736)	(2,736)
Appropriation:												
- Final single-tier dividend paid for the financial year ended 31 December 2015 *(3 sen) (see Note 14)*	-	-	-	-	-	-	-	-	(23,742)	(23,742)	-	(23,742)
- Interim single-tier dividend paid for the financial year ended 31 December 2016 *(2 sen)* *(see Note 14)*	-	-	-	-	-	-	-	-	(15,840)	(15,840)	-	(15,840)
Total contributions by and distribution to owners	5,688	101,179	(18,705)	-	-	-	-	(217)	(39,582)	48,363	(2,736)	45,627
Total transactions with owners	5,688	101,179	(18,705)	-	-	-	-	(217)	(39,731)	48,214	(42)	48,172
Balance at 31 December 2016	397,019	356,384	171,015	18,063	40,679	13,135	(1,279)	(1,372)	3,681,890	4,675,534	289,688	4,965,222

STATEMENTS OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Amounts in RM'000 unless otherwise stated

Group	Attributable to equity holders of the Company										Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Warrants Reserve	Re-valuation Reserve	Fair Value Reserve	Reserve on Exchange Differences	Cash Flow Hedge Reserve	Treasury Shares	Retained Earnings	Total		
Balance at 1 January 2015	385,223	146,555	209,806	41,804	40,679	(151,034)	(1,506)	(957)	3,227,142	3,897,712	255,432	4,153,144
Profit/(loss) for the financial year	-	-	-	-	-	-	-	-	189,749	189,749	(13,154)	176,595
Other comprehensive income/(loss)	-	-	-	-	-	111,232	448	-	-	111,680	(9,150)	102,530
Total comprehensive income/(loss) for the financial year	-	-	-	-	-	111,232	448	-	189,749	301,429	(22,304)	279,125
Transfer due to realisation of revaluation reserve	-	-	-	(7,831)	-	-	-	-	7,831	-	-	-
Transactions with owners:												
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	-	(787)	(787)	55,048	54,261
Total changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	(787)	(787)	55,048	54,261
Issue of shares upon exercise of warrants *(see Note 34)*	6,108	108,650	(20,086)	-	-	-	-	-	-	94,672	-	94,672
Buy-back of shares	-	-	-	-	-	-	-	(198)	-	(198)	-	(198)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,896)	(2,896)
Appropriation:												
- Special single-tier dividend paid for the financial year ended 31 December 2014 *(3 sen)*	-	-	-	-	-	-	-	-	(23,125)	(23,125)	-	(23,125)
- Final single-tier dividend paid for the financial year ended 31 December 2014 *(4 sen)*	-	-	-	-	-	-	-	-	(30,963)	(30,963)	-	(30,963)
- Interim single-tier dividend paid for the financial year ended 31 December 2015 *(2.5 sen)* *(see Note 14)*	-	-	-	-	-	-	-	-	(19,429)	(19,429)	-	(19,429)
Total contributions by and distribution to owners	6,108	108,650	(20,086)	-	-	-	-	(198)	(73,517)	20,957	(2,896)	18,061
Total transactions with owners	6,108	108,650	(20,086)	-	-	-	-	(198)	(74,304)	20,170	52,152	72,322
Balance at 31 December 2015	391,331	255,205	189,720	33,973	40,679	(39,802)	(1,058)	(1,155)	3,350,418	4,219,311	285,280	4,504,591

STATEMENTS OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Amounts in RM'000 unless otherwise stated

Company	Share Capital	Non-Distributable Share Premium	Warrants Reserve	Re-valuation Reserve	Fair Value Reserve	Cash Flow Hedge Reserve	Distributable Retained Earnings	Treasury Shares	Total
Balance at 1 January 2016	391,331	255,205	189,720	104	5	-	3,747,004	(1,155)	4,582,214
Profit/Total comprehensive income/(loss) for the financial year	-	-	-	-	-	(26)	45,102	-	45,076
Transactions with owners:									
Issue of shares upon exercise of warrants *(see Note 34)*	5,688	101,179	(18,705)	-	-	-	-	-	88,162
Buy-back of shares *(see Note 33)*	-	-	-	-	-	-	-	(217)	(217)
Appropriation:									
- Final single-tier dividend paid for the financial year ended 31 December 2015 *(3 sen)* *(see Note 14)*	-	-	-	-	-	-	(23,742)	-	(23,742)
- Interim single-tier dividend paid for the financial year ended 31 December 2016 *(2 sen)* *(see Note 14)*	-	-	-	-	-	-	(15,840)	-	(15,840)
Total transactions with owners	5,688	101,179	(18,705)	-	-	-	(39,582)	(217)	48,363
Balance at 31 December 2016	397,019	356,384	171,015	104	5	(26)	3,752,524	(1,372)	4,675,653

STATEMENTS OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Amounts in RM'000 unless otherwise stated

	Non-Distributable					Distributable		
Company	**Share Capital**	**Share Premium**	**Warrants Reserve**	**Re-valuation Reserve**	**Fair Value Reserve**	**Retained Earnings**	**Treasury Shares**	**Total**
Balance at 1 January 2015	385,223	146,555	209,806	104	5	3,610,641	(957)	4,351,377
Profit/Total comprehensive income for the financial year	-	-	-	-	-	209,880	-	209,880
Transactions with owners:								
Issue of shares upon exercise of warrants *(see Note 34)*	6,108	108,650	(20,086)	-	-	-	-	94,672
Buy-back of shares	-	-	-	-	-	-	(198)	(198)
Appropriation:								
- Special single-tier dividend paid for the financial year ended 31 December 2014 *(3 sen)*	-	-	-	-	-	(23,125)	-	(23,125)
- Final single-tier dividend paid for the financial year ended 31 December 2014 *(4 sen)*	-	-	-	-	-	(30,963)	-	(30,963)
- Interim single-tier dividend paid for the financial year ended 31 December 2015 *(2.5 sen) (see Note 14)*		-	-	-	-	(19,429)	-	(19,429)
Total transactions with owners	6,108	108,650	(20,086)	-	-	(73,517)	(198)	20,957
Balance at 31 December 2015	391,331	255,205	189,720	104	5	3,747,004	(1,155)	4,582,214

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Amounts in RM'000 unless otherwise stated

	Group		Company	
	2016	2015	**2016**	2015
Cash flows from operating activities				
Profit before taxation	**500,971**	247,429	**48,108**	209,107
Adjustments for:				
Depreciation of property, plant and equipment	**80,870**	89,293	**11,788**	9,471
Depreciation of investment properties	**605**	567	**-**	-
Amortisation of leasehold land use rights	**1,992**	1,692	**-**	-
Amortisation of plantation development	**7**	7	**-**	-
Amortisation of intangible assets	**18,680**	18,680	**-**	-
Property, plant and equipment written off	**1,441**	952	**144**	46
Intangible assets written off	**80,141**	-	**-**	-
Impairment loss on investment in a subsidiary	**-**	-	**294,000**	-
Bad debts written off	**51**	87	**25**	43
Provision for/(Write back of) retirement gratuities	**2,958**	(190)	**3,804**	(402)
(Write back of)/Allowance for impairment loss on receivables	**(28)**	135	**-**	-
(Gain)/Loss on disposal of property, plant and equipment	**(136,730)**	134	**53**	104
Gain on disposal of subsidiaries	**-**	(1,114)	**-**	-
Gain on sale of land	**-**	(4,053)	**-**	-
Share of results in joint ventures	**(21,139)**	(18,566)	**-**	-
Share of results in associates	**(3,849)**	(3,403)	**-**	-
Investment income	**(18,661)**	(10,280)	**(18,661)**	(10,280)
Interest income	**(39,376)**	(48,653)	**(46,129)**	(35,969)
Finance cost	**59,573**	50,161	**46,327**	26,581
Net unrealised exchange (gains)/losses	**(8,830)**	21,211	**(9,598)**	(7)
Net surplus arising from compensation in respect of land acquired by the Government	**(59)**	-	**-**	-
Dividend income	**-**	-	**(287,063)**	(169,103)
Other non-cash items	**804**	1,794	**-**	-
	18,450	98,454	**(5,310)**	(179,516)
Operating profit before changes in working capital	**519,421**	345,883	**42,798**	29,591
Property development costs	**43,638**	(25,784)	**-**	-
Inventories	**(74,874)**	7,020	**(660)**	118
Receivables	**(35,975)**	(69,165)	**20,217**	(19,506)
Amounts due from a joint venture	**831**	3,447	**-**	-
Amounts due from associates	**95**	11	**95**	11
Assets classified as held for sale	**(206)**	16,781	**-**	-
Payables	**(29,519)**	(26,742)	**(929)**	1,255
Amount due to ultimate holding company	**(606)**	(606)	**(606)**	(606)
Amounts due from/to other related companies	**(1,058)**	1,430	**(1,564)**	770
Amounts due from/to subsidiaries	**-**	-	**(34,563)**	(33,158)
	(97,674)	(93,608)	**(18,010)**	(51,116)
Cash generated from/(used in) operations	**421,747**	252,275	**24,788**	(21,525)
Tax (paid)/refund	**(69,834)**	(104,469)	**3,589**	(7,742)
Retirement gratuities paid	**-**	(140)	**-**	(140)
Net cash generated from/(used in) operating activities	**351,913**	147,666	**28,377**	(29,407)

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2016	2015	**2016**	2015
Cash flows from investing activities					
Proceeds received from Government in respect of acquisition of land		**116**	-	**-**	-
Interest received		**39,376**	48,653	**26,169**	34,747
Dividends received from:					
- subsidiaries		**-**	-	**284,940**	157,610
- associates		**2,123**	11,493	**2,123**	11,493
Investment income		**18,661**	10,280	**18,661**	10,280
Proceeds from disposal of property, plant and equipment		**23,839**	614	**57**	249
Land held for property development		**(83,911)**	(22,821)	**-**	-
Purchase of property, plant and equipment		**(239,640)**	(268,206)	**(9,275)**	(11,531)
Leasehold land use rights		**(13,019)**	(37,621)	**-**	-
Plantation development		**(149,339)**	(100,218)	**(681)**	(311)
Investment properties		**(77)**	(2,296)	**-**	-
Available-for-sale financial assets		**-**	(400,001)	**-**	(400,001)
Acquisition of subsidiaries	(A)	**(106,754)**	(46,398)	**-**	-
Proceeds received from redemption of preference shares by a joint venture		**2,685**	2,685	**-**	-
Proceeds received from disposal of a subsidiary and sale of land		**-**	20,000	**-**	-
Investment in subsidiaries		**-**	-	**(874,288)**	(40,900)
Repayment of advances from subsidiaries		**-**	-	**325,986**	613,466
Net cash (used in)/generated from investing activities		**(505,940)**	(783,836)	**(226,308)**	375,102
Cash flows from financing activities					
Proceeds from bank borrowings		**443,025**	610,384	**-**	-
Proceeds from issue of Sukuk Murabahah		**-**	1,000,000	**-**	-
Proceeds from issue of shares upon exercise of warrants		**88,162**	94,672	**88,162**	94,672
Proceeds from issue of shares in a subsidiary to non-controlling interests		**-**	14,000	**-**	-
Repayment of bank borrowings and transaction costs		**(433,012)**	(607,343)	**-**	-
Finance cost paid		**(80,763)**	(55,874)	**(46,073)**	(23,416)
Dividends paid		**(39,582)**	(73,517)	**(39,582)**	(73,517)
Dividends paid to non-controlling interests		**(2,736)**	(2,896)	**-**	-
Buy-back of shares		**(217)**	(198)	**(217)**	(198)
Net cash (used in)/generated from financing activities		**(25,123)**	979,228	**2,290**	(2,459)
Net (decrease)/increase in cash and cash equivalents		**(179,150)**	343,058	**(195,641)**	343,236
Cash and cash equivalents at beginning of the financial year		**1,424,897**	1,076,579	**1,013,797**	670,554
Effects of currency translation		**14,519**	5,260	**9,598**	7
Cash and cash equivalents at end of the financial year	31	**1,260,266**	1,424,897	**827,754**	1,013,797

Amounts in RM'000 unless otherwise stated

Notes

(A) Analysis of the acquisition of subsidiaries

2016

Fair values of net assets acquired and net cash outflow on acquisition of subsidiaries are analysed as follows:

		RM'000
Plantation development		(120,671)
Leasehold land use rights		(85,927)
Property, plant and equipment		(4,383)
Inventories		(1,327)
Other receivables		(3,068)
Cash and bank balances		(926)
Trade and other payables		88,625
Deferred tax liabilities		1,452
Non-controlling interests		2,545
Total purchase consideration/Fair value of identifiable net assets acquired		(123,680)
Less:	Cash and bank balances acquired	926
	Deferred consideration payable	16,000
Net cash outflow on acquisition of subsidiaries		(106,754)

This acquisition relates to the acquisition of 100% equity interest in Cahaya Agro Abadi Pte Ltd and Palm Capital Investment Pte Ltd as disclosed in Note 42(A). The purchase price allocation of the acquisition was provisional as at 31 December 2016 and the Group expects to complete the final purchase price allocation exercise within the twelve-month window period from the acquisition date.

The revenue and the net profit of the above acquired subsidiaries included in the consolidated income statement of the Group for the period from the date of acquisition to 31 December 2016 amounted to RM8.7 million and RM0.7 million respectively. Had the acquisition taken effect on 1 January 2016, the revenue and net profit of the above acquired subsidiaries included in the consolidated income statement of the Group would be RM17.8 million and RM0.1 million respectively. These amounts have been determined using the Group's accounting policies.

Amounts in RM'000 unless otherwise stated

1. CORPORATE INFORMATION

Genting Plantations Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The principal activities of the Company are plantation and provision of management services to its subsidiaries.

The principal activities of the subsidiaries include plantation, property development, property investment, genomics research and development and downstream manufacturing activities.

Details of the principal activities of the subsidiaries, joint ventures and associates are set out in Note 44 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 22 February 2017.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with and comply with Financial Reporting Standards ("FRS"), the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the requirements of the Companies Act, 1965 in Malaysia.

The Group, which includes transitioning entities, has elected to continue to apply FRS for the current financial year. The Group will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS") from the financial year beginning on 1 January 2018. In adopting the new framework, the Group will be applying MFRS 1 "First-time adoption of MFRS".

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

The preparation of financial statements in conformity with FRS requires the Directors to make judgements, estimations and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these judgements and estimates are based on the Directors' best knowledge of current events and actions, actual results could differ from those judgements and estimations.

(a) Judgements and estimations

In the process of applying the Group's accounting policies, management makes judgements and estimations that can significantly affect the amount recognised in the financial statements. These judgements and estimations include:

i) Intangible assets

The Group recognises costs incurred on development projects as intangible assets to the extent that the capitalisation criteria in FRS 138 "Intangible Assets" are met. The Group uses its judgement in determining whether the milestones payments for research and development expertise and capacity in genomics meet the capitalisation criteria so as to enable the amount to be capitalised. The future commercial viability of these intangible assets is assessed by using discounted cash flow valuation technique, which requires the Group to use estimates and assumptions concerning the future.

The Group reviews annually the estimated useful life of intangible assets based on factors such as technological advances, developments in the products and services that are expected to be derived from intangible assets.

2. BASIS OF PREPARATION (cont'd)

(a) Judgments and estimations (cont'd)

ii) Income taxes

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. The Group also recognised certain tax recoverable for which the Group believes that there is reasonable basis for recognition. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions and tax recoverable balance in the financial year in which such determination is made.

iii) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised. *(See Note 26)*

iv) Property development activities

The Group recognises property development revenue based on percentage of completion method. The stage of completion is measured by reference to the contract costs incurred to-date to the estimated total costs for the contract. Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total contract revenue (for contracts other than fixed contracts) and costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the variation works that are recoverable from the customers. In making the judgement, the Group relies on past experience and work of specialists. The carrying amount of the Group's property development activities is shown in Note 16 to the financial statements.

(b) Standards, amendments to published standards and interpretations that are effective

The Group and the Company have applied the followings amendments for the first time for the financial year beginning on 1 January 2016:

- Amendments to FRS 11 "Joint arrangements" - Accounting for Acquisition of Interests in Joint Operations
- Amendments to FRS 101 "Presentation of Financial Statements" - Disclosure Initiative
- Amendments to FRS 127 "Equity Method in Separate Financial Statements"
- Amendments to FRS 10, FRS 12 & FRS 128 "Investment Entities - Applying the Consolidation Exception"
- Annual Improvements to FRSs 2012 – 2014 Cycle

The adoption of these amendments did not have any impact on the current or prior year, and are not likely to affect future periods.

(c) Standards and amendments that have been issued but not yet effective

A number of new standards and amendments to standards and interpretations are effective for financial year beginning on or after 1 January 2017. None of these is expected to have a significant effect on the Group and on the Company, except the following set out below:

- Amendments to FRS 107 "Statement of Cash Flows - Disclosure Initiative" (effective from 1 January 2017) introduce an additional disclosure on changes in liabilities arising from financing activities.

  The Group will apply this amendment on 1 January 2017.

- Amendments to FRS 112 "Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses" (effective from 1 January 2017) clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary difference on asset carried at fair value.

  In addition, in evaluating whether an entity will have sufficient taxable profits in future periods against which deductible temporary differences can be utilised, the amendments require an entity to compare the deductible temporary differences with future taxable profits that excludes tax deductions resulting from the reversal of those temporary differences.

2. BASIS OF PREPARATION (cont'd)

(c) Standards and amendments that have been issued but not yet effective (cont'd)

The amendments shall be applied retrospectively.

The Group is in the process of making assessment of the potential impact of these amendments on the financial statements.

- Amendments to MFRS 140 "Classification on 'Change in Use" – Assets transferred to, or from, Investment Properties" (effective from 1 January 2018)* clarify that to transfer to, or from investment properties there must be a change in use. A change in use would involve an assessment of whether a property meet, or has ceased to meet, the definition of investment property. The change must be supported by evidence that the change in use has occurred and a change in management's intention in isolation is not sufficient to support a transfer of property.

  The amendments also clarify the same principle applies to assets under construction.

  The Group will apply this amendment on 1 January 2018.

- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" (effective from 1 January 2018)* applies when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. MFRS 121 requires an entity to use the exchange rate at the 'date of the transaction' to record foreign currency transactions.

  IC Interpretation 22 provides guidance how to determine 'the date of transaction' when a single payment/receipt is made, as well as for situations where multiple payments/receipts are made.

  The date of transaction is the date when the payment or receipt of advance consideration gives rise to the non-monetary asset or non-monetary liability when the entity is no longer exposed to foreign exchange risk.

  If there are multiple payments or receipts in advance, the entity should determine the date of the transaction for each payment or receipt.

  The Group will apply IC Interpretation 22 prospectively.

- MFRS 9 "Financial Instruments" (effective from 1 January 2018)* which will be effective in conjunction with the adoption of MFRS Framework, will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

  MFRS 9 retains but simplifies the mixed measurement model in FRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

  For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in OCI rather than the income statement, unless this creates an accounting mismatch.

  MFRS 9 introduces an expected credit loss model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

  The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 9.

- MFRS 15 "Revenue from Contracts with Customers" (effective from 1 January 2018)* replaces MFRS 118 "Revenue", MFRS 111 "Construction Contracts" and related interpretations. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

2. BASIS OF PREPARATION (cont'd)

(c) Standards and amendments that have been issued but not yet effective (cont'd)

Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services. The Group is in the process of making an assessment of the potential impact of this standard on the financial statements.

- Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture" (effective from 1 January 2018)* introduce a new category of biological assets i.e. the bearer plants. A bearer plant is a living plant that is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has remote likelihood of being sold as agricultural produce (except for incidental scrap sales). Bearer plants are accounted for under MFRS 116 as an item of property, plant and equipment. Agricultural produce growing on bearer plants continue to be measured at fair value less costs to sell under MFRS 141, with fair value changes recognised in profit or loss as the produce grows. The Group is in the process of making an assessment of the potential impact of these amendments on the financial statements.

- MFRS 16 "Leases" (effective from 1 January 2019) supersedes MFRS 117 "Leases" and the related interpretations.

  Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

  MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

  The right-of-use asset is depreciated in accordance with the principle in MFRS 116 "Property, Plant and Equipment" and the lease liability is accreted over time with interest expense recognised in the income statement.

  For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently. The Group is in the process of making an assessment of the potential impact of this standard on the financial statements.

* These standards are to be adopted in conjunction with the adoption of MFRS Framework.

On 8 September 2015, MASB announced that in light of the International Accounting Standards Board's deferral of IFRS 15 "Revenue from Contracts with Customers", the effective date for the Transitioning Entities to apply the MFRS Framework will also be deferred to 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will adopt the MFRS Framework from the financial year beginning on 1 January 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. Adjustments required on transition, if any, will be made retrospectively against opening retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

a) Subsidiaries

Subsidiaries are all entities (including special purpose 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 de-consolidated 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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

a) Subsidiaries (cont'd)

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 and any corresponding gain or loss is 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.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, and the amount of any non-controlling interest and the fair value of any previous equity interest in the acquiree at the acquisition date over the fair value of the net identifiable assets acquired and liabilities assumed. If the total 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, the resulting gain is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits or losses resulting from inter-company transactions that are recognised in assets are also eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Share of 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.

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 equity transactions – that is, as transactions with the owners in their capacity as 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. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is used as 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 OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognised in OCI are reclassified to profit or loss. Gain 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 parties that have joint control of the arrangements have rights to the assets and obligations for the liabilities, relating to the arrangement.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

d) Joint arrangements (cont'd)

The Group's interests in joint ventures are accounted for in the consolidated financial statements by the equity method of accounting. Equity accounting involves recognising the Group's share of the post acquisition results of joint ventures in profit or loss and its share of post acquisition movements within reserves in OCI. The cumulative post acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition less impairment losses, where applicable. See accounting policy note on impairment of non-financial assets.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other parties in the ventures. The Group does not recognise its share of profits or losses from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of assets or an impairment loss, the loss is recognised immediately.

Equity accounting is discontinued when the carrying amount of the investment in joint ventures (including any other unsecured receivables) reaches zero, unless the Group has incurred obligation or made payment on behalf of the joint ventures.

Where necessary, in applying the equity method, adjustments have been made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

When the Group ceases to equity account its joint venture because of a loss of joint 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 or financial asset. In addition, any amounts previously recognised in OCI 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 OCI are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in OCI is reclassified to profit or loss where appropriate.

e) Associates

Associates are companies in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies.

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. Equity accounting involves recognising in profit or loss the Group's share of the associates' results and its share of post-acquisition movements in reserves are recognised in OCI with a corresponding adjustment to the carrying amount of the investment. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. Equity accounting is discontinued when the carrying amount of the investment in an associate (including any other unsecured receivables) reaches zero, unless the Group has incurred obligations or made payments on behalf of the associate.

The Group's investments in associates include goodwill (net of any accumulated impairment loss) identified on acquisition. See accounting policy note on impairment of non-financial assets.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the assets transferred.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

The cost of acquiring additional stake in an associate is added to the carrying amount of the associate and equity accounted. Goodwill arising on the purchase of additional stake is computed using the fair value information at the date the additional interest is purchased. The previously held interest is not re-measured.

Where necessary, in applying the equity method, adjustments have been made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

When the Group ceases its significant influence, investments in associates are derecognised. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investments in Subsidiaries, Joint Ventures and Associates

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are shown 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. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy on impairment of non-financial assets.

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 investment in the subsidiaries.

Property, Plant and Equipment

Property, plant and equipment are tangible items that:

i) are held for use in the production or supply of goods or services, or for administrative purposes; and

ii) are expected to be used during more than one period.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for certain properties which were revalued before 1998. In accordance with the transitional provision allowed by MASB upon the first adoption of IAS 16 "Property, Plant and Equipment", the valuation of these assets have not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation, amortisation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the items. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

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

Freehold land is stated at cost and is not depreciated. Property, plant and equipment which are under construction are not depreciated. Leasehold lands are amortised equally over their respective periods of lease. Depreciation on assets under construction commences when the assets are ready for their intended use.

The depreciable amount of an item of property, plant and equipment is determined as the difference between the cost less its residual value. The residual value is the estimated amount that the Group expects to obtain from disposal of the asset, after deducting the estimated cost to disposal, as if the asset was already of the age and in the condition expected at the end of its useful life.

The Group depreciates other assets based on their consumption pattern and is applied separately to each significant component.

Depreciation on other assets is calculated using the straight-line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

	Years
Leasehold lands	51 - 897
Land improvements	15
Buildings and improvements	10 - 50
Plant and machinery	4 - 15
Motor vehicles	5 - 8
Furniture, fittings and equipment	3 - 10

The assets' residual values and useful lives are reviewed annually and revised, if appropriate.

The Group revised the estimated useful lives of certain classes of property, plant and equipment during the current financial year. The revision had resulted in decreased depreciation of approximately RM22 million to the Group for the current financial year and is expected to decrease the depreciation of Group by the similar amount for the coming financial year.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amounts and are included in profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment Properties

Investment properties consist of investments in land and buildings that are held for long-term rental yield and/or for capital appreciation and are not occupied by the Group.

Investment in freehold land is stated at cost. Other investment properties are stated at cost less accumulated depreciation and impairment losses. Investment properties under construction are not depreciated. Depreciation for other investment properties is calculated using the straight-line method to allocate their costs over their estimated useful lives, as follows:

	Years
Buildings and improvements	5 - 50

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. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are expensed when incurred.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its retirement from use.

Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amounts and are included in profit or loss.

Leasehold Land Use Rights

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as leasehold land use rights (referred to as prepaid lease payments in FRS 117 "Leases") and is amortised over the lease term in accordance with the pattern of benefits provided.

Plantation Development

Plantation development comprises cost of planting and development on oil palm.

Costs of new planting and development of plantation crops are capitalised from the stage of land clearing up to the stage of maturity. The cost of new planting capitalised is not amortised. However, where the cost of new planting is incurred on leasehold land which has unexpired period shorter than the crop's economic life, the cost is amortised over the remaining period of the lease on a straight-line basis.

Replanting expenditure is charged to profit or loss in the financial year in which the expenditure is incurred.

Property Development Activities

a) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses, if any.

Cost comprises cost of land and all related costs incurred on activities necessary to prepare the land for its intended use. Where the Group had previously recorded the land at revalued amounts, it continues to retain these amounts as its surrogate cost as allowed by FRS 201_{2004} "Property Development Activities". Where an indication of impairment exists, the carrying amount of the asset is assessed and written-down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Land held for property development is transferred to property development costs and included under current assets when development activities have commenced and where the development activities can be completed within the normal operating cycle of 2 to 3 years.

b) Property development costs and revenue recognition

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or costs that can be allocated on a reasonable basis to these activities.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property Development Activities (cont'd)

b) Property development costs and revenue recognition (cont'd)

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the percentage of completion method in respect of sales where agreements have been finalised. Under this method, profits are recognised as the property development activity progresses. The stage of completion is determined based on proportion of property development costs incurred for work performed up to the reporting date over the estimated total property development cost to completion.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable of recovery and property development costs on the development units sold are recognised as an expense when incurred. Foreseeable losses, if any, arising when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, are recognised immediately in profit or loss.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value. Upon completion of development, the unsold completed development properties are transferred to inventories.

Where revenue recognised in profit or loss exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in profit or loss, the balance is shown as progress billings under trade and other payables (within current liabilities).

Financial Assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

There are two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months after the reporting date, otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing more than twelve months after reporting date, which are classified as non-current assets. Loans and receivables are included in "trade and other receivables", "other non-current assets", "cash and cash equivalents" and intercompany balances in the statements of financial position. See accounting policy note on receivables.

(iii) 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 other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months after the reporting date.

(b) Recognition and 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. Investments 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. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Assets (cont'd)

(b) Recognition and measurement (cont'd)

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss within "other income/expense" in the financial year in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss and translation differences on non-monetary securities are recognised in OCI. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in OCI.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss as "gains and losses from available-for-sale financial assets".

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

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Financial assets are derecognised 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.

(c) Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is taken as evidence that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as 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 - is removed from equity and 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.

Intangible Assets

a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the 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. If the aggregate 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 stated at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of annual impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Intangible Assets (cont'd)

b) Research and Development Expenditure

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

(a) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
(b) management intends to complete the intangible asset and use or sell it;
(c) there is an ability to use or sell the intangible asset;
(d) it can be demonstrated that the intangible asset will generate probable future economic benefits;
(e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
(f) the expenditure attributable to the intangible asset during its development can be reliably measured.

Collaborations and alliances are maintained with third parties for provision of research and development expertise and capacity in genomics for the achievement of performance milestones. Milestones payments are capitalised to the extent that the capitalisation criteria in FRS 138 "Intangible Assets" are met. Judgement is involved in determining whether the amount paid meets the performance milestones so as to enable the amount to be capitalised as intangible assets.

Other development expenditure that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use or sale, on a straight-line basis over its useful life not exceeding twenty years.

c) Intellectual Property Rights

Acquired intellectual property ("IP") rights are stated at cost less accumulated amortisation and accumulated impairment losses. The IP rights are amortised from the point at which the asset is available for use or sale, on a straight-line basis over its useful life not exceeding twenty years.

d) Licencing Fees

The licencing fee is initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised using the straight line method over its estimated useful life, and amortisation commences when the assets are ready for their intended use. The amortisation period is reviewed at each reporting date and the effects of any revision are recognised in the profit or loss when changes arise. Where an indication of impairment exists, the carrying amount of licences is assessed and written down immediately to its recoverable amount.

See accounting policy note on impairment of non-financial assets for intangible assets.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

Non-Current Assets Held for Sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable.

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment loss. An impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in profit or loss. An impairment loss is reversed only to the extent of previously recognised impairment loss for the same asset. The reversal is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Receivables (cont'd)

Advances for plasma plantation projects represent the accumulated plantation development costs, including borrowing costs and indirect overheads, which are either recoverable from plasma farmers or recoverable through the assignment to plasma farmers of the loans proceeds obtained for the projects. These advances are recoverable when the plasma plantation is completed and ready to be transferred to the plasma farmers. Allowance for losses on recovery is made when the estimated amount to recover is less than the outstanding advances.

Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances, money market instruments, deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value *(with original maturities of 3 months or less)*.

Payables

Payables are recognised initially at fair values and subsequently measured at amortised cost using the effective interest method.

Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another entity or to exchange financial assets or liabilities with another entity that are potentially unfavourable to the issuer.

Incremental costs directly attributable to the issue of new shares, warrants, options or for the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when new shares are issued.

Treasury Shares

A purchase by the Company of its own equity shares is accounted for under the treasury stock method. Under this method, the shares purchased and held as treasury shares is measured and carried at the cost of purchase (including any directly attributable incremental external costs, net of tax). On presentation in the statements of financial position, the carrying amount of the treasury shares is offset against equity. Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or the distributable reserves, or both. Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity. As treasury shares, the rights attached to voting, dividends and participation in other distribution are suspended.

Warrants Reserve

Proceeds from the issuance of warrants, net of issuance costs, are credited to warrants reserve. Warrants reserve is transferred to the share premium account upon the exercise of the warrants. Warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

Borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan which are capitalised and amortised over the period of the facility to which it relates.

Borrowings are recognised initially at fair value net of transaction cost incurred. Subsequently, borrowings are stated at amortised cost using the effective interest method. Any difference between the amount recorded as borrowings and the associated redemption value is recognised in profit or loss over the period of the borrowings.

Costs incurred on borrowings to finance qualifying assets are capitalised until the assets are ready for their intended use after which such expenses are charged to profit or loss. All other borrowing costs are charged to profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due. Financial guarantee contracts are recognised initially at fair value plus transactions costs and thereafter, at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less, where appropriate, cumulative amortisation recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of Non-Financial Assets

The carrying amounts of non-financial assets other than inventories, assets arising from property development activities, deferred tax assets and non-current assets classified as held for sale are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, an impairment review is performed to assess whether the carrying amount of the asset is fully recoverable.

Irrespective of whether there is any indication of impairment, the Group also tests goodwill acquired in a business combination for impairment annually.

Impairment loss is recognised when 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 its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

An impairment loss is charged to profit or loss, unless the asset is carried at revalued amount, in which case the impairment loss is used to reduce the revaluation surplus.

Non-financial assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset unless the asset is carried at revalued amount, in which case the reversal is treated as an increase to revaluation reserve. An impairment loss recognised for goodwill shall not be reversed.

Contingent Liabilities and Contingent Assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements, except in a business combination. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by 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. When a change in the probability of an outflow of economic resources occurs and the outflow is probable, it will then be recognised as a provision. 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 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. When inflow of economic resources is virtually certain, the asset is recognised.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where the fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provision of FRS 137 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118 "Revenue".

Provisions

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

Where the Group expects a provision to be reimbursed by another party and the reimbursement is virtually certain, the reimbursement is recognised as a separate asset.

Income Taxes

a) Current taxation

Current taxation is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable income and is measured using the tax rates which are applicable at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Taxes (cont'd)

b) Deferred taxation

Deferred tax liabilities and/or assets are recognised, using liability method, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their related tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluations is also recognised. Deferred tax liabilities and assets are measured at the tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Employee Benefits

a) Short-term employee benefits

Short-term employee benefits include wages, salaries, bonuses, social security contributions and paid annual leave. These benefits are accrued when incurred and are measured on an undiscounted basis.

b) Post-employment benefits

Post-employment benefits include defined contribution plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. These benefits are accrued when incurred and are measured on an undiscounted basis.

c) Long-term employee benefits

Long-term employee benefits include retirement gratuities payable to Executive Directors and a retirement gratuity scheme for Executives of the Company and certain subsidiaries. The level of retirement gratuities payable is determined by the Board of Directors in relation to the services rendered and it does not take into account the employee's services to be rendered in later years up to retirement. The gratuity, which is calculated based either on length of service and basic salary or on the emoluments earned in the immediate past three years, is a vested benefit when the employee reaches retirement age.

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the reporting date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Employee turnover is also factored in arriving at the level of the retirement gratuities payable. Past service costs are recognised immediately in profit or loss.

Such retirement gratuities payable are classified as current liabilities when it is probable that a payment will be made within the next twelve months and also provided that the amount has been approved for payment by the Board of Directors.

d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of FRS 137 "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Recognition

a) Revenue

Sales are recognised upon delivery of products or performance of services, net of goods and services tax and discounts, and after eliminating sales within the Group.

Sales relating to property development projects are recognised progressively as the project activity progresses and are in respect of sales where agreements have been finalised. The recognition of sales is based on the percentage of completion method and is consistent with the method adopted for profit recognition.

Management fees is recognised on an accrual basis.

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

b) Other income

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

Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as a liability in the financial year in which the obligation to pay is established.

Government Grant

Government grant related to assets is recognised initially as deferred income at fair value when there is reasonable assurance that it will be received and the Group will comply with the conditions associated with the grant and is then recognised in profit or loss as other income on a systematic basis over the useful life of the assets when the assets are commissioned.

Foreign Currency Translation

(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 consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(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, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

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 the available-for-sale reserve as OCI.

(c) Group companies

On consolidation, the results and financial position of all the Group's entities which have a functional currency different from that of the Group's presentation currency are translated into the Group's presentation currency as follows:

(i) assets and liabilities are translated at the closing rate at the reporting date;
(ii) income and expenses in profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
(iii) all resulting exchange differences are recognised as a separate component of OCI.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to OCI. When a foreign operation is partially disposed of or sold, such exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising from the translation are recognised in OCI.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The fair value changes on derivative that are not designated or do not qualify for hedge accounting are recognised in profit or loss within fair value gains/losses on derivative financial instruments when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The fair value changes on the effective portion of derivatives that are designated and qualify as cash flow hedges are recognised in the cash flow hedge reserve and reclassified to the profit or loss when the interest expense on the borrowings is recognised in profit or loss unless the amount transferred can be capitalised as part of the cost of self-constructed asset, in which case, both the reclassification and interest expense incurred are capitalised. The fair value changes on the ineffective portion are recognised immediately in profit or loss.

When a hedging instrument expires or is sold or is terminated, or when the cash flow hedge is discontinued or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is only transferred to profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in cash flow hedge reserve is immediately transferred to profit or loss within fair value gains/losses on derivative financial instruments.

The carrying amount of the derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than twelve months, and as a current asset or liability if the remaining expected life of the hedged item is less than twelve months.

Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments have been identified as the Chief Executive, Deputy Chief Executive, and the President and Chief Operating Officer of the Company.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial risk factors

The Group's overall financial risk management objective is to optimise the value creation for shareholders. The Group seeks to minimise the potential adverse impacts arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within clearly defined guidelines that are approved by the Board of Directors. Financial risk management is carried out through risk reviews conducted at all significant operating units. This process is further enhanced by effective internal controls, a comprehensive insurance programme and adherence to the financial risk management policies.

The main areas of financial risks faced by the Group are as follows:

(i) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk in relation to its operations in Indonesia. The Group attempts to significantly limit its exposure for committed transactions by entering into forward foreign currency exchange contracts within the constraints of market and government regulations.

The Group's principal foreign currency exposure relates mainly to United States Dollar ("USD") in the current financial year *(2015: USD)*.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial risk factors (cont'd)

(i) Foreign currency exchange risk (cont'd)

The Group's exposure to foreign currencies in respect of its financial assets and financial liabilities as at the reporting date is as follows:

	USD	Others	Total
Group			
At 31 December 2016			
Financial assets			
Trade and other receivables	**4,446**	**-**	**4,446**
Cash and cash equivalents	**172,869**	**1,279**	**174,148**
	177,315	**1,279**	**178,594**
Financial liabilities			
Trade and other payables	**(12,829)**	**-**	**(12,829)**
Net currency exposure	**164,486**	**1,279**	**165,765**
Company			
At 31 December 2016			
Financial assets			
Cash and cash equivalents	**158,922**	**-**	**158,922**
Net currency exposure	**158,922**	**-**	**158,922**
Group			
At 31 December 2015			
Financial assets			
Trade and other receivables	6,313	-	6,313
Cash and cash equivalents	96,525	1,530	98,055
	102,838	1,530	104,368
Financial liabilities			
Trade and other payables	(22,562)	-	(22,562)
Net currency exposure	80,276	1,530	81,806
Company			
At 31 December 2015			
Financial assets			
Cash and cash equivalents	80,802	-	80,802
Net currency exposure	80,802	-	80,802

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Financial risk factors (cont'd)

(i) Foreign currency exchange risk (cont'd)

The following table demonstrates the sensitivity of the Group's profit after tax and OCI to 10% *(2015: 10%)* strengthening of USD against the functional currency, with all other variables held constant.

	2016		2015	
	Increase/(Decrease)		Increase/(Decrease)	
	Profit after tax	**OCI**	Profit after tax	OCI
Group				
USD against the functional currency	**16,449**	**-**	8,028	-
Company				
USD against the functional currency	**15,892**	**-**	8,080	-

A 10% *(2015: 10%)* weakening of the above currencies against the functional currency would have the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk

Interest rate risks arise mainly from the Group's borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using the floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting the borrowings from floating rates to fixed rates. Under the interest rate swap, the Group agrees with a financial institution to exchange, at specific intervals, the difference between the fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

The Group's outstanding borrowings as at the year end at variable rates on which hedges have not been entered into are mainly denominated in USD. At the reporting date, if annual interest rates had been 1% *(2015: 1%)* higher/lower respectively, with all other variables in particular foreign exchange rates and tax rate being held constant, the profit after tax will be lower/higher by RM5.9 million *(2015: RM5.7 million)* as a result of increase/decrease in interest expense on those borrowings.

(iii) Credit risk

The Group's exposure to credit risk arises mainly from sales made on deferred credit terms, cash and cash equivalents, deposits with financial institutions and money market instruments. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customers whose accounts exceed the stipulated credit terms. Credit limits are set and credit history is reviewed to minimise potential losses. The Group has no significant concentration of credit risk with any single customer.

In respect of trade receivables arising from the sale of development properties, the Group mitigates its credit risk by maintaining its name as the registered owner of the development properties until full settlement by the purchaser of the self-finances portion of the purchase consideration and upon obtaining the undertaking from the purchaser's end-financier.

The Group also seeks to invest cash assets safely and profitably and buys insurance to protect itself against insurable risks. In this regard, counterparties are assessed for credit risk and limits are set to minimise any potential losses. The Group's cash and cash equivalents and short term deposits are placed with creditworthy financial institutions and the risks arising thereof are minimised in view of the financial strength of these financial institutions. The risks arising therefrom are further minimised by the setting of exposure limits for each financial institution and the tenure of the placements which are normally less than one year. The approved exposure limit for each financial institution is subjected to regular reviews. To minimise the Group's counterparty risk, the Group enters into derivative transactions only with creditworthy financial institutions.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Financial risk factors (cont'd)

(iii) Credit risk (cont'd)

At the Company level, credit risk arises from amounts due from subsidiaries, cash and cash equivalents, income funds, deposits with financial institutions and money market instruments. The Company's exposure to bad debts is not significant since the subsidiaries do not have historical default risk. The Company also manages its credit risk by performing regular reviews of the ageing profile of amounts due from subsidiaries. The credit risk on income funds is limited because the funds are ultimately deposited with creditworthy financial institutions.

Information regarding other non-current assets and trade and other receivables that are neither past due nor impaired is disclosed in Note 25 and Note 29 respectively. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except the following financial guarantee contracts which have not been reflected in the statements of financial position of the Group and the Company:

	Group	
	2016	2015
Corporate guarantee provided by certain subsidiaries in Indonesia to banks on plasma farmers' loan facilities	**133,365**	126,350

	Company	
	2016	2015
Corporate guarantee provided to banks on Sukuk Murabahah	**1,000,000**	1,000,000

(iv) Liquidity risk

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

The Group manages its liquidity risk with the view to maintaining a healthy level of cash and cash equivalents appropriate to the operating environment and expected cash flows of the Group. Liquidity requirements are further enhanced with its undrawn committed borrowing facilities *(Note 38)* and are sufficient and available to the Group to meet its obligations.

Generally, surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company. The Company invests surplus cash in interest bearing accounts, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned cash flows of the Group.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Financial risk factors (cont'd)

(iv) Liquidity risk (cont'd)

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2016				
Group				
Trade and other payables	**412,350**	**-**	**-**	**-**
Borrowings (principal and finance costs)	**112,447**	**136,332**	**1,012,254**	**1,659,153**
Derivative financial liabilities	**574**	**802**	**1,271**	**-**
Amount due to ultimate holding company	**960**	**-**	**-**	**-**
Amounts due to other related companies	**1,112**	**-**	**-**	**-**
	527,443	**137,134**	**1,013,525**	**1,659,153**
Financial guarantee contracts	**133,365**	**-**	**-**	**-**
Company				
Trade and other payables	**19,770**	**-**	**-**	**-**
Amounts due to subsidiaries (principal and finance costs)	**112,882**	**46,200**	**138,853**	**1,161,637**
Derivative financial liabilities	**26**	**-**	**-**	**-**
Amount due to ultimate holding company	**960**	**-**	**-**	**-**
Amounts due to other related companies	**1,006**	**-**	**-**	**-**
	134,644	**46,200**	**138,853**	**1,161,637**
Financial guarantee contracts	**1,000,000**	**-**	**-**	**-**
At 31 December 2015				
Group				
Trade and other payables	361,272	-	-	-
Borrowings (principal and finance costs)	135,937	182,273	1,076,830	1,479,050
Derivative financial liabilities	1,350	462	50	-
Amount due to ultimate holding company	1,566	-	-	-
Amounts due to other related companies	2,173	-	-	-
	502,298	182,735	1,076,880	1,479,050
Financial guarantee contracts	126,350	-	-	-
Company				
Trade and other payables	20,699	-	-	-
Amounts due to subsidiaries (principal and finance costs)	63,174	46,200	138,980	1,207,710
Amount due to ultimate holding company	1,566	-	-	-
Amounts due to other related companies	2,158	-	-	-
	87,597	46,200	138,980	1,207,710
Financial guarantee contracts	1,000,000	-	-	-

(b) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to provide returns for shareholders and benefits for other stakeholders.

In order to optimise the capital structure, or the capital allocation amongst the Group's various businesses, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and warrants, buy back issued shares, take on new debts or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital utilisation on the basis of the gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as total borrowings (including "short term and long term borrowings" as shown in the statements of financial position). Total capital is calculated as the sum of total equity and total debts.

The gearing ratio as at 31 December 2016 and 2015 are as follows:

Group	2016	2015
Total debts	**2,344,805**	2,289,433
Total equity	**4,965,222**	4,504,591
Total capital	**7,310,027**	6,794,024
Gearing ratio	**32.1%**	33.7%

There were no changes in the Group's approach to capital management during the financial year. The Group is not subject to any externally imposed capital requirements for the financial years ended 31 December 2016 and 2015.

(c) Fair value hierarchy

The assets and liabilities carried at fair value are categorised into different levels of fair value hierarchy as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined 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. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign currency exchange contracts is determined using forward exchange rates at the reporting date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying values of current financial assets and current financial liabilities of the Group at the end of the reporting period approximated their fair values.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Fair value hierarchy (cont'd)

The following table presents the Group's financial instruments that are measured at fair value.

	Level 1	Level 2	Level 3	Total
2016				
Group				
Assets				
Available-for-sale financial assets:				
- Equity securities	**-**	**-**	**143,170**	**143,170**
- Income funds	**-**	**500,006**	**-**	**500,006**
Derivative financial instruments:				
- Interest Rate Swap	**-**	**424**	**-**	**424**
	-	**500,430**	**143,170**	**643,600**
Liabilities				
Derivative financial instruments:				
- Interest Rate Swap	**-**	**2,073**	**-**	**2,073**
- Forward foreign currency exchange contracts	**-**	**574**	**-**	**574**
	-	**2,647**	**-**	**2,647**
Company				
Assets				
Available-for-sale financial assets:				
- Income funds	**-**	**500,006**	**-**	**500,006**
Liability				
Derivative financial instruments:				
- Forward foreign currency exchange contracts	**-**	**26**	**-**	**26**
2015				
Group				
Assets				
Available-for-sale financial assets:				
- Equity securities	-	-	137,854	137,854
- Income funds	-	500,006	-	500,006
	-	500,006	137,854	637,860
Liabilities				
Derivative financial instruments:				
- Interest Rate Capped Libor-In-Arrears Swap	-	442	-	442
- Interest Rate Swap	-	1,328	-	1,328
- Forward foreign currency exchange contracts	-	92	-	92
	-	1,862	-	1,862
Company				
Assets				
Available-for-sale financial assets:				
- Income funds	-	500,006	-	500,006

There were no transfers between Level 1 and Level 2 during the financial year.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Fair value hierarchy (cont'd)

The following table presents the changes in Level 3 instruments for the financial year ended 31 December 2016:

	Group	
	2016	2015
Available-for-sale financial assets		
As at 1 January	**137,854**	111,187
Currency fluctuations	**5,316**	26,667
As at 31 December	**143,170**	137,854

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurement of fair value. For fair value measurement in Level 3, if the carrying value changes by 5% *(2015: 5%)*, the impact on equity would be RM7.2 million *(2015: RM6.9 million)*.

5. SEGMENT ANALYSIS

Management has determined the operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The chief operating decision-makers consider the business from both geographic and industry perspective and has the following reportable operating segments:

(i) Plantation
- comprises mainly activities relating to oil palm plantations. This segment is further analysed into two geographical areas, namely Malaysia and Indonesia.

(ii) Property
- comprises mainly activities relating to property development and property investment.

(iii) Biotechnology
- comprises mainly activities relating to genomics research and development.

(iv) Downstream manufacturing
- comprises downstream manufacturing activities.

(v) Others
- comprises other insignificant business which are not reported separately.

The performance of the operating segments is based on a measure of adjusted earning before interest, tax, depreciation and amortisation ("EBITDA"). This measurement basis excludes the effects of non-recurring items from the operating segments such as fair value gain and losses, impairment losses, gain or loss on disposal of assets and assets written off.

Segments assets consist primarily of property, plant and equipment, land held for property development, plantation development, leasehold land use rights, intangible assets, available-for-sale financial assets, inventories, trade and other receivables and cash and cash equivalents. Segment assets exclude interest bearing instruments, joint ventures, associates, deferred tax assets and tax recoverable as these assets are managed on a group basis.

Segment liabilities comprise operating liabilities. Segment liabilities exclude interest bearing instruments, tax payables and deferred tax liabilities as these liabilities are managed on a group basis.

5. SEGMENT ANALYSIS (cont'd)

	Plantation				Bio-	Downstream		
	Malaysia	Indonesia	Total	Property	technology	Manufacturing	Others	Total
2016								
Group								
Revenue								
Total revenue	907,048	352,956	1,260,004	125,567	2,036	96,080	-	1,483,687
Inter segment	(1,572)	-	(1,572)	-	(2,036)	-	-	(3,608)
Revenue - external	905,476	352,956	1,258,432	125,567	-	96,080	-	1,480,079
Adjusted EBITDA	390,285	103,182	493,467	42,206	(19,243)	(2,350)	29,165	543,245
Gain on disposal of assets	131,243	6	131,249	2	5,456	23	-	136,730
Assets written off	(945)	(427)	(1,372)	-	(80,216)	(53)	-	(81,641)
	520,583	102,761	623,344	42,208	(94,003)	(2,380)	29,165	598,334
Depreciation and amortisation	(52,785)	(22,474)	(75,259)	(957)	(23,368)	(2,570)	-	(102,154)
Share of results in joint ventures	-	-	-	21,139	-	-	-	21,139
Share of results in associates	3,637	-	3,637	225	-	-	(13)	3,849
	471,435	80,287	551,722	62,615	(117,371)	(4,950)	29,152	521,168
Interest income								39,376
Finance cost								(59,573)
Profit before taxation								500,971
Taxation								(131,014)
Profit for the financial year								369,957
Other information:								
Assets								
Segment assets	1,741,469	3,393,922	5,135,391	469,559	173,386	378,801	502,071	6,659,208
Joint ventures	-	-	-	77,894	-	-	-	77,894
Associates	12,223	-	12,223	406	-	-	(128)	12,501
Assets classified as held for sale	-	-	-	6,034	-	-	-	6,034
	1,753,692	3,393,922	5,147,614	553,893	173,386	378,801	501,943	6,755,637
Interest bearing instruments								996,948
Deferred tax assets								92,556
Tax recoverable								13,112
Total assets								7,858,253
Liabilities								
Segment liabilities	92,960	180,061	273,021	141,904	3,189	14,399	5,518	438,031
Interest bearing instruments								2,344,805
Deferred tax liabilities								97,179
Taxation								13,016
Total liabilities								2,893,031
Other disclosures								
Capital expenditure*	56,515	265,847	322,362	211	2,161	89,063	-	413,797

5. SEGMENT ANALYSIS (cont'd)

	Plantation				Bio-	Downstream		
	Malaysia	Indonesia	Total	Property	technology	Manufacturing	Others	Total
2015								
Group								
Revenue								
Total revenue	878,816	214,054	1,092,870	188,941	1,825	93,120	-	1,376,756
Inter segment	-	-	-	-	(1,825)	-	-	(1,825)
Revenue - external	878,816	214,054	1,092,870	188,941	-	93,120	-	1,374,931
Adjusted EBITDA	305,091	11,116	316,207	61,203	(31,194)	3,815	(11,653)	338,378
Gain/(Loss) on disposal of assets	(118)	83	(35)	(99)	-	-	-	(134)
Assets written off and others	(744)	(118)	(862)	(21)	(153)	(1)	-	(1,037)
	304,229	11,081	315,310	61,083	(31,347)	3,814	(11,653)	337,207
Depreciation and amortisation	(49,778)	(32,182)	(81,960)	(1,098)	(26,384)	(797)	-	(110,239)
Share of results in joint ventures	-	-	-	18,566	-	-	-	18,566
Share of results in associates	3,334	-	3,334	80	-	-	(11)	3,403
	257,785	(21,101)	236,684	78,631	(57,731)	3,017	(11,664)	248,937
Interest income								48,653
Finance cost								(50,161)
Profit before taxation								247,429
Taxation								(70,834)
Profit for the financial year								176,595
Other information:								
Assets								
Segment assets	1,530,540	2,710,243	4,240,783	427,664	287,591	256,153	501,926	5,714,117
Joint ventures	-	-	-	59,440	-	-	-	59,440
Associates	10,586	-	10,586	303	-	-	(115)	10,774
Assets classified as held for sale	-	-	-	5,373	-	-	-	5,373
	1,541,126	2,710,243	4,251,369	492,780	287,591	256,153	501,811	5,789,704
Interest bearing instruments								1,296,386
Deferred tax assets								134,314
Tax recoverable								25,175
Total assets								7,245,579
Liabilities								
Segment liabilities	83,452	141,423	224,875	134,930	5,882	12,295	6,895	384,877
Interest bearing instruments								2,289,433
Deferred tax liabilities								65,438
Taxation								1,240
Total liabilities								2,740,988
Other disclosures								
Capital expenditure*	45,965	357,844	403,809	2,761	3,267	79,323	-	489,160

** Includes capital expenditure in respect of property, plant and equipment, plantation development, leasehold land use rights and investment properties.*

5. SEGMENT ANALYSIS (cont'd)

Geographical information

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

	Revenue		Non-Current Assets	
	2016	2015	**2016**	2015
Malaysia	**1,127,123**	1,160,877	**1,905,386**	1,871,222
Indonesia	**352,956**	214,054	**3,099,362**	2,534,073
	1,480,079	1,374,931	**5,004,748**	4,405,295

Non-current assets information presented above exclude investments in joint ventures and associates, financial instruments and deferred tax assets as presented in the consolidated statements of financial position.

There are no revenue derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue during the current financial year *(2015: Nil)*.

6. REVENUE

Revenue of the Group and of the Company comprises the following:

	Group		Company	
	2016	2015	**2016**	2015
Sale of goods:				
Sale of plantation produce	**1,260,685**	1,092,870	**129,512**	127,679
Sale of development properties	**124,540**	187,848	**-**	-
Sale of bio-diesel products	**93,827**	93,120	**-**	-
Rendering of services:				
Revenue from golf course operations	**-**	193	**-**	-
Fee from management services	**1,027**	900	**34,563**	33,158
Dividend income	**-**	-	**287,062**	169,103
	1,480,079	1,374,931	**451,137**	329,940

7. COST OF SALES

	Group		Company	
	2016	2015	**2016**	2015
Cost of inventories sold for plantation produce	**691,007**	729,477	**53,922**	69,608
Cost of development properties sold	**68,151**	111,355	**-**	-
Cost of inventories sold for bio-diesel products	**89,768**	82,454	**-**	-
Cost of services recognised as an expense	**-**	701	**-**	-
	848,926	923,987	**53,922**	69,608

8. PROFIT BEFORE TAXATION

Profit before taxation has been determined after inclusion of the following charges and credits. The expenses by nature of the Group are also disclosed in the charges below:

	Group		Company	
	2016	2015	**2016**	2015
Charges:				
Depreciation of property, plant and equipment	**80,870**	89,293	**11,788**	9,471
Depreciation of investment properties	**605**	567	**-**	-
Amortisation of leasehold land use rights	**1,992**	1,692	**-**	-
Amortisation of plantation development	**7**	7	**-**	-
Amortisation of intangible assets	**18,680**	18,680	**-**	-
Replanting expenditure	**23,392**	18,534	**4,018**	4,637
Total Directors' remuneration *(see Note 10)*	**2,558**	2,412	**2,558**	2,412
Charges payable to related companies:				
- Rental of premises and related services	**5,643**	5,295	**2,366**	2,333
- Shared services fee	**1,962**	2,241	**1,334**	1,103
- Hire of equipment	**1,978**	2,029	**1,613**	1,490
Property, plant and equipment written off	**1,441**	952	**144**	46
Intangible assets written off	**80,141**	-	**-**	-
Impairment loss on investment in a subsidiary	**-**	-	**294,000**	-
Shared services fee payable to ultimate holding company	**1,985**	1,897	**1,195**	1,090
Bad debts written off	**51**	87	**25**	43
(Write back of)/Allowance for impairment loss on receivables	**(28)**	135	**-**	-
Auditors' remuneration *(see Note 11)*:				
- current financial year	**2,259**	2,000	**158**	129
Non-statutory audit fee payable to auditors *(see Note 11)*	**818**	383	**653**	231
Employee benefits expense *(see Note 9)*	**301,820**	281,580	**73,618**	66,214
Research and development expenditure	**40,811**	52,499	**-**	-
Repairs and maintenance:				
- property, plant and equipment	**33,091**	31,707	**3,297**	3,423
- investment properties	**86**	57	**-**	-
Transportation costs	**87,471**	90,127	**7,163**	7,636
Utilities	**10,224**	8,254	**93**	102
Raw materials and consumables	**202,901**	223,458	**-**	-
Oil palm cess and levy	**4,895**	3,349	**-**	-
Finance costs:				
- bank borrowings	**22,626**	21,823	**-**	-
- Sukuk Murabahah	**33,092**	26,759	**-**	-
- loan from a subsidiary	**-**	-	**46,327**	26,581
- others	**3,855**	1,579	**-**	-
	59,573	50,161	**46,327**	26,581
Credits:				
Net surplus arising from compensation in respect of land acquired by the Government	**59**	-	**-**	-
Interest income	**39,376**	48,653	**46,129**	35,969
Investment income	**18,661**	10,280	**18,661**	10,280
Dividend income from associates	**-**	-	**2,123**	11,493
Rental income	**3,126**	3,053	**393**	372
Rental income from related companies	**38**	69	**15**	14
Gain/(Loss) on disposal of property, plant and equipment	**136,730**	(134)	**(53)**	(104)
Gain on disposal of subsidiaries	**-**	1,114	**-**	-
Gain on sale of land	**-**	4,053	**-**	-
Net exchange gains – realised	**1,499**	321	**2,806**	-
Net exchange gains/(losses) - unrealised	**8,830**	(21,211)	**9,598**	7
Income from subsidiaries:				
- Single-tier dividend	**-**	-	**284,940**	157,610
- Management fee	**-**	-	**34,563**	33,158

9. EMPLOYEE BENEFITS EXPENSE

	Group 2016	Group 2015	Company 2016	Company 2015
Wages, salaries and bonuses	**262,087**	247,109	**58,158**	53,727
Defined contribution plans	**12,625**	12,096	**5,680**	5,139
Provision for retirement gratuities	**2,958**	(190)	**3,804**	(402)
Other short term employee benefits	**24,150**	22,565	**5,976**	7,750
	301,820	281,580	**73,618**	66,214

Employee benefits expense, as shown above, includes the remuneration of Executive Directors.

10. DIRECTORS' REMUNERATION

	Group 2016	Group 2015	Company 2016	Company 2015
Non-Executive Directors				
Fees	**607**	563	**607**	563
Executive Directors				
Fees	**170**	155	**170**	155
Salaries and bonuses	**1,217**	1,165	**1,217**	1,165
Defined contribution plans	**202**	189	**202**	189
Provision for retirement gratuities	**362**	340	**362**	340
	1,951	1,849	**1,951**	1,849
Total Directors' remuneration *(see Note 8)*	**2,558**	2,412	**2,558**	2,412

Remuneration of Directors of the Company, in respect of services rendered to the Company and its subsidiaries, are in the following bands:

Amounts in RM'000	2016 Number	2015 Number
Non-Executive Directors		
50 - 100	**-**	1
100 - 150	**4**	3
150 - 200	**1**	1
	5	5
Executive Directors		
700 - 750	**1**	1
1,150 - 1,200	**-**	1
1,200 - 1,250	**1**	-
	2	2

11. AUDITORS' REMUNERATION

	Group 2016	Group 2015	Company 2016	Company 2015
Statutory audit fees payable to:				
PricewaterhouseCoopers Malaysia*	**849**	726	**158**	129
Other member firms of PricewaterhouseCoopers International Limited*	**1,410**	1,274	**-**	-
Total statutory audit fees *(see Note 8)*	**2,259**	2,000	**158**	129
Fees for other audit related services payable to:				
PricewaterhouseCoopers Malaysia*	**238**	231	**195**	231
Other member firms of PricewaterhouseCoopers International Limited*	**580**	152	**458**	-
Total non-statutory audit fees *(see Note 8)*	**818**	383	**653**	231
Total remuneration	**3,077**	2,383	**811**	360

* *PricewaterhouseCoopers Malaysia and other member firms of PricewaterhouseCoopers International Limited are separate and independent legal entities.*

12. TAXATION

	Group 2016	Group 2015	Company 2016	Company 2015
Current taxation charge:				
Malaysian income tax charge	**91,066**	74,119	**112**	1,256
Real property gains tax	**4,103**	-	**-**	-
Foreign income tax charge	**285**	-	**-**	-
Deferred tax charge/(reversal) *(see Note 26)*	**37,340**	(3,520)	**4,150**	(1,973)
	132,794	70,599	**4,262**	(717)
Prior years' taxation:				
Income tax (over)/under provided	**(1,780)**	235	**(1,256)**	(56)
	131,014	70,834	**3,006**	(773)

The reconciliation between the average effective tax rate and the Malaysian tax rate is as follows:

	Group 2016 %	Group 2015 %	Company 2016 %	Company 2015 %
Malaysian tax rate	**24.0**	25.0	**24.0**	25.0
Tax effects of:				
- expenses not deductible for tax purposes	**7.9**	2.2	**148.4**	1.1
- income not subject to tax	**(3.4)**	(2.0)	**(152.5)**	(21.4)
- tax incentives	**(0.6)**	(4.1)	**(5.7)**	(4.9)
- effect of lower tax rate on gain on disposal of land	**(3.1)**	-	**-**	-
- recognition of previously unrecognised tax losses and capital allowances	**(2.8)**	-	**(5.4)**	-
- unrecognised tax losses and capital allowances	**5.3**	9.7	**-**	-
- (over)/under provision in prior years	**(0.4)**	0.1	**(2.6)**	-
- share of results in joint ventures and associates	**(1.2)**	(2.2)	**-**	-
- others	**0.5**	(0.1)	**-**	(0.2)
Average effective tax rate	**26.2**	28.6	**6.2**	(0.4)

The income tax effect of each of the other comprehensive income/(loss) item is RM36.3 million *(2015: RM30.3 million)* in the current financial year.

13. EARNINGS PER SHARE

Earnings per share of the Group is calculated by dividing the profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue.

	Group	
	2016	2015
(a) Basic earnings per share		
Profit for the financial year attributable to equity holders of the Company *(RM'000)*	**367,488**	189,749
Weighted average number of ordinary shares in issue *('000)*	**789,561**	774,690
Basic earnings per share *(sen)*	**46.54**	24.49
(b) Diluted earnings per share		
Profit for the financial year attributable to equity holders of the Company *(RM'000)*	**367,488**	189,749
Adjusted weighted average number of ordinary shares in issue		
Weighted average number of ordinary shares in issue *('000)*	**789,561**	774,690
Adjustment for assumed conversion of warrants *('000)*	**28,548**	26,697
	818,109	801,387
Diluted earnings per share *(sen)*	**44.92**	23.68

14. DIVIDENDS

	Group and Company	
	2016	2015
Interim single-tier dividend paid - 2 sen *(2015: 2.5 sen)* per ordinary share	**15,840**	19,429
Special single-tier dividend – 11 sen *(2015: Nil)* per ordinary share	**87,715**	-
Proposed final single-tier dividend - 8 sen *(2015: 3 sen)* per ordinary share	**63,793**	23,742
	167,348	43,171

A special single-tier dividend of 11 sen *(2015: Nil)* per ordinary share in respect of the current financial year has been declared for payment to shareholders registered in the Register of Members on 9 March 2017. The special dividend shall be paid on 27 March 2017. Based on the total number of issued shares of the Company as at the date of this report, the special dividend would amount to RM87.7 million *(2015: RM Nil)*. The special dividend has not been recognised in the Statement of Changes in Equity as it was declared subsequent to the financial year end.

At the forthcoming Annual General Meeting, a final single-tier dividend in respect of the financial year ended 31 December 2016 of 8 sen *(2015: 3 sen)* per ordinary share amounting to RM63.8 million *(2015: RM23.7 million)* will be proposed for shareholders' approval. The financial statements did not reflect this final dividend which will be accrued as a liability upon the approval by shareholders.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and improvements	Leasehold lands	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Construction in progress	Total
2016								
Group								
Net book value:								
At 1 January	456,238	275,075	280,614	296,192	29,251	34,324	190,046	1,561,740
Additions	51,207	5,575	3,879	18,764	3,424	5,616	140,097	228,562
Assets of subsidiaries acquired	-	-	3,812	-	18	309	244	4,383
Disposals	(2,674)	-	(124)	(2,595)	(747)	(967)	-	(7,107)
Written off	(47)	-	(1,109)	(117)	(107)	(61)	-	(1,441)
Depreciation:								
- charged to income statement	(15,780)	(3,467)	(11,636)	(36,838)	(3,380)	(9,769)	-	(80,870)
- capitalised under plantation development *(see Note 18)*	(3,011)	(29)	(2,069)	(569)	(846)	(776)	-	(7,300)
Reclassifications	1,013	-	31,421	10,859	-	6,847	(50,140)	-
Reclassification from leasehold land use rights *(See Note 19)*	-	-	-	376	-	-	-	376
Currency fluctuations	10,674	-	6,508	4,840	860	524	6,344	29,750
At 31 December	497,620	277,154	311,296	290,912	28,473	36,047	286,591	1,728,093
At 31 December								
Cost	611,996	318,956	413,038	566,006	54,246	86,368	286,591	2,337,201
At 1981 valuation	46,613	-	-	-	-	-	-	46,613
Accumulated depreciation	(160,989)	(41,802)	(101,742)	(275,094)	(25,773)	(50,321)	-	(655,721)
Net book value	497,620	277,154	311,296	290,912	28,473	36,047	286,591	1,728,093

15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land and improvements	Leasehold lands	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Construction in progress	Total
2015								
Group								
Net book value:								
At 1 January	391,629	264,856	237,447	276,157	27,198	22,038	119,437	1,338,762
Additions	72,109	24,697	4,903	32,690	5,996	4,819	140,563	285,777
Disposals	(4)	(12,102)	-	-	(748)	(1)	-	(12,855)
Written off	-	-	(344)	(387)	(12)	(209)	-	(952)
Assets of a subsidiary disposed	-	-	-	-	(46)	-	-	(46)
Depreciation:								
- charged to income statement	(19,601)	(3,260)	(13,121)	(42,200)	(3,386)	(7,725)	-	(89,293)
- capitalised under plantation development *(see Note 18)*	(7,980)	(13)	(1,143)	(3,589)	(1,127)	(895)	-	(14,747)
Reclassifications	1,955	897	41,753	18,720	368	15,158	(78,851)	-
Reclassification to leasehold land use rights *(See Note 19)*	-	-	-	-	-	-	(383)	(383)
Currency fluctuations	18,130	-	11,119	14,801	1,008	1,139	9,280	55,477
At 31 December	456,238	275,075	280,614	296,192	29,251	34,324	190,046	1,561,740
At 31 December								
Cost	546,121	313,379	368,020	546,380	51,809	79,696	190,046	2,095,451
At 1981 valuation	46,613	-	-	-	-	-	-	46,613
Accumulated depreciation	(136,496)	(38,304)	(87,406)	(250,188)	(22,558)	(45,372)	-	(580,324)
Net book value	456,238	275,075	280,614	296,192	29,251	34,324	190,046	1,561,740

The valuation of the freehold land made by the Directors in 1981 was based upon valuations carried out by an independent firm of professional valuers using fair market value basis. The net book value of the revalued freehold land for the Group would have amounted to RM45.6 million *(2015: RM45.6 million)* had it been stated in the financial statements at cost.

15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land and improvements	Leasehold lands	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Construction in progress	Total
2016								
Company								
Net book value:								
At 1 January	**26,933**	**152,965**	**23,039**	**7,634**	**3,426**	**14,696**	**3,030**	**231,723**
Additions	**934**	**48**	**280**	**2,845**	**935**	**985**	**3,299**	**9,326**
Disposals	**-**	**-**	**-**	**(50)**	**(110)**	**(1)**	**-**	**(161)**
Written off	**-**	**-**	**(108)**	**(9)**	**-**	**(27)**	**-**	**(144)**
Depreciation	**(1,683)**	**(1,396)**	**(1,126)**	**(2,503)**	**(468)**	**(4,612)**	**-**	**(11,788)**
Reclassification	**16**	**-**	**2,655**	**573**	**-**	**1,799**	**(5,043)**	**-**
At 31 December	**26,200**	**151,617**	**24,740**	**8,490**	**3,783**	**12,840**	**1,286**	**228,956**
At 31 December								
Cost	**36,247**	**164,171**	**30,812**	**20,225**	**6,348**	**34,506**	**1,286**	**293,595**
Accumulated depreciation	**(10,047)**	**(12,554)**	**(6,072)**	**(11,735)**	**(2,565)**	**(21,666)**	**-**	**(64,639)**
Net book value	**26,200**	**151,617**	**24,740**	**8,490**	**3,783**	**12,840**	**1,286**	**228,956**
2015								
Company								
Net book value:								
At 1 January	26,985	154,088	21,445	8,029	2,765	7,634	9,116	230,062
Additions	1,572	273	20	1,310	1,435	972	6,344	11,926
Disposals	-	-	-	(3)	(368)	(377)	-	(748)
Written off	-	-	(16)	(18)	(7)	(5)	-	(46)
Depreciation	(1,628)	(1,396)	(1,075)	(2,194)	(399)	(2,779)	-	(9,471)
Reclassification	4	-	2,665	510	-	9,251	(12,430)	-
At 31 December	26,933	152,965	23,039	7,634	3,426	14,696	3,030	231,723
At 31 December								
Cost	35,297	164,123	28,009	17,150	5,728	31,777	3,030	285,114
Accumulated depreciation	(8,364)	(11,158)	(4,970)	(9,516)	(2,302)	(17,081)	-	(53,391)
Net book value	26,933	152,965	23,039	7,634	3,426	14,696	3,030	231,723

The carrying values of the freehold land of the Group and of the Company as at 31 December 2016 are RM142.6 million *(2015: RM144.3 million)* and RM1.6 million *(2015: RM1.6 million)* respectively.

Property, plant and equipment with a carrying amount of approximately RM114.7 million *(2015: RM61.1 million)* have been pledged as collateral as at 31 December 2016.

16. PROPERTY DEVELOPMENT ACTIVITIES

	Group			
	2016		2015	
(a) Land held for property development:				
Freehold land		**140,456**		73,756
Development costs		**114,369**		101,260
		254,825		175,016
At the beginning of the financial year				
- freehold land	**73,756**		74,147	
- development costs	**101,260**	**175,016**	84,497	158,644
Costs incurred during the financial year				
- freehold land	**68,089**			
- development costs	**14,956**	**83,045**		21,032
Costs charged to income statement		**(21)**		-
Costs transferred to property development costs *(see Note 16(b))*				
- freehold land	**(1,287)**		(391)	
- development costs	**(1,510)**	**(2,797)**	(4,269)	(4,660)
Costs transferred to assets classified as held for sale				
- freehold land	**(81)**		-	
- development costs	**(337)**	**(418)**	-	-
At the end of the financial year		**254,825**		175,016
(b) Property development costs:				
Freehold land		**2,696**		3,249
Development costs		**68,314**		141,048
Accumulated costs charged to income statement		**(21,004)**		(53,450)
		50,006		90,847
At the beginning of the financial year				
- freehold land	**3,249**		4,364	
- development costs	**141,048**		104,568	
- accumulated costs charged to income statement	**(53,450)**	**90,847**	(48,883)	60,049
Costs incurred during the financial year				
- development costs		**48,789**		89,076
Costs charged to income statement		**(76,180)**		(61,890)
Costs transferred from land held for property development *(see Note 16(a))*		**2,797**		4,660
Costs transferred to inventories				
- freehold land	**(671)**		(1,506)	
- development costs	**(48,022)**		(56,865)	
- accumulated costs charged to income statement	**32,446**	**(16,247)**	57,323	(1,048)
At the end of the financial year		**50,006**		90,847

17. INVESTMENT PROPERTIES

	Group	
	2016	2015
Net book value:		
At 1 January	**26,137**	24,757
Additions	**77**	2,296
Depreciation	**(605)**	(567)
Others	**(92)**	(349)
At 31 December	**25,517**	26,137
At 31 December		
Completed properties		
- Cost	**31,416**	31,431
- Accumulated depreciation	**(7,038)**	(6,433)
	24,378	24,998
Construction in progress	**1,139**	1,139
Net book value at end of the financial year	**25,517**	26,137
Fair value of completed properties at end of the financial year	**37,240**	36,930

The aggregate rental income and direct operating expenses arising from investment properties that generated rental income which were recognised during the financial year amounted to RM3.0 million and RM1.0 million *(2015: RM2.9 million and RM1.0 million)* respectively.

Fair values of the Group's investment properties at the end of financial year have been determined by independent professional valuers based on the market comparable approach that reflects the recent transaction prices for similar properties and are within Level 2 of the fair value hierarchy.

18. PLANTATION DEVELOPMENT

	Group		Company	
	2016	2015	**2016**	2015
Net book value				
At 1 January	**2,109,655**	1,672,275	**284,625**	284,314
Additions	**137,505**	136,851	**681**	311
Written off	**(59)**	-	**-**	-
Assets of subsidiaries acquired	**120,671**	119,028	**-**	-
Interest capitalised	**26,722**	11,412	**-**	-
Depreciation of property, plant and equipment capitalised *(see Note 15)*	**7,300**	14,747	**-**	-
Amortisation of leasehold land use rights capitalised *(see Note 19)*	**612**	456	**-**	-
Disposals	**(9,622)**	(191)	**-**	-
Reclassification from leasehold land use rights *(See Note 19)*	**783**	-	**-**	-
Amortisation charged to income statement	**(7)**	(7)	**-**	-
Currency fluctuations	**72,367**	155,084	**-**	-
At 31 December	**2,465,927**	2,109,655	**285,306**	284,625

19. LEASEHOLD LAND USE RIGHTS

	Group 2016	Group 2015
Net book value		
At 1 January	**387,063**	305,329
Additions	**13,019**	37,621
Asset of subsidiaries acquired	**85,927**	16,265
Disposal	**-**	(510)
Reclassification (to)/from property, plant and equipment *(see Note 15)*	**(376)**	383
Reclassification to plantation development *(see Note 18)*	**(783)**	-
Amortisation charged to income statement	**(1,992)**	(1,692)
Amortisation capitalised under plantation development *(see Note 18)*	**(612)**	(456)
Currency fluctuations	**13,512**	30,123
At 31 December	**495,758**	387,063
At 31 December		
Cost	**519,559**	407,351
Accumulated amortisation	**(23,801)**	(20,288)
Net book value	**495,758**	387,063

Leasehold land use rights of certain subsidiaries with an aggregate carrying value of RM398.9 million *(2015: RM379.9 million)* are pledged as securities for borrowings *(see Note 38)*.

The Group holds land rights in Indonesia in the form of Hak Guna Usaha ("HGU"), which give the rights to cultivate land for agricultural purposes with expiry dates between 2037 and 2044. The Group also holds other rights relating to certain plots of land in Indonesia and the Group is at various stages of the application process in converting such rights to HGU.

20. INTANGIBLE ASSETS

	Goodwill	Intellectual property rights and development costs	Licencing fee	Total
2016				
Group				
Net book value:				
At 1 January 2016	**26,521**	**112,079**	**7,084**	**145,684**
Amortisation charged to income statements	**-**	**(18,680)**	**-**	**(18,680)**
Written off	**-**	**(93,399)**	**-**	**(93,399)**
Currency fluctuations	**1,023**	**-**	**-**	**1,023**
At 31 December 2016	**27,544**	**-**	**7,084**	**34,628**
As at 31 December 2016				
Cost	**27,544**	**-**	**7,084**	**34,628**
Accumulated amortisation	**-**	**-**	**-**	**-**
Net book value	**27,544**	**-**	**7,084**	**34,628**

20. INTANGIBLE ASSETS (cont'd)

	Goodwill	Intellectual property rights and development costs	Licencing fee	Total
2015				
Group				
Net book value:				
At 1 January 2015	21,390	130,759	7,084	159,233
Amortisation charged to income statements	-	(18,680)	-	(18,680)
Currency fluctuations	5,131	-	-	5,131
At 31 December 2015	26,521	112,079	7,084	145,684
As at 31 December 2015				
Cost	26,521	175,950	7,084	209,555
Accumulated amortisation	-	(63,871)	-	(63,871)
Net book value	26,521	112,079	7,084	145,684

Goodwill arose in 2010 when the Group increased its equity interest from 60% to 77% in a subsidiary, AsianIndo Holdings Pte Ltd ("AIH"). This goodwill represents the excess of the purchase consideration over the incremental share of net assets, which was based on the then existing Group's carrying amounts, instead of fair values of the net assets in AIH when the additional equity interest was acquired.

Intellectual property development costs comprise expenditure incurred on intellectual property development relating to the use of genomics-based techniques and other methods or tools thereof to increase the yields and profit streams principally from oil palm and other crops. The expenditure incurred on these intellectual property development represents mainly payments made in respect of the genome sequencing data received by the Group for the research and development activities in the area of genomics.

Intellectual property rights represents fair value of genomic data arising from the Group's acquisition of the remaining 50% equity interest in ACGT Intellectual Limited in 2010.

During the financial year, the Group undertook an assessment of the future economic benefits of the underlying genomic data. Having completed this review, the Group remains of the opinion that strategic value and meaningful opportunities can be unlocked by leveraging on the genomic data. Nevertheless, due to the inherent complexity of the oil palm genetic makeup and the multi-varied factors that influence its performance, the timing and extent of the future economy benefits that can be achieved remains highly uncertain. In view that the recoverable amount, based on the impairment assessment, was below the carrying amounts of the intangible assets and other related assets, the carrying value of the intangible assets of RM93,398,055 was written off during the financial year, of which RM13,258,225 was reversed from the revaluation gain arising from the Group's acquisition of the remaining 50% equity interest in ACGT Intellectual Limited.

At the beginning of the previous financial year, the Group had revised the remaining useful life of the intellectual property rights and development costs from 10.75 years to 7 years. The remaining amortisation period of the intellectual property rights and development costs at 31 December 2015 was 6 years.

Licencing fee incurred is in relation to the rights for a irrevocable, non-transferable, non-exclusive licensed use of the metathesis process, which includes utilising catalysts, to produce and sell palm oil based specialty chemicals, olefins and oleochemicals.

20. INTANGIBLE ASSETS (cont'd)

Goodwill and other intangible assets are allocated to the Group's cash-generating units identified according to the operating segments, as follows:

	Group 2016	Group 2015
Net book value:		
Plantation - Indonesia	**27,544**	26,521
Biotechnology	**-**	112,079
Downstream manufacturing	**7,084**	7,084
	34,628	145,684

The impairment test for goodwill was based on the most recent transacted prices of plantation lands in Indonesia. Based on the impairment assessment, there is no indication of impairment for the goodwill attributed to the plantation lands in Indonesia.

21. SUBSIDIARIES

	Company 2016	Company 2015
Unquoted shares - at cost	**3,394,609**	2,520,321
Accumulated impairment losses	**(299,325)**	(5,325)
	3,095,284	2,514,996
Amounts due from subsidiaries		
- Current	**783,375**	1,005,512
Amounts due to subsidiaries	**1,066,682**	1,017,101
Less: Balance included in current liabilities	**(66,682)**	(17,101)
Balance due to a subsidiary included in non-current liabilities	**1,000,000**	1,000,000

The amounts due from and to subsidiaries classified as current assets and current liabilities respectively represent outstanding amounts arising from inter-company sales and purchases, advances, payments and receipts on behalf of or by subsidiaries. The outstanding amounts which are less than one year and classified as current assets and current liabilities respectively, are unsecured, repayable on demand and interest free except that included in the amounts due from subsidiaries is a loan to a subsidiary amounting to RM592.2 million *(2015: RM171.2 million)* bearing a fixed interest rate of 4.62% per annum.

The non-current amount due to a subsidiary represents the proceeds from the issuance of Sukuk Murabahah advanced to the Company by Benih Restu Berhad, a wholly owned subsidiary, and bears a fixed interest rate of 4.62% per annum.

During the financial year, the Company had made the following investments:

i) Subscription of 195,050 *(2015: Nil)* redeemable convertible non-cumulative preference shares of RM1 each issued by its wholly owned subsidiaries amounting to RM863.3 million *(2015: RM Nil);*

ii) Subscription of new ordinary shares in existing subsidiaries as detailed in Note 42(C).

21. SUBSIDIARIES (cont'd)

The subsidiaries are listed in Note 44 and the subsidiaries with material non-controlling interests are set out below:

Indonesia Subsidiaries

1. PalmIndo Holdings Pte Ltd
2. Sri Nangatayap Pte Ltd
3. Sanggau Holdings Pte Ltd
4. Sandai Maju Pte Ltd
5. Ketapang Agri Holdings Pte Ltd
6. Ketapang Holdings Pte Ltd
7. Borneo Palma Mulia Pte Ltd
8. Palma Citra Investama Pte Ltd
9. Cahaya Agro Abadi Pte Ltd
10. Palm Capital Investment Pte Ltd
11. PT Citra Sawit Cemerlang
12. PT Sawit Mitra Abadi
13. PT Sepanjang Intisurya Mulia
14. PT Surya Agro Palma
15. PT Permata Sawit Mandiri
16. PT Dwie Warna Karya
17. PT Kapuas Maju Jaya
18. PT Susantri Permai
19. PT Agro Abadi Cemerlang
20. PT Palma Agro Lestari Jaya
21. GlobalIndo Holdings Pte Ltd
22. Global Agri Investment Pte Ltd
23. South East Asia Agri Investment Pte Ltd
24. Universal Agri Investment Pte Ltd
25. PT GlobalIndo Agung Lestari
26. PT United Agro Indonesia
27. PT GlobalIndo Investama Lestari

The total non-controlling interests as at 31 December 2016 is RM289.7 million *(2015: RM285.3 million)*, of which RM82.2 million *(2015: RM86.2 million)* is in respect of Malaysian subsidiaries and RM207.5 million *(2015: RM199.1 million)* is in respect of Indonesian subsidiaries.

Set out below are the summarised financial information for Indonesian subsidiaries with material non-controlling interests to the Group. The amounts disclosed are before inter-company eliminations:

	2016	2015
Summarised statement of financial position		
As at 31 December		
Current assets	**371,079**	194,132
Non-current assets	**2,353,849**	2,050,550
Current liabilities	**(879,671)**	(524,420)
Non-current liabilities	**(1,268,402)**	(1,234,133)
Net assets	**576,855**	486,129
Accumulated non-controlling interests at the end of the reporting period	**207,549**	199,142
Summarised statement of comprehensive income		
For the financial year ended 31 December		
Revenue for the financial year	**407,560**	214,054
Profit/(Loss) for the financial year	**39,438**	(131,578)
Total comprehensive income/(loss) for the financial year	**35,326**	(58,546)
Profit /(Loss) for the financial year attributable to non-controlling interest	**3,881**	(14,482)
Summarised cash flows		
For the financial year ended 31 December		
Cash inflows/(outflows)from operating activities	**4,908**	(21,294)
Cash outflows from investing activities	**(272,689)**	(395,058)
Cash inflows from financing activities	**342,083**	381,683
Net increase/(decrease) in cash and cash equivalents	**74,302**	(34,669)
Dividend paid to non-controlling interests	**-**	-

22. JOINT VENTURES

	Group 2016	Group 2015
Unquoted – at cost:		
Shares in a Malaysian company	**-**	2,685
Shares in a foreign corporation	**12,500**	12,500
Group's share of post acquisition reserves	**65,394**	44,255
	77,894	59,440
Amounts due from a joint venture	**10,120**	10,951
Less: Balance included in current assets	**(3,759)**	(3,203)
Balance included in other non-current assets *(see Note 25)*	**6,361**	7,748
	84,255	67,188

The joint ventures of the Group, as detailed in Note 44, comprises of Simon Genting Limited, Genting Simon Sdn Bhd and Genting Highlands Premium Outlets Sdn Bhd.

The joint ventures are private companies and there are no quoted market price available for their shares.

The amount due from a joint venture included in current assets is unsecured, interest free and are receivable within the next twelve months. The amount due from a joint venture which is more than one year represents the balance of purchase price receivable arising from the sale of land to Genting Simon Sdn Bhd by Genting Property Sdn Bhd, a wholly-owned subsidiary of the Company.

A joint venture had redeemed 2,684,943 *(2015: 2,684,942)* redeemable cumulative convertible preference shares at RM1 each during the financial year.

There are no contingent liabilities relating to the Group's interest in the joint ventures at the financial year end *(2015: Nil)*.

Set out below are the summarised financial information for joint ventures which are accounted for using the equity method:

	Group 2016	Group 2015
Summarised statement of financial position as at 31 December		
Current assets	**32,283**	45,438
Non-current assets	**215,699**	182,440
Current liabilities	**(63,279)**	(57,701)
Non-current liabilities	**(18,747)**	(46,499)
Net assets	**165,956**	123,678
Included in the statement of financial position are:		
Cash and cash equivalents	**15,648**	34,505
Current financial liabilities (excluding trade and other payables and provisions)	**(26,920)**	(29,605)
Non-current financial liabilities (excluding trade and other payables and provisions)	**(18,747)**	(46,499)

22. JOINT VENTURES (cont'd)

	Group 2016	Group 2015
Summarised income statement for the financial year ended 31 December		
Profit for the financial year	**42,278**	37,132
Other comprehensive income	**-**	-
Total comprehensive income	**42,278**	37,132
Included in the income statement are:		
Revenue	**63,864**	56,677
Depreciation and amortisation	**(3,584)**	(3,553)
Interest income	**864**	1,100
Interest expense	**(3,835)**	(5,462)
Income tax expense	**(47)**	-
Reconciliation of net assets to carrying amount:		
As at 31 December		
Group's share of net assets	**82,978**	61,839
Profit elimination on transaction with a joint venture	**(5,084)**	(5,084)
Investment in preference shares	**-**	2,685
Carrying amount in the statement of financial position	**77,894**	59,440

23. ASSOCIATES

	Group 2016	Group 2015	Company 2016	Company 2015
Unquoted shares - at cost	**2,123**	2,123	**2,123**	2,123
Group's share of post-acquisition reserves	**10,378**	8,651	**-**	-
Share of net assets	**12,501**	10,774	**2,123**	2,123
Amounts due from associates	**380**	475	**380**	475
Less: Balance included in current assets	**(380)**	(475)	**(380)**	(475)
	-	-	**-**	-
	12,501	10,774	**2,123**	2,123

The associates are listed in Note 44.

The amounts due from associates represent outstanding amounts arising from trade transactions and advances and payments made on behalf of associates, are unsecured, interest free and repayable on demand.

There are no contingent liabilities relating to the Group's interest in associates at the financial year end *(2015: Nil)*.

The following table summarises, in aggregate, the financial information of all individually immaterial associates that are accounted for using the equity method:

	Group 2016	Group 2015
Share of profit for the financial year	**3,849**	3,403
Share of other comprehensive income	**-**	-
Share of total comprehensive income	**3,849**	3,403

24. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2016	2015	**2016**	2015
Non-current				
At 1 January	**137,854**	111,187	**-**	-
Currency fluctuations	**5,316**	26,667	**-**	-
At 31 December	**143,170**	137,854	**-**	-
Current				
At 1 January	**500,006**	100,005	**500,006**	100,005
Addition	**-**	400,001	**-**	400,001
At 31 December	**500,006**	500,006	**500,006**	500,006
Analysed as follows:				
Unquoted shares in foreign corporations	**143,170**	137,854	**-**	-
Income funds in Malaysian corporations				
- unquoted	**500,006**	500,006	**500,006**	500,006
At 31 December	**643,176**	637,860	**500,006**	500,006

The investments in unquoted foreign corporations comprise mainly the 4.24% *(2015: 4.24%)* equity interest in Synthetic Genomics, Inc ("SGI"), a privately held company incorporated in the United States of America, specialising in developing and commercialising genomic-driven solution to address global energy and environmental challenges.

The fair values of the unquoted shares in foreign corporations are mainly determined based on the Group's last transacted prices.

The income funds in Malaysian corporations are redeemable at the discretion of the Company and the fair values are based on the fair values of the underlying net assets.

25. OTHER NON-CURRENT ASSETS

	Group		Company	
	2016	2015	**2016**	2015
Amount due from a joint venture *(see Note 22)*	**6,361**	7,748	**-**	-
Amount due from a related party	**8,000**	8,000	**8,000**	8,000
	14,361	15,748	**8,000**	8,000
The maturity profile for the other non-current assets is as follows:				
More than one year and less than two years	**9,721**	9,721	**8,000**	8,000
More than two years and less than five years	**4,640**	4,640	**-**	-
More than five years	**-**	1,387	**-**	-
	14,361	15,748	**8,000**	8,000

The carrying amounts of the non-current assets approximate their fair values, which are based on cash flows discounted using the appropriate market interest rates. The fair values are within Level 2 of the fair value hierarchy.

26. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2016	2015	**2016**	2015
Deferred tax assets:				
- subject to income tax *(see (i) below)*	**92,556**	134,314	**-**	-
Deferred tax liabilities:				
- subject to income tax	**(96,624)**	(64,883)	**(4,679)**	(529)
- subject to Real Property Gains Tax ("RPGT")	**(555)**	(555)	**-**	-
Total deferred tax liabilities *(see (ii) below)*	**(97,179)**	(65,438)	**(4,679)**	(529)
	(4,623)	68,876	**(4,679)**	(529)
At 1 January	**68,876**	25,270	**(529)**	(2,502)
(Charged)/Credited to income statements *(see Note 12):*				
- Property, plant and equipment	**(20,601)**	(1,596)	**(4,644)**	1,788
- Provision for retirement gratuities	**598**	(59)	**913**	(130)
- Land held for property development	**546**	(398)	**-**	-
- Plantation development	**(10,436)**	(9,146)	**-**	-
- Property development costs	**(129)**	254	**-**	-
- Inventories	**324**	143	**-**	-
- Payables	**1,034**	(1,427)	**(37)**	23
- Tax losses	**(8,281)**	17,977	**(382)**	292
- Tax incentives	**-**	(2,372)	**-**	-
- Other temporary differences	**(395)**	144	**-**	-
	(37,340)	3,520	**(4,150)**	1,973
Acquisition of subsidiaries	**(1,452)**	-	**-**	-
Currency translation differences	**(34,707)**	40,086	**-**	-
At 31 December	**(4,623)**	68,876	**(4,679)**	(529)
Subject to income tax/RPGT:				
i) Deferred tax assets (before offsetting)				
- Property, plant and equipment	**10,453**	5,251	**-**	2,627
- Provision for retirement gratuities	**2,842**	2,244	**2,609**	1,696
- Land held for property development	**5,059**	4,513	**-**	-
- Inventories	**1,303**	920	**-**	-
- Payables	**19,586**	18,536	**159**	196
- Tax losses	**128,589**	173,190	**3,731**	4,113
- Other temporary differences	**1,562**	1,957	**-**	-
	169,394	206,611	**6,499**	8,632
Offsetting	**(76,838)**	(72,297)	**(6,499)**	(8,632)
Deferred tax assets (after offsetting)	**92,556**	134,314	**-**	-

26. DEFERRED TAXATION (cont'd)

	Group 2016	Group 2015	Company 2016	Company 2015
ii) Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	**(104,139)**	(78,336)	**(11,178)**	(9,161)
- Land held for property development	**(204)**	(204)	**-**	-
- Plantation development	**(66,615)**	(56,811)	**-**	-
- Property development costs	**(1,146)**	(1,017)	**-**	-
- Inventories	**(239)**	(180)	**-**	-
- Other temporary differences	**(1,674)**	(1,187)	**-**	-
	(174,017)	(137,735)	**(11,178)**	(9,161)
Offsetting	**76,838**	72,297	**6,499**	8,632
Deferred tax liabilities (after offsetting)	**(97,179)**	(65,438)	**(4,679)**	(529)

The amount of tax savings in respect of brought forward tax losses for which credit has been recognised by the Group during the financial year amounted to RM22.9 million *(2015: RM Nil).*

The amounts of unutilised tax losses and deductible temporary differences on property, plant and equipment for which no deferred tax asset has been recognised in the statements of financial position are as follows:

	Group 2016	Group 2015
Unutilised tax losses		
- Expiring not more than five years *(see Note (a) below)*	**137,606**	121,596
- No expiry period *(see Note (b) below)*	**392,172**	369,246
	529,778	490,842
Unutilised capital allowances with no expiry period	**97,868**	109,892
	627,646	600,734

(a) Deferred tax assets have not been recognised as the realisation of the tax benefits accruing to these tax losses is uncertain.

(b) Included in this amount are unutilised tax losses of certain subsidiaries of the Group amounting to RM305.9 million *(2015: RM285.5 million)* for which deferred tax assets have not been recognised as these subsidiaries are accredited with tax exemption for 10 years. No deferred tax has been recognised on the remaining tax losses of RM86.3 million *(2015: RM83.7 million)* as the realisation of the tax benefits accruing to these tax losses is uncertain.

27. ASSETS CLASSIFIED AS HELD FOR SALE

	Group 2016	Group 2015
Land held for property development	**6,034**	5,373

The assets classified as held for sale as at the end of the current financial year comprise of land and infrastructure costs measuring approximately 20 acres *(2015: 20 acres)* pursuant to a sale and purchase agreement signed with a third party.

28. INVENTORIES

	Group 2016	Group 2015	Company 2016	Company 2015
At cost:				
Produce stocks	**66,637**	16,080	**-**	-
Stores and spares	**37,131**	34,492	**1,598**	938
Raw materials and consumables	**2,020**	5,721	**-**	-
Completed development properties	**68,490**	41,785	**-**	-
	174,278	98,078	**1,598**	938

29. TRADE AND OTHER RECEIVABLES

	Group 2016	Group 2015	Company 2016	Company 2015
Current:				
Trade receivables	**140,895**	150,828	**80**	16,654
Less: Allowance for impairment of trade receivables	**(370)**	(398)	**-**	-
	140,525	150,430	**80**	16,654
Accrued billings in respect of property development	**4,697**	6,735	**-**	-
Deposits	**7,675**	13,075	**775**	772
Prepayments	**14,056**	18,204	**730**	633
Other receivables*	**337,805**	145,653	**36,468**	40,235
	504,758	334,097	**38,053**	58,294

* *Included in other receivables of the Group are plasma plantations debtors of RM111.8 million (2015: RM57.7 million) which are recoverable by its foreign subsidiaries. In accordance with the policy of the Government of the Republic of Indonesia, certain land rights used to develop plantations are usually granted if a nucleus company agrees to develop areas for local landholders (plasma plantations) in addition to developing its own plantations. The nucleus company will supervise and manage the plasma plantations and purchase the production from the plasma plantations at prices determined by the Government.*

The advances made by the Group in the form of plasma plantation development costs are recoverable upon the completion of the plasma plantation projects. It will be recoverable from the plasma farmers or recoverable through the assignment to plasma farmers of the loan proceeds obtained for the projects. Provision for losses on recovery is made when the estimated amount to recover is less than outstanding advances.

Credit terms offered by the Group in respect of trade receivables range from 7 days to 30 days *(2015: 7 days to 30 days)* from the date of invoice.

Ageing of trade receivables which are past due but not impaired is as follows:

	Group 2016	Group 2015	Company 2016	Company 2015
Trade receivables past due:				
Past due up to 3 months	**6,757**	29,048	**-**	-
Past due 3 to 6 months	**1,459**	2,235	**-**	-
Past due over 6 months	**1,088**	2,015	**-**	-
	9,304	33,298	**-**	-

No impairment has been made on these amounts as the Group is closely monitoring these receivables and is confident of their eventual recovery.

The Group's trade receivables that are individually determined to be impaired at the reporting date relate to property debtors that have defaulted on payment.

29. TRADE AND OTHER RECEIVABLES (cont'd)

Movements on the Group's allowance for impairment of trade receivables are as follows:

	Group	
	2016	2015
At 1 January	**398**	263
Allowance for impairment of trade receivables	**-**	135
Write back of allowance	**(28)**	-
At 31 December	**370**	398

Other than as disclosed above, the remaining trade and other receivables balances are neither past due nor impaired. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables and other receivables mentioned above.

30. HOLDING COMPANY AND OTHER RELATED COMPANIES

The Company's immediate and ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

	Group		Company	
	2016	2015	**2016**	2015
Current:				
Amount due to ultimate holding company	**(960)**	(1,566)	**(960)**	(1,566)
Amounts due to other related companies	**(1,112)**	(2,173)	**(1,006)**	(2,158)
	(2,072)	(3,739)	**(1,966)**	(3,724)
Amounts due from other related companies	**-**	3	**1,200**	788
	(2,072)	(3,736)	**(766)**	(2,936)

The amounts due to ultimate holding company and other related companies and amounts due from other related companies are unsecured, interest free and repayable on demand.

31. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016	2015	**2016**	2015
Deposits with licensed banks	**503,857**	620,944	**426,649**	304,044
Cash and bank balances	**263,318**	128,511	**209,391**	85,239
	767,175	749,455	**636,040**	389,283
Add:				
Money market instruments	**493,091**	675,442	**191,714**	624,514
Cash and cash equivalents	**1,260,266**	1,424,897	**827,754**	1,013,797

The deposits of the Group and of the Company as at 31 December 2016 have maturity period of one month *(2015: one month)*. The money market instruments of the Group and the Company as at 31 December 2016 have maturity periods ranging between overnight and one month *(2015: between overnight and one month)*. Bank balances of the Group and of the Company are held at call. These deposits have weighted average interest rates ranging from 3.31% to 3.56% *(2015: 2.93% to 3.56%)* per annum.

Included in the bank balances of the Group is an amount of RM22.5 million *(2015: RM43.8 million)* deposited by a subsidiary involved in property development activities into various Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. This amount is available for use by the said subsidiary for the payment of property development expenditure.

32. SHARE CAPITAL

	Group and Company	
	2016	2015
Authorised:		
1,000,000,000 ordinary shares of 50 sen each	**500,000**	500,000
Issued and fully paid:		
Ordinary shares of 50 sen each		
At beginning of the financial year		
- 782,662,625 *(2015: 770,446,842)*	**391,331**	385,223
Issue of shares:		
- Pursuant to conversion of warrants: 11,375,779 *(2015: 12,215,783)*	**5,688**	6,108
At end of the financial year		
- 794,038,404 *(2015: 782,662,625)*	**397,019**	391,331

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company, except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of warrants.

33. TREASURY SHARES

At the Annual General Meeting of the Company held on 31 May 2016, the shareholders of the Company approved the renewal of the authority for the Company to purchase its own shares up to 10% of the issued and paid-up share capital of the Company.

During the financial year, the Company had purchased a total of 20,000 *(2015: 20,000)* ordinary shares of 50 sen each of its issued share capital from the open market at an average price of RM10.83 *(2015: RM9.90)* per share. The total consideration paid for the purchase, including transaction costs, was RM216,549 *(2015: RM198,078)* and was financed by internally generated funds. The purchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965. There are no cancellation, resale or reissuance of treasury shares during the financial year. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

As at 31 December 2016, of the total 794,038,404 *(2015: 782,662,625)* issued and fully paid ordinary shares, 160,000 *(2015: 140,000)* shares are held as treasury shares by the Company. At 31 December 2016, the number of outstanding ordinary shares in issue after netting-off treasury shares against equity is 793,878,404 *(2015: 782,522,625)* ordinary shares of 50 sen each.

	Total shares purchased in units '000	**Total consideration paid RM'000**	**Highest price RM**	**Lowest price RM**	**Average price* RM**
2016					
At 1 January 2016	140	1,155			8.25
Shares purchased during the financial year					
- February	10	110	10.90	10.90	10.95
- August	10	107	10.66	10.66	10.71
	20	217			10.83
At 31 December 2016	160	1,372			8.58

** Average price includes stamp duty, brokerage and clearing fees.*

34. RESERVES

	Group		Company	
	2016	2015	**2016**	2015
Share premium	**356,384**	255,205	**356,384**	255,205
Warrants reserve	**171,015**	189,720	**171,015**	189,720
Revaluation reserve	**18,063**	33,973	**104**	104
Fair value reserve	**40,679**	40,679	**5**	5
Treasury shares *(see Note 33)*	**(1,372)**	(1,155)	**(1,372)**	(1,155)
Cash flow hedge reserve	**(1,279)**	(1,058)	**(26)**	-
Reserve on exchange differences	**13,135**	(39,802)	**-**	-
	596,625	477,562	**526,110**	443,879
Retained earnings	**3,681,890**	3,350,418	**3,752,524**	3,747,004
	4,278,515	3,827,980	**4,278,634**	4,190,883

The Company is under the single tier tax system with effect from year of assessment 2014 and hence, there is no restriction on the Company to declare the payment of dividends out of its retained earnings.

The warrants reserve represents monies received from the issuance of 139,199,464 warrants by the Company pursuant to the Restricted Issue of Warrants. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 20 December 2013. Each warrant carries the right to subscribe for 1 new ordinary share of RM0.50 each in the Company at any time on or after the issue date up to the expiry date of 17 June 2019 at the exercise price of RM7.75 for each new share. Any warrant not exercised by the expiry of the exercise period will lapse and cease to be valid for all purposes. The warrants are constituted by a Deed Poll dated 8 November 2013.

The movements in the warrants reserve and number of warrants during the financial year are summarised below:

	Group and Company			
	2016	2015	**2016**	2015
	No. of Warrants		**RM'000**	RM'000
At 1 January	**115,383,839**	127,599,622	**189,720**	209,806
Conversion of warrants	**(11,375,779)**	(12,215,783)	**(18,705)**	(20,086)
At 31 December	**104,008,060**	115,383,839	**171,015**	189,720

35. TRADE AND OTHER PAYABLES

	Group		Company	
	2016	2015	**2016**	2015
Current:				
Trade payables	**75,818**	61,070	**4,315**	4,667
Accruals for property development expenditure	**82,922**	74,934	**-**	-
Deposits	**46,975**	10,847	**292**	483
Accrued expenses	**189,007**	191,583	**15,121**	15,271
Retention monies	**17,628**	22,838	**42**	278
	412,350	361,272	**19,770**	20,699

36. PROVISION FOR RETIREMENT GRATUITIES

	Group 2016	Group 2015	Company 2016	Company 2015
Non-current:				
At 1 January	**9,511**	9,841	**7,068**	7,610
Charged to/(write-back from) income statements	**2,958**	(190)	**3,804**	(402)
Payment during the financial year	**-**	(140)	**-**	(140)
At 31 December	**12,469**	9,511	**10,872**	7,068

37. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Group 2016	Group 2015	Company 2016	Company 2015
Non-current:				
Interest Rate Swap – cash flow hedge	**(2,073)**	(512)	**-**	-
Current:				
Interest Rate Capped Libor-In Arrears Swap – cash flow hedge	**-**	(442)	**-**	-
Interest Rate Swap – cash flow hedge	**424**	(816)	**-**	-
Forward foreign currency exchange contracts – cash flow hedge	**(574)**	(92)	**(26)**	-
	(150)	(1,350)	**(26)**	-

As at 31 December 2016, the summary and maturity analysis of the outstanding derivative financial liabilities of the Group and of the Company are as follows:

(a) Interest Rate Swap

As at 31 December 2016	Contract/Notional Value (RM'000)	Fair Value Asset/(Liability) (RM'000)
Group		
USD	313,355	
- Less than 1 year		424
- 1 year to 3 years		(2,073)

As at 31 December 2015	Contract/Notional Value (RM'000)	Fair Value Liability (RM'000)
Group		
USD	301,721	
- Less than 1 year		(816)
- 1 year to 3 years		(512)

37. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (cont'd)

(b) Forward Foreign Currency Exchange Contracts

As at 31 December 2016	Contract/Notional Value (RM'000)	Fair Value Liability (RM'000)
Group		
USD	70,310	
- Less than 1 year		(574)
Company		
USD	31,946	
- Less than 1 year		(26)

As at 31 December 2015	Contract/Notional Value (RM'000)	Fair Value Liability (RM'000)
Group		
USD	13,793	
- Less than 1 year		(92)

(c) Interest Rate Capped Libor-In-Arrears Swap ("IRCLIA")

As at 31 December 2015	Contract/Notional Value (RM'000)	Fair Value Liability (RM'000)
Group		
USD	43,103	
- Less than 1 year		(442)

Notional Amount	USD10 million
Trade Date	August 2011
Effective date	November 2012
Maturity date	November 2016

These IRCLIA, Interest Rate Swap and forward foreign currency exchange contracts are accounted using the hedge accounting method. The changes in fair value of these contracts are included in hedging reserves in equity and are recognised in income statement when the underlying hedged items are recognised.

The fair values of the above instruments have been estimated using the published market prices or quotes from reputable financial institutions. The Group had no significant concentration of credit risk as at 31 December 2016.

38. BORROWINGS

	Group 2016	Group 2015
Current		
Secured:		
Term loans denominated in:		
US Dollar (**USD6,500,000**/2015: USD13,200,000)	**29,097**	56,896
Non-current		
Secured:		
Term loans denominated in:		
US Dollar (**USD286,735,216**/2015: USD284,695,706)	**1,254,473**	1,227,124
Ringgit Malaysia	**63,845**	8,333
Unsecured:		
Sukuk Murabahah denominated in:		
Ringgit Malaysia	**997,390**	997,080
	2,315,708	2,232,537
Total	**2,344,805**	2,289,433

a) Contractual terms of borrowings

	Contractual interest/ profit rate (per annum)	Total carrying amount	Maturity Profile < 1 year	1 - 2 years	2 - 5 years	> 5 years
Group						
At 31 December 2016						
Secured						
Term loans	1.78% - 4.87%	**1,347,415**	**29,097**	**39,960**	**293,290**	**985,068**
Unsecured						
Sukuk Murabahah	4.62%	**997,390**	**-**	**-**	**-**	**997,390**
		2,344,805	**29,097**	**39,960**	**293,290**	**1,982,458**
Group						
At 31 December 2015						
Secured						
Term loans	1.66% - 3.29%	1,292,353	56,896	103,599	867,761	264,097
Unsecured						
Sukuk Murabahah	4.62%	997,080	-	-	-	997,080
		2,289,433	56,896	103,599	867,761	1,261,177

The term loans are secured over the plantation lands of certain subsidiaries in Indonesia as well as the land and refinery in Lahad Datu, Sabah.

The carrying amounts of the Group's borrowings approximate their fair values.

b) Undrawn committed borrowing facilities

	Group 2016	Group 2015
Floating rate:		
- expiring within one year	**-**	12,306
- expiring more than one year and not more two years	**102,720**	-
- expiring more than two years and not more than five years	**409,711**	255,002
	512,431	267,308

The facilities have been arranged to finance the expansion of the Group's plantation activities in Indonesia and the construction of the Group's refinery in Lahad Datu, Sabah.

39. DEFERRED INCOME

	Group 2016	2015
Non-current		
Government grant		
At 1 January	**8,493**	-
Received during the financial year	**-**	8,493
At 31 December	**8,493**	8,493

This refers to government grant totalling RM8.5 million which relates to the construction of a biorefinery plant. The government grant is to be recognised in profit or loss over the useful lives of the assets when the assets are commissioned.

40. ON GOING LITIGATION

The Company and Genting Tanjung Bahagia Sdn Bhd ("GTBSB") were named as the Second and Third Defendants respectively ("the Defendants") in a legal suit filed in the High Court of Sabah and Sarawak at Kota Kinabalu ("High Court") under Suit No. K22-245-2002 ("the Suit") dated 11 October 2002. The Suit was instituted by certain natives ("the Plaintiffs") claiming Native Customary Rights over the agricultural land or part thereof held under title number CL095330724 measuring approximately 8,830 hectares situated at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah which was acquired by GTBSB from Hap Seng Consolidated Berhad.

On 11 February 2003, the Defendants filed an application to strike out the Plaintiffs' Suit ("Application to Strike Out") and on 13 June 2003 the Application to Strike Out was dismissed with cost. The Defendants appealed against the said decision ("Appeal for Application to Strike Out").

During the High Court's hearing of the Suit for an interlocutory injunction on 5 July 2004, the Defendants had raised a preliminary objection that the High Court has no original jurisdiction to hear the Suit and that this Suit will lead to multiplicity of actions as the Plaintiffs had already made an application to the Assistant Collector of Land Revenue for similar claims. On 20 June 2008, the High Court upheld the preliminary objection with cost awarded to the Defendants ("PO Decision") and struck out the Plaintiffs' suit.

On 7 July 2008, the Plaintiffs filed a Notice of Appeal to the Court of Appeal against PO Decision. On 9 June 2011, the Court of Appeal upheld the PO Decision of the High Court and dismissed the Plaintiffs' appeal against the PO Decision ("Court of Appeal's Ruling").

The Plaintiffs had filed a motion for leave to appeal before the Federal Court against the Court of Appeal's Ruling ("Federal Court Appeal") and the Federal Court granted the Plaintiff leave for appeal on 25 July 2011. The Federal Court had on 24 November 2011 heard and allowed the Federal Court Appeal. The Federal Court further ordered that the matter be remitted to the High Court to hear the Appeal for Application to Strike Out. The High Court had on 13 March 2012 dismissed the Appeal for Application to Strike Out with cost ("High Court Decision") and ordered the parties to proceed with trial.

The Defendants had on 17 April 2012 filed a Notice of Appeal to the Court of Appeal against the High Court Decision. The Court of Appeal heard the appeal on 8 May 2013. On 9 May 2013, the Court of Appeal dismissed the appeal. The Defendants' motion for leave to appeal to the Federal Court was dismissed with costs on 25 February 2015 and the Federal Court directed that trial at the High Court should continue.

On an application by the Plaintiffs, the High Court allowed the Plaintiffs' application to amend the Statement of Claim and for joiner of three additional parties as the Sixth, Seventh and Eighth Defendants, namely the Assistant Collector of Land Revenue, Tongod, the Registrar of Titles and Assistant Collector of Land Revenues, Kota Kinabatangan.

The High Court had proceeded with trial since 26 November 2012. The Company had in March 2016 reached an out-of-court settlement with the parties in the Suit, and recorded a consent judgement before the High Court whereby the Suit had been discontinued with no order as to costs and without liberty to file afresh.

The settlement of the Suit did not have a material effect on the earning per share, net assets and gearing of the Group for the financial year.

41. CAPITAL COMMITMENTS

	Group		Company	
	2016	2015	**2016**	2015
Authorised capital expenditure not provided for in the financial statements:				
- contracted	**109,875**	260,536	**990**	878
- not contracted	**1,506,837**	1,357,896	**16,742**	19,364
	1,616,712	1,618,432	**17,732**	20,242
Analysed as follows:				
- Property, plant and equipment	**1,057,285**	914,927	**16,379**	18,861
- Intellectual property development	**13,487**	12,332	**-**	-
- Investment properties	**-**	61,345	**-**	-
- Plantation development	**522,994**	607,933	**1,353**	1,381
- Leasehold land use rights	**22,946**	21,895	**-**	-
	1,616,712	1,618,432	**17,732**	20,242

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

A) Proposed acquisition of 100% equity interest in Cahaya Agro Abadi Pte Ltd ("CAA") and Palm Capital Investment Pte Ltd ("PCI") from Green Palm Capital Corp ("GPCC") ("Proposed Acquisitions")

On 27 June 2016, the Company announced that PalmIndo Holdings Pte Ltd ("PalmIndo"), a 73.685% indirect subsidiary of the Company, had on 27 June 2016 entered into the following agreements with GPCC, a related party:

i) a conditional sale and purchase agreement for the purpose of acquiring 1 ordinary share of SGD1.00 in CAA representing 100% equity interest in CAA from GPCC for a cash consideration of USD34,550,000. CAA holds, through its 95.0% owned subsidiary in Indonesia, PT Agro Abadi Cemerlang ("PT AAC") the rights to develop approximately 8,095 hectares of land in Kapubaten Sanggau, Provinsi Kalimantan Barat, Republic of Indonesia into an oil palm plantation;

ii) a conditional sale and purchase agreement for the purpose of acquiring 1 ordinary share of SGD1.00 in PCI representing 100% equity interest in PCI from GPCC for a cash consideration of USD7,600,000. PCI holds, through its 95.0% owned subsidiary in Indonesia, PT Palma Agro Lestari Jaya ("PT PALJ") the rights to develop approximately 13,900 hectares of land in Kabupaten Sintang, Provinsi Kalimantan Barat, Republic of Indonesia into an oil palm plantation.

Pursuant to the terms of the sale and purchase agreements, the CAA Due Diligence Exercise and PCI Due Diligence Exercise to verify the value of the planted and unplanted areas of PT AAC's Land and PT PALJ's Land for development into an oil palm plantation under their respective Izin Lokasi have been completed and the aggregate of the CAA Purchase Price and PCI Purchase Price is determined to be USD48,040,474 which was satisfied via a cash outlay of USD26,174,484 and assumption by PalmIndo of outstanding liabilities on Completion Date of USD21,865,990.

Accordingly, the Proposed Acquisitions were completed on 15 September 2016. Following the completion of the Proposed Acquisitions, CAA and PCI have become effective 73.685% owned subsidiaries of the Company and hence, PT AAC and PT PALJ, which are 95% owned subsidiaries of CAA and PCI respectively, have become effective 70.0% owned subsidiaries of the Company.

B) Proposed acquisition of two parcels of adjoining leasehold land

On 15 October 2015, the Company announced that its wholly owned subsidiary, Esprit Icon Sdn Bhd had on 15 October 2015 entered into a conditional sale and purchase agreement with Genting Highlands Tours and Promotion Sdn Bhd ("GHTP"), a wholly owned subsidiary of Genting Malaysia Berhad, to acquire two parcels of adjoining leasehold land belonging to GHTP measuring an aggregate land area of 380,902 square feet with buildings erected thereon for a total cash consideration of RM65.8 million ("Proposed Acquisition").

The Proposed Acquisition was completed on 12 July 2016.

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

C) Subscription of new shares in existing subsidiaries

During the financial year, the Company had subscribed 4.9 million (2015: 29.9 million) ordinary shares of RM1 each in ACGT Sdn Bhd, 6.0 million (2015: 11.0 million) ordinary shares of RM1 each in Genting AgTech Sdn Bhd ("GAT") and 99,998 ordinary shares of RM1 each in Genting Biodiesel Sdn Bhd ("GBSB") for a total cash consideration of RM11 million. The subscription had increased the equity interest of the Company in ACGT Sdn Bhd from 95.4% to 95.5% and the accretion in shareholdings did not have any material impact to the results of the Group for the current financial year. There is no change in percentage of ownership in GAT and GBSB after the subscription of additional shares.

43. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

In the normal course of business, the Group and the Company undertake on agreed terms and prices, transactions with its related companies and other related parties.

In addition to related party transactions mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions listed below were carried out on terms and conditions negotiated and agreed between the parties:

	Group		Company	
	2016	2015	**2016**	2015
a) Transactions with immediate and ultimate holding company				
Provision of shared services in relation to secretarial, tax, treasury and other services by Genting Berhad, the Company's immediate and ultimate holding company.	**1,985**	1,897	**1,195**	1,090
b) Transactions with subsidiaries				
i) Fees receivable from subsidiaries for the provision of management services.	**-**	-	**34,563**	33,158
ii) Dividend income from subsidiaries.	**-**	-	**284,940**	157,610
iii) Sales of fresh fruits bunches to a subsidiary.	**-**	-	**115,747**	100,500
iv) Provision of plant screening services by a subsidiary.	**-**	-	**333**	516
v) Purchase of crude palm oil from a subsidiary.	**-**	-	**12,474**	15,778
c) Transaction with associate and joint ventures				
i) Provision of management services to Genting Simon Sdn Bhd, a joint venture of the Group, by Genting Awanpura Sdn Bhd, a wholly-owned subsidiary of the Company.	**461**	482	**-**	-
d) Transactions with other related parties				
i) Provision of information technology and system implementation services and rental of equipment by eGenting Sdn Bhd and Genting Information Knowledge Enterprise Sdn Bhd, all of which are indirect subsidiaries of Genting Berhad, the Company's immediate and ultimate holding company.	**4,313**	5,329	**2,947**	2,606

43. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

d) Transactions with other related parties (cont'd)

ii) Letting of office space and provision of related services by Oakwood Sdn Bhd, a wholly-owned subsidiary of Genting Malaysia Berhad ("GENM"), a company which is 49.3% owned by Genting Berhad, the Company's immediate and ultimate holding company.	**2,725**	2,749	**2,366**	2,333
iii) Purchase of air-tickets, hotel accommodation and other related services from GENM, a company which is 49.3% owned by Genting Berhad, the Company's immediate and ultimate holding company.	**955**	1,029	**955**	1,029
iv) Letting of office space and provision of related services by PT Lestari Properti Investama, an indirect subsidiary of Genting Berhad, the Company's immediate and ultimate holding company.	**2,918**	2,546	**-**	-
v) Purchase of two parcels of adjoining leasehold land from Genting Highlands Tour and Promotion Sdn Bhd, a wholly owned subsidiary of GENM.	**65,759**	-	**-**	-
vi) Acquisitions of Cahaya Agro Abadi Pte Ltd and Palm Capital Investment Pte Ltd from Green Palm Capital Corp, which is owned by a major shareholder in PalmIndo Holdings Pte Ltd, a 73.685% indirect subsidiary of the Company.	**123,680**	-	**-**	-
vii) Sale of property, plant and equipment by ACGT Sdn Bhd to Genting Laboratory Services Sdn Bhd, an indirect subsidiary of Genting Berhad, the Company's immediate and ultimate holding company.	**9,000**	-	**-**	-
viii) Provision of design and consultancy services in relation to the construction and operation of a metathesis plant by Elevance Renewable Sciences, Inc ("Elevance"), where an indirect subsidiary of Genting Berhad, the Company's immediate and ultimate holding company, holds 16.6% equity interest in Elevance.	**32,000**	-	**-**	-

e) Directors and key management personnel

The remuneration of Directors and other key management personnel is as follows:

Fees, salaries and bonuses	**6,145**	6,870	**5,997**	5,781
Defined contribution plans	**824**	896	**802**	743
Provision for retirement gratuities	**1,318**	340	**1,318**	340
Other short term employee benefits	**7**	20	**7**	18
Estimated money value of benefits-in-kind	**92**	123	**92**	91
	8,386	8,249	**8,216**	6,973

f) The significant outstanding balances with subsidiaries, joint ventures, associates and other related parties are shown in Note 21, Note 22, Note 23, Note 25 and Note 30 respectively.

44. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

		Effective Percentage of Ownership 2016	2015	Country of Incorporation	Principal Activities
	Direct Subsidiaries				
	ACGT Sdn Bhd	**96**	95	Malaysia	Genomics research and development and providing plant screening services
	Asiaticom Sdn Bhd	**100**	100	Malaysia	Oil palm plantation
#	Azzon Limited	**100**	100	Isle of Man	Investment holding
	Benih Restu Berhad	**100**	100	Malaysia	Issuance of debt securities under Sukuk programme
	Esprit Icon Sdn Bhd	**100**	100	Malaysia	Property development and property investment
	GENP Services Sdn Bhd	**100**	100	Malaysia	Provision of management services
	Genting AgTech Sdn Bhd	**100**	100	Malaysia	Research and development and production of superior oil palm planting materials
	Genting Biodiesel Sdn Bhd	**100**	100	Malaysia	Manufacture and sale of biodiesel
	Genting Biorefinery Sdn Bhd	**75**	75	Malaysia	Manufacture and sale of downstream palm oil derivatives
#	Genting Bioscience Limited	**100**	100	Isle of Man	Investment holding
	Genting Biotech Sdn Bhd	**100**	100	Malaysia	Investment holding
	Genting Land Sdn Bhd	**100**	100	Malaysia	Property investment
	Genting Oil Mill Sdn Bhd	**100**	100	Malaysia	Processing of fresh fruit bunches
	Genting Plantations (WM) Sdn Bhd	**100**	100	Malaysia	Oil palm plantation
	Genting Property Sdn Bhd	**100**	100	Malaysia	Property development
	Genting SDC Sdn Bhd	**100**	100	Malaysia	Oil palm plantation and processing of fresh fruit bunches
	Genting Tanjung Bahagia Sdn Bhd	**100**	100	Malaysia	Oil palm plantation
#	GP Overseas Limited	**100**	100	Isle of Man	Investment holding
	GProperty Construction Sdn Bhd	**100**	100	Malaysia	Provision of project management services
	Landworthy Sdn Bhd	**84**	84	Malaysia	Oil palm plantation
	Mediglove Sdn Bhd	**100**	100	Malaysia	Investment holding
	Orbit Crescent Sdn Bhd	**100**	100	Malaysia	Investment holding
	Palma Ketara Sdn Bhd	**100**	100	Malaysia	Investment holding
	PalmIndo Sdn Bhd	**100**	100	Malaysia	Investment holding
	Sunyield Success Sdn Bhd	**100**	100	Malaysia	Investment holding
	Technimode Enterprises Sdn Bhd	**100**	100	Malaysia	Property investment

44. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (cont'd)

		Effective Percentage of Ownership 2016	2015	Country of Incorporation	Principal Activities
	Direct Subsidiaries (cont'd)				
	Aura Empire Sdn Bhd	**100**	100	Malaysia	Dormant
	Genting Commodities Trading Sdn Bhd	**100**	100	Malaysia	Dormant
	Genting Vegetable Oils Refinery Sdn Bhd	**100**	100	Malaysia	Dormant
	Glugor Development Sdn Bhd	**100**	100	Malaysia	Dormant
#	Grosmont Limited	**100**	100	Isle of Man	Dormant
	Hijauan Cergas Sdn Bhd	**100**	100	Malaysia	Dormant
	Kenyalang Borneo Sdn Bhd	**100**	100	Malaysia	Dormant
	Kinavest Sdn Bhd	**100**	100	Malaysia	Dormant
	Larisan Prima Sdn Bhd	**100**	100	Malaysia	Dormant
	Profile Rhythm Sdn Bhd	**100**	100	Malaysia	Dormant
	Unique Upstream Sdn Bhd	**100**	100	Malaysia	Dormant
	Zillionpoint Project Sdn Bhd	**100**	100	Malaysia	Dormant
	Zillionpoint Vision Sdn Bhd	**100**	100	Malaysia	Dormant
	Indirect Subsidiaries				
#	ACGT Intellectual Limited	**96**	95	British Virgin Islands	Genomics research and development
+	Asian Palm Oil Pte Ltd	**100**	100	Singapore	Investment holding
+	AsianIndo Agri Pte Ltd	**100**	100	Singapore	Investment holding
+	AsianIndo Holdings Pte Ltd	**100**	100	Singapore	Investment holding
+	AsianIndo Palm Oil Pte Ltd	**100**	100	Singapore	Investment holding
+	Borneo Palma Mulia Pte Ltd	**74**	74	Singapore	Investment holding
@+	Cahaya Agro Abadi Pte Ltd	**74**	-	Singapore	Investment holding
#	Degan Limited	**96**	95	Isle of Man	Investment holding
#	GBD Holdings Limited	**100**	100	Cayman Islands	Investment holding
	Genting Awanpura Sdn Bhd	**100**	100	Malaysia	Provision of technical and management services
	Genting Indahpura Development Sdn Bhd	**100**	100	Malaysia	Property development
	Genting MusimMas Refinery Sdn Bhd	**72**	72	Malaysia	Refining and selling of palm oil products
+	Global Agri Investment Pte Ltd	**63**	63	Singapore	Investment holding
	Global Bio-Diesel Sdn Bhd	**100**	100	Malaysia	Investment holding
+	GlobalIndo Holdings Pte Ltd	**63**	63	Singapore	Investment holding
+	Kara Palm Oil Pte Ltd	**100**	100	Singapore	Investment holding
+	Ketapang Agri Holdings Pte Ltd	**74**	74	Singapore	Investment holding
@+	Palm Capital Investment Pte Ltd	**74**	-	Singapore	Investment holding

44. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (cont'd)

		Effective Percentage of Ownership 2016	2015	Country of Incorporation	Principal Activities
	Indirect Subsidiaries (cont'd)				
+	Palma Citra Investama Pte Ltd	**74**	74	Singapore	Investment holding
+	PalmIndo Holdings Pte Ltd	**74**	74	Singapore	Investment holding
@+	PT Agro Abadi Cemerlang	**70**	-	Indonesia	Oil palm plantation
+	PT Citra Sawit Cemerlang	**70**	70	Indonesia	Oil palm plantation
+	PT Dwie Warna Karya	**95**	95	Indonesia	Oil palm plantation and processing of fresh fruit bunches
+	PT Genting Plantations Nusantara	**100**	100	Indonesia	Provision of management services
+	PT GlobalIndo Agung Lestari	**60**	60	Indonesia	Oil palm plantation and processing of fresh fruit bunches
+	PT GlobalIndo Investama Lestari	**60**	60	Indonesia	Oil palm plantation
+	PT Kapuas Maju Jaya	**95**	95	Indonesia	Oil palm plantation
@+	PT Palma Agro Lestari Jaya	**70**	-	Indonesia	Oil palm plantation
+	PT Permata Sawit Mandiri	**70**	70	Indonesia	Oil palm plantation
+	PT Sawit Mitra Abadi	**70**	70	Indonesia	Oil palm plantation
+	PT Sepanjang Intisurya Mulia	**70**	70	Indonesia	Oil palm plantation and processing of fresh fruit bunches
+	PT Surya Agro Palma	**70**	70	Indonesia	Oil palm plantation
+	PT Susantri Permai	**95**	95	Indonesia	Oil palm plantation
+	PT United Agro Indonesia	**60**	60	Indonesia	Oil palm plantation
+	Sandai Maju Pte Ltd	**74**	74	Singapore	Investment holding
+	Sanggau Holdings Pte Ltd	**74**	74	Singapore	Investment holding
	Sawit Sukau Usahasama Sdn Bhd	**56**	56	Malaysia	Oil palm plantation
	Setiamas Sdn Bhd	**100**	100	Malaysia	Oil palm plantation and property development
+	South East Asia Agri Investment Pte Ltd	**63**	63	Singapore	Investment holding
	SPC Biodiesel Sdn Bhd	**100**	100	Malaysia	Manufacture and sale of biodiesel
+	Sri Nangatayap Pte Ltd	**74**	74	Singapore	Investment holding
	Trushidup Plantations Sdn Bhd	**100**	100	Malaysia	Investment holding
+	Universal Agri Investment Pte Ltd	**63**	63	Singapore	Investment holding
	Wawasan Land Progress Sdn Bhd	**100**	100	Malaysia	Oil palm plantation
	Cengkeh Emas Sdn Bhd	**100**	100	Malaysia	Dormant
	Dianti Plantations Sdn Bhd	**100**	100	Malaysia	Dormant
	GBD Ventures Sdn Bhd (In Members' Voluntary Liquidation)	**100**	100	Malaysia	In liquidation

44. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (cont'd)

		Effective Percentage of Ownership 2016	2015	Country of Incorporation	Principal Activities
	Indirect Subsidiaries (cont'd)				
#	ACGT Global Pte Ltd	**100**	100	Singapore	Pre-operating
#	ACGT Singapore Pte Ltd	**100**	100	Singapore	Pre-operating
+	Full East Enterprise Limited	**100**	100	Hong Kong, SAR	Pre-operating
#	Genting AgTech Singapore Pte Ltd	**100**	100	Singapore	Pre-operating
#	GP Equities Pte Ltd	**100**	100	Singapore	Pre-operating
#	Ketapang Holdings Pte Ltd	**74**	74	Singapore	Pre-operating
#	Sri Kenyalang Pte Ltd	**100**	100	Singapore	Pre-operating
	Joint Ventures				
	Genting Highlands Premium Outlets Sdn Bhd	**50**	50	Malaysia	Development, ownership and management of outlet shopping centres
	Genting Simon Sdn Bhd	**50**	50	Malaysia	Development, ownership and management of outlet shopping centres
#	Simon Genting Limited	**50**	50	Isle of Man	Investment holding
	Associates				
	Asiatic Ceramics Sdn Bhd (In Liquidation)	**49**	49	Malaysia	In liquidation (Receiver appointed)
*	Serian Palm Oil Mill Sdn Bhd	**40**	40	Malaysia	Processing of fresh fruit bunches
	Setiacahaya Sdn Bhd	**50**	50	Malaysia	Property investment
*	Sri Gading Land Sdn Bhd	**49**	49	Malaysia	Property development

@ *Subsidiaries acquired during the financial year (see Note 42 (A)).*

* *The financial statements of these companies are audited by firms other than member firms of PricewaterhouseCoopers International Limited.*

\+ *These entities are audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers Malaysia.*

\# *These entities are either exempted or have no statutory audit requirement.*

45. REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group and of the Company as at 31 December 2016 and 2015, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 are as follows:

	Group		Company	
	2016	2015	**2016**	2015
Total retained profits/(accumulated losses) of Genting Plantations Berhad and its subsidiaries:				
- Realised	**4,791,582**	4,823,969	**3,757,203**	3,747,533
- Unrealised	**4,207**	(43,959)	**(4,679)**	(529)
	4,795,789	4,780,010	**3,752,524**	3,747,004
Total share of retained profits/ (accumulated losses) from associate companies:				
- Realised	**11,124**	9,301	**-**	-
- Unrealised	**(746)**	(650)	**-**	-
Total share of retained profits from joint ventures:				
- Realised	**70,478**	49,339	**-**	-
	4,876,645	4,838,000	**3,752,524**	3,747,004
Less: Consolidation adjustments	**(1,194,755)**	(1,487,582)	**-**	-
Total retained profits as reported	**3,681,890**	3,350,418	**3,752,524**	3,747,004

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

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

STATEMENT ON DIRECTORS' RESPONSIBILITY

PURSUANT TO PARAGRAPH 15.26(a) OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD

As required under the Companies Act, 1965 ("Act") in Malaysia, the Directors of Genting Plantations Berhad have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2016 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and comply with the requirements of the Act.

In the process of preparing these financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the financial year. In cases where judgements and estimates were made, they were based on reasonableness and prudence.

Additionally, the Directors have relied on the systems of risk management and internal control to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board dated 22 February 2017.

STATUTORY DECLARATION

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

I, **TAN WEE KOK**, the Officer primarily responsible for the financial management of **GENTING PLANTATIONS BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 60 to 130, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed)
TAN WEE KOK, at KUALA LUMPUR in the state of FEDERAL TERRITORY)
on 22 February 2017) TAN WEE KOK

Before me,

TAN SEOK KETT
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GENTING PLANTATIONS BERHAD
(Incorporated in Malaysia)
(Company No. 34993-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Genting Plantations 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 of the Group and of the Company as at 31 December 2016, 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 60 to 129.

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.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

PricewaterhouseCoopers (AF 1146), Chartered Accountants,
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pwc

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GENTING PLANTATIONS BERHAD (cont'd)
(Incorporated in Malaysia)
(Company No. 34993-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Development expenditure	
The Group's Intangible Assets ("IA") of RM93.4 million was written off during the current financial year. These IA comprised intellectual property rights and development costs incurred on intellectual property development relating to the use of genomics-based techniques and other methods or tools thereof to increase the yields and profit streams principally from oil palm and other crops, which enables the Group to develop products and services for commercialisation. The development of the products and services for commercialisation forms part of the cash flow projection prepared by the Group. Due to the inherent complexity of the oil palm genetic makeup and the multi-varied factors arising from the application of the knowledge derived from the IA above, management undertook an assessment to determine the recoverable amount of the IA and related plant and equipment, and concluded that, based on the assessment performed, the carrying value of the IA and related plant and equipment exceeded their recoverable amount. Refer to Note 2 (a)(i) and Note 20 to the financial statements.	We have: • Obtained management's assessment of the recoverable amount of the IA and discussed with management on the rationale and assumptions made by management; • Applied our own understanding of the existing products and services through the discussions held with management with regards to the developments and milestones achieved and made an assessment on whether the key assumptions used in the discounted cash flow projections prepared by management are reasonable and supported by industry benchmark; and • Compared the cash flow projections prepared by management in the prior year to the actual outcome in the current financial year, and where there were significant changes noted, we have discussed with management on the reasons for the variances, and performed sensitivity analysis by incorporating these changes to the discounted cash flow projections in order to assess the headroom between the recoverable amount and the carrying value of the IA and the other related assets. Based on the procedures performed, we noted no significant exceptions.

We have determined that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GENTING PLANTATIONS BERHAD (cont'd)
(Incorporated in Malaysia)
(Company No. 34993-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

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 the Directors' Report, Management's Discussion and Analysis, Corporate Governance Statement, Sustainability Report and other sections of the 2016 Annual 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.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GENTING PLANTATIONS BERHAD (cont'd)
(Incorporated in Malaysia)
(Company No. 34993-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Auditors' responsibilities for the audit of the financial statements (cont'd)

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 the 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 the 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 the 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GENTING PLANTATIONS BERHAD (cont'd)
(Incorporated in Malaysia)
(Company No. 34993-X)

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 all the subsidiaries of which we have not acted as auditors, which are indicated in Note 44 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 REPORTING RESPONSIBILITIES

The supplementary information set out in Note 45 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

HEW CHOOI YOKE
(No. 3203/07/17 (J))
Chartered Accountant

Kuala Lumpur
22 February 2017

ANALYSIS OF SHAREHOLDINGS/ WARRANTHOLDINGS

Class of Shares : **Ordinary shares**

Voting Rights
- **On a show of hands** : **1 vote**
- **On a poll** : **1 vote for each share held**

As At 2 March 2017

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares *	% of Shares
Less than 100	265	3.638	1,438	0.000
100 - 1,000	3,011	41.337	2,441,473	0.306
1,001 - 10,000	3,103	42.600	11,693,624	1.466
10,001 - 100,000	641	8.800	21,106,891	2.647
100,001 to less than 5% of issued shares	258	3.542	258,845,378	32.456
5% and above of issued shares	6	0.083	503,440,800	63.125
Total	**7,284**	**100.000**	**797,529,604**	**100.000**

Note
* *Excluding 160,000 shares bought back and retained by the Company as treasury shares*

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS AS AT 2 MARCH 2017
(Without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Shares	% of Shares
1. Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	98,269,800	12.322
2. Genting Berhad	85,171,000	10.679
3. Genting Berhad	80,000,000	10.031
4. Genting Berhad	80,000,000	10.031
5. Genting Berhad	80,000,000	10.031
6. Genting Berhad	80,000,000	10.031
7. Kumpulan Wang Persaraan (Diperbadankan)	36,643,600	4.595
8. Malaysia Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)*	13,014,200	1.632
9. Citigroup Nominees (Tempatan) Sdn Bhd *Exempt AN for AIA Bhd*	12,530,400	1.571
10. Pertubuhan Keselamatan Sosial	9,801,000	1.229
11. AmanahRaya Trustees Berhad *Public Ittikal Sequel Fund*	7,282,900	0.913
12. Cartaban Nominees (Asing) Sdn Bhd *Exempt AN for State Street Bank & Trust Company (WEST CLT OD67)*	7,184,600	0.901
13. Genting Equities (Hong Kong) Limited	7,139,000	0.895
14. Cartaban Nominees (Tempatan) Sdn Bhd *PAMB for Prulink Equity Fund*	6,776,700	0.850

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS AS AT 2 MARCH 2017 (cont'd)
(Without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Shares	% of Shares
15. AmanahRaya Trustees Berhad *Public Islamic Dividend Fund*	4,555,840	0.571
16. HSBC Nominees (Asing) Sdn Bhd *Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)*	4,324,355	0.542
17. Malaysia Nominees (Tempatan) Sendirian Berhad *Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)*	4,158,900	0.521
18. HSBC Nominees (Asing) Sdn Bhd *BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund*	4,110,500	0.515
19. Cartaban Nominees (Asing) Sdn Bhd *GIC Private Limited for Government of Singapore (C)*	4,058,580	0.509
20. Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)*	4,000,000	0.502
21. AmanahRaya Trustees Berhad *Public Islamic Select Enterprises Fund*	3,972,200	0.498
22. AMSEC Nominees (Tempatan) Sdn Bhd *MTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)*	3,827,600	0.480
23. AmanahRaya Trustees Berhad *PB Growth Fund*	3,377,000	0.423
24. HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for CIMB Islamic Dali Equity Theme Fund*	2,990,700	0.375
25. AmanahRaya Trustees Berhad *Public Islamic Equity Fund*	2,753,000	0.345
26. Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (AM INV)*	2,733,300	0.343
27. Mah Hon Choon	2,705,000	0.339
28. Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (AFFIN-HWG)*	2,696,100	0.338
29. Malaysia Nominees (Tempatan) Sendirian Berhad *Great Eastern Life Assurance (Malaysia) Berhad (LSF)*	2,506,700	0.314
30. AmanahRaya Trustees Berhad *Public Islamic Sector Select Fund*	2,265,900	0.284
Total	**658,848,875**	**82.611**

ANALYSIS OF SHAREHOLDINGS/ WARRANTHOLDINGS (cont'd)

Type of Securities : **Warrants 2013/2019**
Exercise Price : **RM7.75**
Expiry Date : **17 June 2019**

Voting Rights at a meeting of Warrantholders
- **On a show of hands** : **1 vote**
- **On a poll** : **1 vote for each Warrant held**

As At 2 March 2017

Size of Holdings	No. of Warrantholders	% of Warrantholders	No. of Warrants	% of Outstanding Warrants
Less than 100	90	2.952	3,452	0.003
100 - 1,000	2,218	72.746	926,076	0.923
1,001 - 10,000	586	19.219	1,926,422	1.920
10,001 - 100,000	122	4.001	3,400,310	3.388
100,001 to less than 5% of outstanding Warrants	28	0.918	13,066,400	13.020
5% and above of outstanding Warrants	5	0.164	81,034,200	80.746
Total	**3,049**	**100.000**	**100,356,860**	**100.000**

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS AS AT 2 MARCH 2017
(Without aggregating the securities from different securities accounts belonging to the same depositor)

	Name	No. of Warrants	% of Outstanding Warrants
1.	Genting Berhad	17,034,200	16.974
2.	Genting Berhad	16,000,000	15.943
3.	Genting Berhad	16,000,000	15.943
4.	Genting Berhad	16,000,000	15.943
5.	Genting Berhad	16,000,000	15.943
6.	Kyang Meng Choon	1,569,100	1.564
7.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (F Templeton)*	1,493,980	1.489
8.	Genting Equities (Hong Kong) Limited	1,427,800	1.423
9.	AmanahRaya Trustees Berhad *Public Far-East Property & Resorts Fund*	926,920	0.924
10.	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt AN for AIA Bhd*	863,540	0.860
11.	Maybank Nominees (Tempatan) Sdn Bhd *Etiqa Insurance Berhad (Balance Fund)*	838,700	0.836
12.	Cartaban Nominees (Asing) Sdn Bhd *Exempt AN for Barclays Capital Securities Ltd (SBL/PB)*	760,700	0.758
13.	Mah Hon Choon	541,000	0.539

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS AS AT 2 MARCH 2017 (cont'd)
(Without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Warrants	% of Outstanding Warrants
14. AmanahRaya Trustees Berhad *Public Savings Fund*	511,660	0.510
15. AmanahRaya Trustees Berhad *Public Far-East Consumer Themes Fund*	436,000	0.434
16. AmanahRaya Trustees Berhad *Public Dividend Select Fund*	378,120	0.377
17. Genting Berhad	366,800	0.365
18. Tong Siew Khey @ Tong Siew Kheng	300,000	0.299
19. Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for UBS Switzerland AG (Clients Assets)*	300,000	0.299
20. AmanahRaya Trustees Berhad *PB Dynamic Allocation Fund*	267,300	0.266
21. Tokio Marine Life Insurance Malaysia Bhd *As Beneficial Owner (PF)*	230,000	0.229
22. Daud Mah Bin Abdullah @ Mah Siew Whye	200,000	0.199
23. TMF Trustees Malaysia Berhad *Tan Sri Mohd Amin Bin Osman*	193,800	0.193
24. HSBC Nominees (Asing) Sdn Bhd *Exempt AN for Credit Suisse (Switzerland) Ltd*	184,400	0.184
25. HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for Singular Asia Flexible Fund (5758-401)*	168,000	0.167
26. HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for AMB Value Trust Fund (4249)*	163,380	0.163
27. Maybank Nominees (Tempatan) Sdn Bhd *Hamzah Bin Mohd Noor*	162,900	0.162
28. Maybank Nominees (Tempatan) Sdn Bhd *Chan Yuk Min*	150,000	0.149
29. HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for Singular Value Fund*	142,100	0.142
30. Chinchoo Investment Sdn Bhd	136,400	0.136
Total	**93,746,800**	**93.413**

ANALYSIS OF SHAREHOLDINGS/ WARRANTHOLDINGS (cont'd)

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 2 MARCH 2017

Name	No. of Shares			
	Direct Interest	% of Shares	Deemed Interest	% of Shares
Genting Berhad	407,005,000	51.03	7,139,000*	0.90
Employees Provident Fund Board	107,738,300	13.51	-	-
Kien Huat Realty Sdn Berhad ("KHR")	-	-	407,005,000^	51.03
Kien Huat International Limited	-	-	407,005,000^	51.03
Parkview Management Sdn Bhd ("PMSB") as trustee of a discretionary trust	-	-	407,005,000^	51.03

Notes:

* *Deemed interest through a direct subsidiary of Genting Berhad*

^ *Deemed interest through Genting Berhad*

DIRECTORS' SHAREHOLDINGS, WARRANTHOLDINGS AND PERFORMANCE SHARES AS PER THE REGISTERS PURSUANT TO THE COMPANIES ACT, 2016 AS AT 2 MARCH 2017

INTEREST IN THE COMPANY

Name	No. of Shares				No. of Warrants	
	Direct Interest	% of Shares	Deemed Interest	% of Shares	Direct Interest	% of Outstanding Warrants
Tan Sri Lim Kok Thay	369,000	0.0463	-	-	73,800	0.0735

INTEREST IN GENTING BERHAD ("GENT"), A COMPANY WHICH OWNS 51.9% INTEREST IN THE COMPANY

Name	No. of Shares				No. of Warrants	
	Direct Interest	% of Shares	Deemed Interest	% of Shares	Direct Interest	% of Outstanding Warrants
Tan Sri Lim Kok Thay	68,119,980	1.8294	-	-	17,029,995	2.3212
Mr Quah Chek Tin(2)	5,000	0.0001	-	-	1,250	0.0002

INTEREST IN GENTING MALAYSIA BERHAD ("GENM"), A COMPANY WHICH IS 49.3% OWNED BY GENT

Name	No. of Shares				No. of Performance Shares granted	
	Direct Interest	% of Shares	Deemed Interest	% of Shares	Restricted Share Plan	Performance Share Plan
Gen. Dato' Seri DiRajaTan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	10,000	0.0002	-	-	-	-
Tan Sri Lim Kok Thay	4,349,800	0.0767	-	-	3,709,200	9,524,748
Mr Quah Chek Tin	5,000	0.0001	-	-	-	-
Mr Lim Keong Hui	61,200	0.0011	-	-	123,400	315,738

ANALYSIS OF SHAREHOLDINGS/ WARRANTHOLDINGS (cont'd)

INTEREST IN GENTING SINGAPORE PLC ("GENS"), AN INDIRECT 52.8% OWNED SUBSIDIARY OF GENT

Name	No. of Shares			
	Direct Interest	% of Shares	Deemed Interest	% of Shares
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	988,292	0.0082	-	-
Tan Sri Lim Kok Thay	13,445,063	0.1118	6,353,828,069 (1)	52.8399
Mr Quah Chek Tin	1,190,438	0.0099	-	-
Mr Lim Keong Hui	-	-	6,353,828,069 (1)	52.8399

Notes:

(1) Deemed interest in accordance with the Singapore Securities and Futures Act (Cap 289) on account of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being beneficiaries of a discretionary trust of which PMSB is the trustee.

PMSB as trustee of the discretionary trust is deemed interested in the GENS shares held by KHR and Genting Overseas Holdings Limited, a wholly-owned subsidiary of GENT. KHR controls more than 20% of the voting capital of GENT.

(2) The following disclosure is made pursuant to Section 59(11)(c) of the Companies Act, 2016:

Mr Quah's spouse holds 1,000,000 ordinary shares (0.0269%) and 250,000 warrants (0.0341%) in GENT.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Ninth Annual General Meeting of Genting Plantations Berhad ("the Company") will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 30 May 2017 at 10.00 a.m.

AS ORDINARY BUSINESSES

1. To lay before the meeting the Audited Financial Statements for the financial year ended 31 December 2016 and the Directors' and Auditors' Reports thereon.
   (Please see Explanatory Note A)

2. To approve the declaration of a final single-tier dividend of 8 sen per ordinary share for the financial year ended 31 December 2016 to be paid on 19 June 2017 to members registered in the Record of Depositors on 1 June 2017. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' fees of RM776,700 for the financial year ended 31 December 2016 *(2015: RM717,800).* **(Ordinary Resolution 2)**

4. To re-elect the following persons as Directors of the Company pursuant to Article 99 of the Articles of Association of the Company:
   (i) Tan Sri Lim Kok Thay **(Ordinary Resolution 3)**
   (ii) Mr Ching Yew Chye *(Please refer to Explanatory Note B)* **(Ordinary Resolution 4)**

5. To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

AS SPECIAL BUSINESSES

To consider and, if thought fit, pass the following Ordinary Resolutions:

6. **Authority to Directors pursuant to Section 75 of the Companies Act, 2016**

   "That, subject always to the Companies Act, 2016, the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and the approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 75 of the Companies Act, 2016 to:

   (1) allot shares in the Company; and/or
   (2) grant rights to subscribe for shares in the Company; and/or
   (3) convert any security into shares in the Company; and/or
   (4) allot shares under an agreement or option or offer,

   at any time and from time to time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided it does not exceed 10% of the total number of issued shares of the Company as prescribed by the MMLR at the time of issuance of shares and such authority under this resolution shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or when it is required by law to be held, whichever is earlier, and that:

   (a) approval and authority be and are given to the Directors of the Company to take all such actions that may be necessary and/or desirable to give effect to this resolution and in connection therewith to enter into and execute on behalf of the Company any instrument, agreement and/or arrangement with any person, and in all cases with full power to assent to any condition, modification, variation and/or amendment (if any) in connection therewith; and

   (b) the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.", **(Ordinary Resolution 6)**

7. **Proposed renewal of the authority for the Company to purchase its own shares**

   "That, subject to compliance with all applicable laws, the Companies Act, 2016, the Company's Articles of Association, and the regulations and guidelines applied from time to time by Bursa Malaysia Securities Berhad ("Bursa Securities") and/or any other relevant regulatory authority:

(a) approval and authority be and are given for the Company to utilise up to the total retained earnings of the Company, based on its latest audited financial statements available up to the date of the transaction, to purchase, from time to time during the validity of the approval and authority under this resolution, such number of ordinary shares in the Company (as may be determined by the Directors of the Company) on Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit and expedient in the interests of the Company, provided that:

(i) the aggregate number of shares to be purchased and/or held by the Company pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of purchase; and

(ii) in the event that the Company ceases to hold all or any part of such shares as a result of (among others) cancellations, re-sales and/or distributions of any of these shares so purchased, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed 10% of the total number of issued shares of the Company at the time of purchase;

and based on the audited financial statements of the Company for the financial year ended 31 December 2016, the balance of the Company's retained earnings was approximately RM3.75 billion;

(b) the approval and authority conferred by this resolution shall commence on the passing of this resolution and shall remain valid and in full force and effect until:

(i) the conclusion of the next Annual General Meeting of the Company;
(ii) the expiry of the period within which the next Annual General Meeting is required by law to be held; or
(iii) the same is revoked or varied by ordinary resolution of the shareholders of the Company in general meeting,

whichever occurs first;

(c) approval and authority be and are given to the Directors of the Company, in their absolute discretion:

(i) to deal with the shares so purchased in the following manner:
(A) to cancel the shares so purchased;
(B) to retain such shares as treasury shares;
(C) to retain part of such shares as treasury shares and cancel the remainder of the shares; and/or
(D) in any other manner as may be prescribed by applicable law and/or the regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force,

and such authority to deal with such shares shall continue to be valid until all such shares have been dealt with by the Directors of the Company; and

(ii) to deal with the existing treasury shares of the Company in the following manner:
(A) to cancel all or part of such shares;
(B) to distribute all or part of such shares as dividends to shareholders;
(C) to resell all or part of such shares on Bursa Securities in accordance with the relevant rules of Bursa Securities;
(D) to transfer all or part of such shares for the purposes of or under an employees' share scheme;
(E) to transfer all or part of such shares as purchase consideration; and/or
(F) in any other manner as may be prescribed by applicable law and/or the regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force,

and such authority to deal with such shares shall continue to be valid until all such shares have been dealt with by the Directors of the Company; and

(d) approval and authority be and are given to the Directors of the Company to take all such actions that may be necessary and/or desirable to give effect to this resolution and, in connection therewith:

(i) to enter into and execute on behalf of the Company any instrument, agreement and/or arrangement with any person, and in all cases with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed by any relevant regulatory authority or Bursa Securities, and/or as may be required in the best interest of the Company; and/or

(ii) to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company." **(Ordinary Resolution 7)**

8. **Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature and proposed new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature**

"That approval and authority be and are hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature with the related parties ("Proposed Shareholders' Mandate") as set out in Section 2.3 of the Circular to Shareholders in relation to the Proposed Shareholders' Mandate provided that such transactions are undertaken in the ordinary course of business, at arm's length and based on commercial terms and on terms which are not more favourable to the related party than those generally available to/from the public and are not, in the Company's opinion, detrimental to the minority shareholders and that the breakdown of the aggregate value of the recurrent related party transactions conducted/to be conducted during the financial year, including the types of recurrent related party transactions made and the names of the related parties, will be disclosed in the annual report of the Company pursuant to the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

and such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such Proposed Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier." **(Ordinary Resolution 8)**

9. **Proposed retirement gratuity payment to Encik Mohd Din Jusoh**

"That approval be and is hereby given for the Company to make a retirement gratuity payment of RM521,388 to Encik Mohd Din Jusoh, an Independent Non-Executive Director of the Company in recognition and appreciation of his long service and contribution to the Company AND THAT authority be and is hereby given to the Directors of the Company to take all such actions as they may consider necessary and/or desirable to give full effect to this resolution." **(Ordinary Resolution 9)**

10. To transact any other business of which due notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN that, subject to the shareholders' approval for the payment of final single-tier dividend, a depositor shall qualify for entitlement to the final single-tier dividend only in respect of:

(a) shares transferred into the depositor's securities account before 4.00 p.m. on 1 June 2017 in respect of ordinary transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

LOH BEE HONG
MAICSA 7001361
Secretary

Kuala Lumpur
3 April 2017

NOTES

1. Pursuant to Section 334 of the Companies Act 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

2. If a member has appointed a proxy to attend this meeting and subsequently he attends the meeting in person, the appointment of such proxy shall be null and void, and his proxy shall not be entitled to attend this meeting.

3. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholdings to be represented by each proxy. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

5. In the case of a corporation, the proxy form must be either under seal or signed by a duly authorised officer or attorney.

6. The original signed instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Registered Office of the Company at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 24 hours before the time appointed for holding the meeting or at any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Thirty-Ninth ("39th") AGM to vote by poll.

7. For the purpose of determining members who shall be entitled to attend the Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 23 May 2017. Only depositors whose names appear on the Record of Depositors as at 23 May 2017 shall be entitled to attend the said meeting or appoint proxies to attend and vote on their behalf.

Explanatory Note A

This Agenda is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016, the audited financial statements do not require a formal approval of the shareholders. Hence, this matter will not be put forward for voting.

Explanatory Note B

The Board has undertaken an annual assessment on the independence of all its Independent Directors including Mr Ching Yew Chye who is seeking for re-election pursuant to the Articles of Association of the Company at the forthcoming Thirty-Ninth Annual General Meeting. The annual assessment has been disclosed in the Corporate Governance Statement of the Company's 2016 Annual Report.

Explanatory Notes on Special Businesses

(1) Ordinary Resolution 6, if passed, will give a renewed mandate to the Directors of the Company, pursuant to Section 75 of the Companies Act 2016 ("Renewed Mandate") for such purposes as the Directors may deem fit and in the interest of the Company. The Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, the Directors have not utilised the mandate granted to the Directors at the last Annual General Meeting held on 31 May 2016 and the said mandate will lapse at the conclusion of the Thirty-Ninth Annual General Meeting.

The Company is seeking approval from the shareholders on the Renewed Mandate for the purpose of possible fund raising exercise including but not limited to placement of shares for purpose of funding future investment project(s), working capital and/or acquisitions and to avoid delay and cost in convening general meetings to approve such issue of shares.

(2) Ordinary Resolution 7, if passed, will empower the Directors of the Company to purchase the Company's shares of an aggregate amount of up to 10% of the total number of issued shares of the Company for the time being ("Proposed Share Buy-Back Renewal") by utilising up to the total retained earnings of the Company based on its latest audited financial statements up to the date of the purchase. The authority under this resolution will expire at the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held, or the same is revoked or varied by ordinary resolution of the shareholders of the Company at a general meeting, whichever occurs first.

Further information on the Proposed Share Buy-Back Renewal is set out in the Document to Shareholders dated 3 April 2017 which is despatched together with the Company's 2016 Annual Report.

(3) Ordinary Resolution 8, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). This authority will expire at the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held, unless revoked or varied by ordinary resolution of the shareholders of the Company at a general meeting, whichever occurs first.

Further information on the Proposed Shareholders' Mandate is set out in the Document to Shareholders dated 3 April 2017 which is despatched together with the Company's 2016 Annual Report.

(4) Ordinary Resolution 9, if passed, will give approval to the Company to make payment of retirement gratuity amounting to RM521,388 to Encik Mohd Din Jusoh, an Independent Non-Executive Director of the Company who retires at the conclusion of the 39th AGM in recognition and appreciation of his long service and contribution to the Company ("Proposed Retirement Gratuity").

Further information on the Proposed Retirement Gratuity is set out in the Document to Shareholders dated 3 April 2017 which is despatched together with the Company's 2016 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Details of individuals who are standing for election as Directors

No individual is seeking election as a Director at the forthcoming Thirty-Ninth Annual General Meeting of the Company ("39th AGM").

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Details of the general mandate to issue securities in the Company pursuant to Section 75 of the Companies Act 2016 are set out in Explanatory Note (1) of the Notice of 39th AGM.

FORM OF PROXY

GENTING PLANTATIONS BERHAD (34993-X)
(Incorporated in Malaysia)

(Before completing the form, please refer to the notes overleaf)

I/We ____
(FULL NAME IN BLOCK CAPITALS)

NRIC No./Passport No./Co. No. ____

of ____
(ADDRESS)

being a member of GENTING PLANTATIONS BERHAD hereby appoint:

Name of Proxy	NRIC No./Passport No.	% of shareholding to be represented (Refer to Note 1)
Address		

*and/or failing him/her,

Name of Proxy	NRIC No./Passport No.	% of shareholding to be represented (Refer to Note 1)
Address		

or failing him/her, the *CHAIRMAN OF THE MEETING as *my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Thirty-Ninth Annual General Meeting of the Company to be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Tuesday, 30 May 2017 at 10.00 a.m. and at any adjournment thereof.

** Delete if inapplicable*

My/our proxy(ies) shall vote as follows:

ORDINARY BUSINESS	RESOLUTIONS	For	Against
To approve the declaration of a final single-tier dividend of 8 sen per ordinary share.	**Ordinary Resolution 1**		
To approve the payment of Directors' fees.	**Ordinary Resolution 2**		
To re-elect Tan Sri Lim Kok Thay as a Director pursuant to Article 99 of the Articles of Association of the Company.	**Ordinary Resolution 3**		
To re-elect Mr Ching Yew Chye as a Director pursuant to Article 99 of the Articles of Association of the Company.	**Ordinary Resolution 4**		
To re-appoint Auditors.	**Ordinary Resolution 5**		
SPECIAL BUSINESS			
To approve the authority to Directors pursuant to Section 75 of the Companies Act 2016.	**Ordinary Resolution 6**		
To renew the authority for the Company to purchase its own shares.	**Ordinary Resolution 7**		
To approve the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature.	**Ordinary Resolution 8**		
To approve the proposed retirement gratuity payment to Encik Mohd Din Jusoh	**Ordinary Resolution 9**		

(Please indicate with an "✘" or "✔" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting at his/her/their discretion.)

Signed this ________ day of _________________ 2017

No. of Shares held	CDS Account No.	Shareholder's Contact No.

____

Signature of Member

NOTES

1. *Pursuant to Section 334 of the Companies Act 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

2. *If a member has appointed a proxy to attend this meeting and subsequently he attends the meeting in person, the appointment of such proxy shall be null and void, and his proxy shall not be entitled to attend this meeting.*

3. *A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*

4. *Where a member of the company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholdings to be represented by each proxy. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

5. *In the case of a corporation, the proxy form must be either under seal or signed by a duly authorised officer or attorney.*

6. *The original signed instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Registered Office of the Company at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 24 hours before the time appointed for holding the meeting or at any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Thirty-Ninth ("39th") AGM to be put to vote by poll.*

7. *For the purpose of determining members who shall be entitled to attend the Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 23 May 2017. Only depositors whose names appear on the Record of Depositors as at 23 May 2017 shall be entitled to attend the said meeting or appoint proxies to attend and vote on their behalf.*

GROUP OFFICES AND OPERATING UNITS

PLANTATION DIVISION

West Malaysia

Genting Bukit Sembilan Estate
Kuala Ketil
09300 Kedah
Tel : +604 4430927/019-515 0927

Genting Selama Estate
Serdang
09800 Kedah
Tel : +604 3690027

Genting Sepang Estate
P.O. Box N0.31
71800 Nilai, Negeri Sembilan
Tel : +603 87061240

Genting Tebong Estate
75990 Tebong
Melaka
Tel : +606 4486226
Fax : +606 4486750

Genting Cheng Estate
78000 Alor Gajah
Melaka
Tel : +606 5561216
Fax : +606 5563286

Genting Tanah Merah Estate
P.O. Box 68
84907 Tangkak, Johor
Tel : +606 9781310
Fax : +606 9789810

Genting Sri Gading Estate
P.O. Box 510
83009 Batu Pahat, Johor
Tel : +607 4558634
Fax : +607 4559629

Genting Sungei Rayat Estate
P.O. Box 511
83009 Batu Pahat, Johor
Tel : +607 4558237/019-777 8237
Fax : +607 4557931

Genting Kulai Besar Estate
No. 1213-1215
Jalan Kasturi 36/45, Indahpura
81000 Kulaijaya, Johor
Tel : +607 6840386

Genting Ayer Item Oil Mill
Batu 54 Jalan Johor
Air Hitam
86100 Johor
Tel : +607 7631992
Fax : +607 7631998

Sabah

Genting Plantations Office, Sabah
Wisma Genting Plantations
KM 12, Labuk Road
90000 Sandakan, Sabah
Tel : +6089 672787/672767
Fax : +6089 673976

Genting Sabapalm Estate
Tel : +6089 265796

Genting Tenegang Estate
Tel/Fax : +6089 565220

Genting Bahagia Estate
Tel : +6089 577157

Genting Tanjung Estate
Tel : +6089 568087

Genting Landworthy Estate
Tel : +6089 845152

Genting Layang Estate
Tel : +6089 845102

Genting Jambongan Estate
Tel : +6089 251200

Genting Indah Estate
Tel : +6087 307110

Genting Permai Estate
Tel : +6087 307100

Genting Kencana Estate
Tel : +6087 307116

Genting Mewah Estate
Tel : +6089 565914

Genting Lokan Estate
Tel : +6089 842110

Genting Sekong Estate
Tel/Fax : +6089 677231/622688

Genting Suan Lamba Estate
Tel : +6089 622291/623233

Genting Sabapalm Oil Mill
Tel/Fax : +6089 265317

Genting Tanjung Oil Mill
Tel : +6089 567288
Fax : +6089 567091

Genting Mewah Oil Mill
Tel : +6089 565470
Fax : +6089 563068

Genting Trushidup Oil Mill
Tel/Fax : +6089 677230

Genting Indah Oil Mill
Tel : +6087 307112/307113

Genting Jambongan Oil Mill
Tel : +6089 257112

Sarawak

Serian Palm Oil Mill
4 Km Kedup/Mongkos Link Road
Off 13 Km Poaon Limau/Mentung Marau Road
Off 20 Km Serian/Sri Aman Road
P.O.Box 150, 94700 Serian, Sarawak
Tel/Fax : +6082 895264

Indonesia

PT Genting Plantations Nusantara
DBS Tower
15th Floor, Ciputra World 1
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940, Indonesia
Tel : +62 21 29887600
Fax : +62 21 29887601

PROPERTY DIVISION

Head Office
Genting Property Sdn Bhd
3rd Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Tel : +603 21782255 / 23332255
Fax : +603 21641218

Genting Indahpura Sales Office
No. 1213-1215
Jalan Kasturi 36/45, Indahpura
81000 Kulaijaya, Johor, Malaysia
Tel : +607 6624652
Fax : +607 6624655

Genting Pura Kencana Sales Office
No. 1, Jalan Sisiran Pura Kencana 1A/1
Taman Pura Kencana
83300 Sri Gading, Batu Pahat
Johor, Malaysia
Tel : +607 4558181
Fax : +607 4557171

Genting Cheng Perdana Sales Office
No. 32 Jalan Cheng Perdana 1/6
Desa Cheng Perdana 1
Cheng, 75250 Melaka, Malaysia
Tel : +606 3123548
Fax : +606 3123590

Johor Premium Outlets®
Jalan Premium Outlets
Indahpura, 81000 Kulaijaya,
Johor, Malaysia
Tel : +607 6618888
Fax : +607 6618810

BIOTECHNOLOGY DIVISION

ACGT Laboratories
L3-I-1 Enterprise 4, Technology Park Malaysia
Lebuhraya Puchong-Sg Besi, Bukit Jalil
57000 Kuala Lumpur, Malaysia
Tel : +603 89969888
Fax : +603 89963388

The Gasoline Tree™ Experimental Research Station
Jalan Kuarters-KLIA
43900 Sepang
Selangor, Malaysia
Tel : +6019 2868856

DOWNSTREAM MANUFACTURING DIVISION

Head Office
10th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Tel : +603 21782255
Fax : +603 21616149

GENTING PLANTATIONS BERHAD (34993-X)
10th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

T : +603 2178 2255 / 2333 2255
F : +603 2161 5304

www.gentingplantations.com