GENTING
PLANTATIONS

ANNUAL REPORT 2017

GENTING PLANTATIONS BERHAD
(34993-X)

GENTING CORE VALUES

The late Tan Sri Dato' Seri (Dr) Lim Goh Tong, the Founder of the Genting Group, was born on 28 February 1918 in Anxi, in the Fujian province of China. He was a visionary entrepreneur, a savvy businessman, a hands-on leader and a responsible and hardworking employer – who never gave up and worked with passion and determination to realise his dreams. His principles and the values that he had espoused throughout his lifetime, were simple yet profound.

These values – namely Hard Work, Honesty, Harmony, Loyalty and Compassion, which have always been embedded in our work culture and business practices, are known collectively as the **Genting Core Values**.

The Genting Group honours the legacy and accomplishments of the late Tan Sri Dato' Seri (Dr) Lim Goh Tong by celebrating Genting Founder's Day every 28 February. The inaugural Founder's Day on 28 February 2018 would have been Tan Sri Dato' Seri (Dr) Lim Goh Tong's 100th birthday anniversary and 10 years since his passing.

"The company would not be where it is today, if not for our Founder and his vision," said Tan Sri Lim Kok Thay, Chairman and Chief Executive of the Genting Group.

"By instilling these core values, the Genting Group will emulate our Founder's determination and dedication to achieve the company's goals and bring the organisation to greater heights."

Tan Sri Lim Kok Thay - Chairman and Chief Executive, Genting Group

Our culture of hard work, diligence and commitment enables us to combine long-term thinking with a mindset of taking quick action to solve important and urgent operational problems. We are not afraid of change.

Our Founder believed in the importance of being diligent and committed. He was eager to learn and be in the know, setting precedents for others to follow. He was a hands-on person who was always on site to supervise projects and to ensure that matters were dealt with promptly. He worked hard; he rose early and retired late. A notebook was always by his bedside, should he need to pen down any ideas that came to mind.

Success is only complete with an equal measure of compassion. We at the Genting Group have a responsibility to give back to society. We have a deep interest to improve education and health care. We give generously to make lives better for others.

Our Founder gave unconditionally and contributed generously. He was empathetic, put the needs of others before his and was ever ready to lend a helping hand. Fondly remembered as highly considerate, he cared deeply for his employees and was there in their times of trouble. Such consideration is inherent in his employees and evident in the way they perform their duties.

Through loyalty, we have a sense of belonging and a sense of allegiance to our commitments. And it is just as important to be loyal to the company and people as it is to one's family.

Our Founder was loyal to his family, organisation and his people. He believed in looking after the well-being and growth of his employees. He valued his employees for their commitment and loyalty and rewarded them justly for their long service. As a result, his employees remained loyal to him and the company. This can be seen in the many long serving people who are committed to the success of the Genting Group.

Leadership in honesty and integrity is important. We must deal with our customers, partners and employees in an honest, fair and moral manner.

Our Founder was known and admired for his dynamic leadership based on integrity and moral principles, which formed the basis of his success. He practised exemplary leadership and management ethics – traits that are emulated by the senior management and staff, which have resulted in Genting Group companies being ranked among Asia's best managed companies.

Harmony in the workplace is key to success and a high-performance culture. Teamwork leads to efficiency and encourages constructive feedback. We work well together and support one another. Similarly, we must strive for harmony in our families and homes.

Our Founder encouraged teamwork towards achieving goals. He communicated effectively and provided prompt solutions to achieve success. He was very involved in his businesses. Every morning over breakfast with his staff, he would discuss operations. He valued people, especially his employees and their ideas. He also believed in effective communications and teamwork. Together with a strong team, he built an empire.

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 64,600 hectares in Malaysia and some 183,000 hectares (including the *Plasma* scheme) in Indonesia. It owns seven oil mills in Malaysia and four in Indonesia, with a total milling capacity of 550 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-based solutions to increase crop productivity and sustainability.

www.gentingplantations.com

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CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Genting Plantations Berhad ("the Company") and its subsidiaries ("our Group") for the year ended 31 December 2017.

FINANCIAL OVERVIEW

The year 2017 marked an upturn in fortunes for the industry, which witnessed a tangible recovery in crop production from the effects of drought in the preceding years along with higher crude palm oil ("CPO") prices from sustained global demand, with a peak at the start of the year lending momentum to strengthened year-on-year prices. Despite the uptick in fresh fruit bunch ("FFB") production, the higher price level further underscored continued global demand for palm oil as an essential commodity for edible and non-edible applications.

With better weather conditions amid an increase in harvesting areas and higher-yielding maturity profiles in Indonesia, the Group registered a 17% increase in fresh fruit FFB output against 2016 to 1.88 million metric tonnes ("mt"). Group FFB yield also improved in 2017 averaging 18.4 mt per hectare against 17.5 mt per hectare in the previous year.

Our Group's average CPO price achieved for the year rose 3% to RM2,715 per mt from RM2,631 per mt in 2016, while average palm kernel prices achieved closely matched that of the previous year, recording RM2,443 per mt.

For 2017, our Group recorded RM1.80 billion in revenue and a pre-tax profit of RM461.1 million. In comparison, revenue and pre-tax profit was RM1.48 billion and RM448.8 million respectively in 2016. The higher year-on-year revenue was mainly driven by a commendable showing from the Plantation Division from the positive factors mentioned earlier while the Downstream Manufacturing Division was another key contributor following the commencement of its 600,000 mt per annum capacity palm oil refinery in early 2017. Collectively, both these Divisions recorded RM2.21 billion in revenue while Group pre-tax profit was buoyed by contributions from our Plantation Division, particularly the Indonesian operations, which registered a 38% year-on-year increase in FFB production.

DIVIDENDS

Genting Plantations is committed to reward our shareholders with continuous returns in the form of dividends, whilst simultaneously recognising the need to maintain sufficient reserves to support our Group's future growth objectives. Accordingly, the Board of Directors has recommended a final single-tier dividend of 9.5 sen per ordinary share for the 2017 financial year. The Board has also declared a special single-tier dividend of 11.0 sen per ordinary share. Should the final dividend be approved by shareholders, total dividend (including the interim dividend of 5.5 sen) for the 2017 financial year will amount to 26.0 sen per ordinary share. In comparison, the total dividend for the 2016 financial year amounted to 21.0 sen per ordinary share.

GENTING CORE VALUES

The principles and values espoused by our beloved Founder, the late Tan Sri Lim Goh Tong, namely Hard Work, Honesty, Harmony, Loyalty and Compassion have always been embedded in our work culture and business practices and are now known collectively as the Genting Core Values.

As 28 February 2018 would have been our Founder's 100th birthday and 10 years after his passing, it is timely and fitting that we remember his legacy and his core values that have proven to be invaluable for the growth and global expansion of the Genting Group. By celebrating Founder's Day every February 28th, we humbly remind ourselves that these values are wise and enduring, reliable and proven.

The Board and management recognise that the longevity of the palm oil industry and the sustainability of our Group are predicated on preserving the inherent value in each of the Genting Core Values, and are of one mind that these values aptly represent the core philosophy and guidance for our Group's forward strategy.

OPERATIONAL MILESTONES

For the 2017 financial year, our Group implemented additional value-accretive measures across all our business divisions. Recognising Indonesia as the fulcrum for our Group's mainstay Plantation Division, our Group has expanded our landbank in Kalimantan by more than 19,200 hectares (including areas allocated to Indonesia's *Plasma* scheme) via the acquisition of an effective 85% equity interest in PT Kharisma Inti Usaha from Lee Rubber Company (Pte) Ltd, which also added a fourth palm oil milling facility to our Group's asset base in Indonesia. The resulting increase in our Group's planted hectarage from this acquisition will undoubtedly boost our Group's FFB production in the years ahead.

Our Group's Downstream Manufacturing Division saw the commissioning of its 72%-owned palm oil refinery in January 2017, the result of collaboration with its joint venture partner, the Musim Mas Group, which is a leading integrated palm oil producer with a worldwide market reach. Along with the existing 300,000 mt per annum capacity biodiesel plants which form part of our presence in the Palm Oil Industrial Cluster (POIC) Lahad Datu in Sabah, this new palm oil refinery exemplifies our Group's diversification further downstream of the supply chain.

For our Group's Property Division, operating conditions for the year 2017 remained challenging amid the generally soft property market outlook. Despite these challenging conditions, our Property Division did well to register an increase in sales for both its Genting Indahpura and Genting Pura Kencana projects, underlining our property buyers' confidence in these affordably-priced and conveniently-located residential and commercial offerings.

During the year, our Group celebrated the opening of Genting Highlands Premium Outlets®, the second establishment under our joint venture with the Simon Property Group after Johor Premium Outlets®. Genting Highlands Premium Outlets® is by all accounts unique with its location set amidst the cool and scenic hilltop destination that is Genting Highlands, placing it firmly on the list of attractions to visitors of Resorts World Genting. This new retail landmark has outperformed expectations within its first six months of operations and is expected to cement our Group's retail business footprint alongside Johor Premium Outlets®.

PALM OIL'S FUTURE AND SUSTAINABILITY

The year 2017 was the centennial commemoration of the first commercialisation of the oil palm in Malaysia, a resounding affirmation of the enduring role that this "golden crop" has as a cornerstone of Malaysia's economy with the country being the second largest palm oil producer in the world.

We believe that the long-term prospects of the palm oil industry are indeed very promising as oil palm grows in production, commercial viability and increasing global recognition as a superior resource in all aspects of modern life from consumer products and biofuels to high-value specialty chemicals and olefins.

However, we foresee potential challenges for the year ahead with the industry forecasting rising production and crop yields as supply normalises, which if not matched by incremental exports would give rise to higher palm oil stockpiles resulting in prices that are expected to average at lower levels compared to 2017. The Malaysian palm oil industry will continue to face operational challenges particularly in securing sufficient manpower to cope with the increase in crop production.

Furthermore, markets with significant domestic oilseed industries may continue to apply protectionist stances causing downward pressure on CPO prices. Another key development that may impact palm oil's longer-term outlook was the landmark vote at the start of 2018 by the European Union (EU) Parliament towards banning palm oil imports for biofuel programmes by 2021.

Challenges such as trade protectionism and manpower shortages aside, our Group recognises the challenge for future growth coming from the broadening requirements for accountability from various stakeholders on the palm oil industry's sustainability policies and practices. We are proud to say that the sustainability agenda is and remains a central tenet to our Group's corporate philosophy.

Our Group upholds self-regulation and adopts best practices as evidenced by our ongoing certification by the Roundtable of Sustainable Palm Oil (RSPO), and are committed to the Malaysian Government's mandate for all palm oil producers in Malaysia to be fully compliant to the Malaysian Sustainable Palm Oil (MSPO) certification by the end of 2019. Our Group has also taken significant strides forward in ensuring our oil mills and supply bases continue to meet the standards set by the International Sustainability and Carbon Certification (ISCC), while constantly raising the bar internally in anticipation of future new standards.

However, our Group recognises that certification is not the sole measure of sustainable business practices and has set in motion long-term plans towards ensuring that our business and operations include the best interests of local communities and environments. In the past financial year, our Group continues to enforce sustainable expansion while contributing to the preservation and stewardship of natural wildlife and forest conservations in our operations.

Operationally, ongoing efforts for automation, mechanisation, renewable energy consumption and natural resource conservation constitute the key drivers in enhancing our Group's productivity and efficiency. More importantly, our Group's continued engagement with local stakeholders has resulted in further improvements in enriching the livelihood and quality of living for the communities in areas which we operate in.

Another key example of our Group's forward-looking vision of sustainability is the ongoing genomics research and development by our Biotechnology Division towards unlocking this golden crop's superior yield potential compared to other oil crops. By leveraging on our success and achievements in oil palm genome sequencing and marker identification to increase crop yield and productivity within our existing landbank, our continued progress stands to surmount one of the biggest assertions levelled at the industry – that its productivity is premised upon land expansion initiatives involving deforestation activities.

The far-reaching implications of a sustainability agenda are not limited to our Group's social responsibility and corporate accountability; global commodities sourced sustainably have a competitive advantage in the market as demands by regulators and consumers alike become stricter and more discerning. In this regard, our Group is well aware of the future milestones we have to achieve in order to make this goal a reality whilst generating added value for our shareholders.

MOVEMENTS ON THE BOARD OF DIRECTORS

As our Group forges ahead, I wish to recognise the invaluable insights and governance offered by my fellow members on the Board of Directors. On this note, I am very pleased to welcome Mr Yong Chee Kong who has joined us on the Board with effect from 1 January 2018. Mr Yong was the President & Chief Operating Officer of the Company prior to his retirement in June 2017, and his appointment is a welcome addition to the Board due to his in-depth knowledge of the industry. Movements in senior management in 2017 following Mr Yong's retirement have been the promotion of Mr Tan Wee Kok to the position of President & Chief Operating Officer, while the role of Chief Financial Officer is now helmed by Mr Lee Ser Wor.

Along with Mr Yong, the Board welcomes Tan Sri Dato' Sri Zaleha binti Zahari who has been appointed as an Independent Non-executive Director. Her diverse experience and wisdom will add much value to the Board in decision-making and in upholding good corporate governance standards.

On behalf of the Board, I also wish to extend a heartfelt note of gratitude to Encik Mohd Din Jusoh, who has retired as an Independent Non-executive Director on 30 May 2017 after 37 years of committed and dedicated service. As one of the longest-serving directors of our Group, his foresighted guidance has been invaluable to the achievements of our Group over the decades.

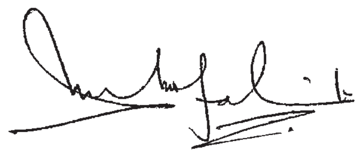
ACKNOWLEDGMENTS AND APPRECIATION

The Board is confident of the management's capabilities and proven track record with regards to our Group's current undertakings, and has no doubt that our Group will continue to draw upon the strengths, talents and commitment of its people in ensuring the success of future strategic prospects.

I also wish to acknowledge the continued faith of our shareholders in the Board's fiduciary duties to ensure our Group is upheld by the highest standards of corporate governance in the pursuit of success. On behalf of my fellow board members, we thank you for your unwavering support.

Our Group's forward momentum is based on a strong foundation of trust and confidence that has been graciously provided and built upon, year upon year, by our stakeholders. As such, I would like to extend my sincere appreciation and gratitude to the management and employees, governing authorities and regulators, our business associates, vendors and customers for their unceasing contributions. Your combined efforts have helped our Group achieve the heights it has today, and in doing so, have paved the way towards greater heights tomorrow.

Thank you.



GEN. DATO' SERI DIRAJA TAN SRI (DR.)
MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Chairman
26 February 2018

PENYATA PENGERUSI

Para Pemegang Saham yang Dihormati,

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Beraudit Genting Plantations Berhad ("Syarikat") dan anak-anak syarikatnya ("Kumpulan kami") bagi tahun berakhir 31 Disember 2017.

GAMBARAN KESELURUHAN KEWANGAN

Tahun 2017 menandakan perubahan nasib untuk industri iaitu pemulihan pengeluaran tanaman daripada kesan kemarau pada tahun-tahun terdahulu seiring dengan harga minyak sawit mentah ("CPO") yang lebih tinggi hasil daripada permintaan global yang mampan, di mana harga puncak pada awal tahun membantu mengukuhkan harga tahun ke tahun. Meskipun terdapat peningkatan dalam pengeluaran buah tandan segar ("FFB"), tahap harga yang lebih tinggi terus mencerminkan permintaan global yang berterusan untuk minyak kelapa sawit sebagai komoditi penting untuk aplikasi makanan dan bukan makanan.

Dengan keadaan cuaca yang lebih baik ditambah dengan kawasan penuaian dan profil kematangan yang semakin meningkat di Indonesia, Kumpulan kami mencatatkan peningkatan sebanyak 17% dalam pengeluaran FFB berbanding 2016 kepada 1.88 juta tan metrik ("mt"). Hasil FFB Kumpulan juga meningkat pada 2017 dengan purata 18.4 mt sehektar berbanding 17.5 mt sehektar pada tahun sebelumnya.

Harga CPO purata yang dicapai untuk tahun ini meningkat sebanyak 3% kepada RM2,715 setiap mt berbanding dengan RM2,631 setiap mt pada 2016, manakala harga isirung kelapa sawit hampir menyamai harga tahun sebelumnya dengan mencatat RM2,443 setiap mt untuk 2017.

Bagi tahun 2017, Kumpulan kami mencatatkan hasil sebanyak RM1.80 bilion dan keuntungan sebelum cukai sebanyak RM461.1 juta. Sebagai perbandingan, hasil dan keuntungan sebelum cukai pada tahun 2016 ialah RM1.48 bilion dan RM448.8 juta masing-masing. Hasil tahun ke tahun yang lebih tinggi ini didorong terutamanya oleh hasil yang memberangsangkan daripada Bahagian Perladangan berdasarkan faktor-faktor positif yang dibentang di atas, manakala Bahagian Pembuatan Hiliran merupakan satu lagi penyumbang utama susulan pentauliahan loji penapisan minyak sawitnya yang berkapasiti 600,000 mt setahun pada awal tahun 2017 . Secara kolektif, kedua-dua Bahagian ini merekodkan hasil sebanyak RM2.21 bilion manakala keuntungan sebelum cukai Kumpulan dilonjakkan oleh sumbangan daripada Bahagian Perladangan terutamanya operasi di Indonesia, yang mencatatkan peningkatan dalam pengeluaran FFB sebanyak 38% tahun ke tahun.

DIVIDEN

Genting Plantations komited untuk memberikan ganjaran berterusan kepada para pemegang saham kami dalam bentuk dividen, sambil pada masa yang sama mengiktiraf keperluan Kumpulan kami untuk mengekalkan rizab yang mencukupi bagi menyokong objektif pertumbuhan masa depan. Oleh itu, Lembaga Pengarah telah mencadangkan dividen akhir satu peringkat sebanyak 9.5 sen sesaham biasa untuk tahun kewangan 2017. Lembaga juga mengisytiharkan dividen khas satu peringkat sebanyak 11.0 sen sesaham biasa. Sekiranya dividen akhir diluluskan oleh para pemegang saham, jumlah dividen (termasuk dividen interim sebanyak 5.5 sen) bagi tahun kewangan 2017 akan berjumlah 26.0 sen sesaham biasa. Secara perbandingan, jumlah dividen yang telah diagihkan pada tahun kewangan 2016 ialah sebanyak 21.0 sen sesaham biasa.

NILAI TERAS GENTING

Prinsip-prinsip dan nilai-nilai teras yang dipegang oleh Pengasas kami yang tercinta, mendiang Tan Sri Lim Goh Tong, iaitu Kerajinan, Kejujuran, Keharmonian, Kesetiaan dan Belas Kasihan sentiasa dipupuk dalam budaya kerja dan amalan perniagaan kami dan kini dikenali secara kolektif sebagai Nilai-nilai Teras Genting.

28hb Februari 2018 merupakan ulang tahun kelahiran mendiang yang ke-100 dan 10 tahun selepas pemergian beliau. Adalah tepat masanya bagi kita memperingati legasi dan nilai-nilai teras beliau yang terbukti amat tinggi nilainya untuk pertumbuhan dan perkembangan sedunia Kumpulan Genting. Sebagai tanda penghormatan, kami akan meraikan Hari Pengasas pada 28hb Februari setiap tahun, serta dengan rendah hati mengingati diri kami bahawa nilai-nilai tersebut adalah bijaksana, berkekalan, dipercayai dan terbukti.

Lembaga Pengarah dan pihak pengurusan menyedari bahawa kemampanan industri minyak sawit dan kelestarian Kumpulan kami didasarkan pada pemeliharaan nilai yang telah sedia ada, dan bersependapat bahawa Nilai Teras Genting mewakili falsafah teras Kumpulan dengan tepatnya dan menjadi panduan untuk strategi Kumpulan kami dalam melangkah ke hadapan.

PENCAPAIAN OPERASI

Bagi tahun kewangan 2017, Kumpulan kami telah melaksanakan langkah-langkah penambahan nilai di semua bahagian perniagaan kami. Pengiktirafan Indonesia sebagai pendukung utama bagi Bahagian Perladangan telah mendorong Kumpulan kami untuk memperluaskan kawasan tanaman di Kalimantan dengan lebih daripada 19,200 hektar (termasuk kawasan yang diperuntukkan untuk skim Plasma Indonesia) melalui pemerolehan 85% kepentingan ekuiti efektif dalam PT Kharisma Inti Usaha daripada Lee Rubber Company (Pte) Ltd, yang juga menambah kemudahan pengilangan minyak sawit keempat kepada asas aset Kumpulan kami di Indonesia. Peningkatan keluasan hektar yang ditanam hasil daripada pemerolehan ini akan meningkatkan pengeluaran FFB Kumpulan kami pada tahun-tahun akan datang.

Bahagian Pembuatan Hiliran Kumpulan kami menyaksikan pentauliahan loji penapisan minyak sawit yang dimiliki 72% pada bulan Januari 2017 yang merupakan hasil kerjasama dengan Musim Mas Group, sebuah pengeluar minyak sawit bersepadu yang terkemuka dengan jangkauan pasaran di seluruh dunia. Digandingkan dengan loji biodiesel berkapasiti 300,000 mt setahun yang sedia ada dalam Kluster Industri Minyak Kelapa Sawit (POIC) di Lahad Datu, Sabah, loji penapisan minyak sawit baru ini merupakan contoh kepelbagaian Kumpulan kami ke bahagian hiliran rantaian bekalan.

Suasana operasi Bahagian Harta Kumpulan bagi tahun 2017 kekal mencabar di tengah-tengah prospek pasaran hartanah yang lemah secara amnya. Di sebalik suasana yang mencabar ini, Bahagian Harta Kumpulan kami memberikan prestasi yang baik dengan mencatatkan peningkatan jualan dalam kedua-dua projek Genting Indahpura dan Genting Pura Kencana yang menekankan keyakinan para pelabur hartanah kami dalam penawaran hartanah komersial dan kediaman yang mampu milik dan berlokasi menarik.

Pada tahun ini, Kumpulan kami juga meraikan pembukaan Genting Highlands Premium Outlets®, iaitu premis yang kedua di bawah usaha sama kami dengan Kumpulan Simon Property selepas perasmian Johor Premium Outlets®. Genting Highlands Premium Outlets® sememangnya unik disebabkan lokasinya di puncak bukit yang dingin dan berpemandangan menarik di Genting Highlands yang meletakkannya dengan kukuh dalam senarai tarikan pengunjung Resorts World Genting. Mercu tanda peruncitan baru ini telah mengatasi jangkaan prestasi dalam enam bulan operasi pertamanya dan dijangka akan mengukuhkan jejak perniagaan peruncitan Kumpulan kami seiring dengan Johor Premium Outlets®.

KELESTARIAN DAN MASA DEPAN MINYAK SAWIT

Tahun 2017 merupakan ulang tahun ke-100 pengkomersialan pertama kelapa sawit di Malaysia, satu pengesahan kukuh tentang peranan yang dimainkan oleh "tanaman emas" ini sebagai asas ekonomi Malaysia yang merupakan negara pengeluar minyak sawit kedua terbesar di dunia.

Kami percaya prospek jangka panjang bagi industri minyak sawit adalah amat menggalakkan apabila pengeluaran, daya maju komersial dan pengiktirafan global minyak sawit terus meningkat sebagai sumber unggul dalam semua aspek kehidupan moden merangkumi produk-produk pengguna dan biobahan api hinggalah bahan kimia khusus dan olefin.

Walau bagaimanapun, kami menjangkakan cabaran bakal dihadapi bagi tahun mendatang apabila industri meramalkan peningkatan pengeluaran dan hasil tanaman bekalan kembali normal. Jika tidak dipadankan dengan peningkatan eksport, peningkatan stok minyak sawit akan mengakibatkan harga dijangka akan purata pada paras yang lebih rendah berbanding 2017. Industri minyak kelapa sawit Malaysia akan terus menghadapi cabaran operasi khususnya dalam mendapatkan tenaga kerja yang mencukupi untuk menangani pertambahan pengeluaran tanaman.

Tambahan lagi, pasaran antarabangsa dengan industri bijian minyak sendirinya yang kukuh mungkin akan terus mengambil langkah pendirian perlindungan yang bakal menyebabkan pengurangan harga CPO. Satu lagi perkembangan penting yang boleh menjejaskan prospek jangka panjang minyak kelapa sawit ialah undian genting pada awal 2018 oleh ahli Parlimen Kesatuan Eropah (EU) terhadap larangan import minyak sawit untuk program biobahan api menjelang 2021.

Selain daripada cabaran-cabaran seperti perlindungan perdagangan dan kekurangan tenaga kerja, Kumpulan kami mengakui bahawa cabaran untuk pertumbuhan masa depan berpunca daripada penuntutan akauntabiliti yang lebih meluas daripada pelbagai pemegang kepentingan terhadap dasar dan amalan kelestarian industri minyak sawit. Kami berbangga untuk menyatakan bahawa agenda kelestarian adalah dan tetap menjadi prinsip utama dalam falsafah korporat Kumpulan kami.

Kumpulan kami menegakkan peraturan kendiri dan menerima pakai amalan terbaik sebagaimana dibuktikan dengan pensijilan yang berterusan oleh Rundingan Meja Bulat Sawit Mampan (RSPO) dan komited terhadap mandat Kerajaan Malaysia untuk semua pengeluar minyak sawit di Malaysia mematuhi sepenuhnya Pensijilan Minyak Sawit Mampan Malaysia (MSPO) menjelang akhir tahun 2019. Kumpulan kami juga telah mengambil langkah penting dalam memastikan kilang minyak dan asas bekalan kami terus mematuhi piawaian yang ditetapkan oleh *International Sustainability and Carbon Certification* (ISCC), sambil terus meningkatkan sasaran sendiri dalam menjangkakan piawaian baharu pada masa depan.

Walau bagaimanapun, Kumpulan kami mengakui bahawa pensijilan bukanlah satu-satunya ukuran bagi amalan perniagaan yang mampan dan telah melaksanakan pelan jangka panjang untuk memastikan perniagaan dan operasi kami terus mengambil kira kepentingan yang terbaik bagi komuniti dan persekitaran tempatan. Pada tahun kewangan yang lalu, Kumpulan kami terus menguatkuasakan pengembangan mampan sambil menyumbang kepada pemeliharaan dan pengawasan hidupan liar semula jadi dan pemuliharaan hutan dalam operasi kami.

Dari segi operasi, usaha yang sedang dilaksanakan untuk automasi, mekanisasi, penggunaan tenaga boleh diperbaharui dan pemuliharaan sumber semula jadi merupakan pemacu utama dalam meningkatkan produktiviti dan kecekapan Kumpulan kami. Lebih penting lagi, penglibatan berterusan Kumpulan kami dengan pihak berkepentingan tempatan telah menghasilkan peningkatan yang lebih baik dalam memberikan manfaat kepada kehidupan dan kualiti kehidupan komuniti di mana kami beroperasi.

Satu lagi contoh utama visi pandangan jauh Kumpulan kami berhubung kelestarian ialah penyelidikan dan pembangunan genomik secara berterusan oleh Bahagian Bioteknologi kami untuk meneroka potensi hasil yang lebih tinggi daripada “tanaman emas” ini berbanding dengan tanaman penghasilan minyak yang lain. Dengan memanfaatkan kejayaan dan pencapaian dalam penjujukan genom kelapa sawit dan pengenalpastian penanda untuk meningkatkan hasil tuaian dan produktiviti dalam kawasan tanah sedia ada, progres kami yang berterusan ini akan menyangkal salah satu dakwaan terbesar yang ditujukan kepada industri, iaitu peningkatan produktiviti hanya boleh berdasarkan penambahan luas kawasan pertanian melalui aktiviti pemusnahan hutan.

Implikasi meluas daripada agenda kemampanan tidak hanya terhad kepada tanggungjawab sosial dan akauntabiliti korporat Kumpulan kami, malah komoditi global yang diperoleh secara mampan mempunyai kelebihan daya saing di pasaran memandangkan tuntutan yang lebih ketat dan bijaksana oleh pihak pengawal selia dan pengguna. Dalam hal ini, Kami sedar akan sasaran yang perlu dicapai untuk menjadikan matlamat ini kenyataan di samping menjana nilai tambahan untuk para pemegang saham kami.

PERUBAHAN DALAM LEMBAGA PENGARAH

Ketika Kumpulan kami maju ke hadapan saya ingin mengiktiraf pandangan tidak ternilai dan tadbir urus yang diberikan oleh rakan ahli Lembaga Pengarah. Dalam hal ini, saya dengan sukacitanya mengalu-alukan Encik Yong Chee Kong yang telah menyertai kami sebagai ahli Lembaga Pengarah bermula dari 1 Januari 2018. Encik Yong merupakan Presiden & Ketua Pegawai Operasi Syarikat sebelum persaraan beliau pada Jun 2017, dan pelantikan beliau ke Lembaga Pengarah sangat dialu-alukan berdasarkan pengetahuan industrinya yang mendalam.

Perubahan dalam pengurusan kanan pada tahun 2017 berikutan persaraan Encik Yong ialah kenaikan pangkat Encik Tan Wee Kok ke jawatan Presiden & Ketua Pegawai Operasi, manakala peranan Ketua Pegawai Kewangan kini diterajui oleh Encik Lee Ser Wor.

Di samping Encik Yong, Lembaga Pengarah juga mengalu-alukan pelantikan Tan Sri Dato’ Sri Zaleha binti Zahari sebagai Pengarah Bukan Eksekutif Bebas. Pengalaman dan kebijaksanaan beliau yang meluas akan memberi manfaat bernilai kepada Lembaga Pengarah dalam membuat keputusan dan menegakkan piawaian tadbir urus korporat yang baik.

Bagi pihak Lembaga Pengarah, saya juga ingin mengucapkan terima kasih kepada Encik Mohd Din Jusoh yang telah bersara sebagai Pengarah Bukan Eksekutif Bebas pada 30 Mei 2017, selepas berkhidmat dengan komited dan berdedikasi selama 37 tahun. Sebagai salah seorang pengarah yang telah berkhidmat paling lama dalam Kumpulan kami, bimbingan beliau terhadap pencapaian Kumpulan kami sejak beberapa dekad ini amat tidak ternilai.

PENGHARGAAN

Lembaga Pengarah yakin dengan keupayaan pihak pengurusan dan rekod prestasi yang terbukti berhubung usaha yang sedang dilaksanakan oleh Kumpulan kami, dan tidak diragukan lagi bahawa Kumpulan kami akan terus memanfaatkan kekuatan, bakat dan komitmen kakitangan kami dalam menjamin kejayaan prospek strategik masa depan.

Saya juga ingin mengiktiraf keyakinan berterusan para pemegang saham kami dalam tanggungjawab fidusiari Lembaga untuk memastikan Kumpulan kami didokong oleh piawaian tadbir urus korporat tertinggi dalam usaha mencapai kejayaan. Bagi pihak rakan ahli lembaga, kami mengucapkan ribuan terima kasih atas sokongan anda yang tidak berbelah bagi.

Momentum untuk Kumpulan kami menuju ke hadapan adalah didasari asas kepercayaan dan keyakinan kukuh yang telah diberikan dan dibina kukuh oleh para pemegang kepentingan utama kami, tahun demi tahun. Oleh itu, saya ingin merakamkan penghargaan yang tulus ikhlas kepada pihak pengurusan dan kakitangan, pihak berkuasa dan pengawal selia, rakan perniagaan, vendor dan pelanggan kami atas sumbangan mereka yang tidak berkesudahan. Gabungan usaha anda telah membantu Kumpulan mencapai kejayaan yang ada hari ini, dan dengan demikian telah membuka laluan untuk melonjak ke tahap yang lebih tinggi pada masa hadapan.

Terima kasih.

JEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (B)
Pengerusi
26 Februari 2018

主席文告

尊敬的股东们，

本人谨代表董事部欣然提呈云顶种植有限公司(简称“本公司”)与其子公司(统称“本集团”)截至2017年12月31日的年度报告及已审核的财务报表。

财务概览

2017年是棕油业情况好转的一年，经历前几年旱灾效应后，农作物产量切实地复苏，而且持续不断的全球需求推高原棕油(CPO)价格，让这个行业价量齐升，从年初就开始攀升到高峰，并提供动力使按年价格走强。虽然新鲜棕果串(FFB)产量增加，然而，更高的价格水平进一步反映出，棕油作为可食用与非食用用途的必需商品，继续获得全球需求。

随着有利的气候转变，迎合印尼收成区以及高产率成熟果树的增长，促成本集团新鲜棕果串的产量比2016年增长了17%，达到一百八十八万公吨。而本集团的新鲜棕果串每公顷土地的平均收益率于2017年提高至18.4公吨，相比前一年为17.5公吨。

与此同时，本集团的原棕油每公吨平均价格从2016年的二千六百三十一令吉，上扬3%至2017年的二千七百一十五令吉。棕仁油价格与前一年相若，2017年每公吨平均价格报二千四百四十三令吉。

本集团于2017年的营运收入达到十八亿令吉，扣税前盈利达到四亿六千一百一十万令吉。相比之下，2016年的营运收入为十四亿八千万令吉，而扣税前盈利则为四亿四千八百八十万令吉。按年收入增加，主要是表现出色的种植组受到上述提及的正面因素所推动，而随着每年六十万公吨产能的棕油提炼厂于2017年初启用，下游制造组是推动集团收入的另一股主要动力。这两组业务合计收入达二十二亿一千万令吉，集团税前盈利因着种植组的贡献而表现蓬勃，尤其是印尼业务，新鲜棕果串产量按年增加38%。

股息

云顶种植承诺以股息形式持续地回馈股东，同时也认同需要保留充分储备金水平，以支持本集团未来的成长目标。因此，董事部建议2017财政年度派发每一普通股9.5仙末期单层股息。董事部也宣布派发每一普通股11.0仙的特别单层股息。若此末期股息获股东批准，2017财政年度的总股息(包括5.5仙中期股息)将达到每一普通股26.0仙。相比之下，2016财政年度的总股息为每一普通股21.0仙。

云顶核心价值

云顶集团的核心价值观根据创办人丹斯里拿督斯里林梧桐博士生前秉持一生的理念，即勤奋、诚信、和谐、忠诚与关爱；并牢牢嵌入于本集团的工作文化与商业惯例，也已经列为云顶核心价值观。

2018年2月28日既是丹斯里的百岁冥诞也恰好是他逝世十周年纪念，适时展现了以云顶集团秉持创始人乐善好施的精神和核心价值观成功达成集团目标并带领集团迈向国际发展。藉着每年2月28日的“创办人日”，我们谦卑地提醒自己，要牢记这些价值观是睿智而经久不衰、可靠且经得起考验的。

董事部与管理层承认，棕油业可长青发展与本集团可永续经营，皆是建基于各自固有的价值，而且众志一条心，相信云顶的核心价值适当地代表着本集团未来策略的核心理念与方向引导。

营运里程碑

在2017财政年度，本集团在所有业务部门实施了额外的增值措施。我们认同印尼是本集团主流种植组的主轴，藉着向南益橡胶有限公司(Lee Rubber Company [Pte] Ltd)收购PT Kharisma Inti Usaha的实际85%股权，本集团已扩充加里曼丹可耕种地库逾一万九千二百公顷(包括在印尼小园主计划下获分配的范围)，也让本集团在印尼资产基础的棕油榨油厂增至四间。这项收购将无疑地推高集团未来几年的新鲜棕果串生产。

本集团的下游制造组藉着与业务遍布全球市场的首屈一指综合棕油生产商—春金集团(Musim Mas Group)的合资，于2017年1月份启动了其拥有72%的棕油提炼厂之运作。配合位于沙巴州拿笃棕油工业综合区(POIC)的现有生物柴油厂每年三十万公吨产能，此新棕油提炼厂显示本集团的多元化活动进一步发展到供应链的下游领域。

至于本集团的产业组业务，在整体产业市场展望保持疲弱下，2017年的营运情况仍面对挑战。虽然如此，产业组依然表现不俗，优美城(Genting Indahpura)与旺金城(Genting Pura Kencana)项目的销售皆有所增加，显示购屋者对这些价格相宜且地点适中的住宅与商业产业计划具有信心。

在这一年，本集团欢庆云顶高原名牌折扣中心(Genting Highlands Premium Outlets®)开张营业，这是继柔佛名牌折扣中心之后，我们与西蒙地产集团(Simon Property Group)联营计划下的第二项设施。云顶高原名牌折扣中心尽显独特，位于天气凉爽且风景优美的高山上，即云顶高原，而且在云顶世界给予游客一系列旅游景点名单中，地位固若金汤。在首六个月营运中，这家崭新的零售地标表现超越预期，预料可与柔佛名牌折扣中心携手共同巩固本集团在零售业务的足迹。

棕油的未来与永续经营

2017年是马来西亚棕油首次商业化的一百周年纪念，强而有力地印证了这种“黄金农作物”在马来西亚经济扮演中流砥柱的角色，而我国正是全球第二大的棕油生产国。

由于棕油产量增加、商业可行性提高，而且在现代生活的各个层面，从消费品到生物燃料，再到高价值专用化学品与烯烃，都日渐受全球认同可作为优越资源，我们深信棕油业长期前景确实极其俊俏。

然而，我们预测未来一年会面对潜在的挑战，因为在供应趋向正常化，业界预测产量提高与农作物收成增加，若未获增加的出口所配合，会导致棕油库存上升，意味着相比起2017年，平均价格预计将处于较低水平。尤其是在取得足够的劳工以应付增加的产量，马来西亚棕油工业将继续面对营运上的挑战。

此外，重要的油籽业的市场将可能继续采取贸易保护主义的立场，导致原棕油价格面对下跌压力。另一项可能影响棕油业长期前景的主要进展是欧盟(EU)国会于2018年伊始即在一次具有重大意义的表决，于2021年或之前禁止棕油进口供生物燃料计划用途。

撇开诸如贸易保护主义与人力资源短缺等挑战之外，本集团承认未来成长的挑战在于各个利益相关者在棕油业永续经营政策与实践上须肩负更扩大的责任。我们自豪地告知，永续发展议程一直是本集团的核心宗旨。

本集团藉着获得永续发展棕油圆桌会议(RSPO)的持续认证，来秉持自我监管并采用最佳操守，同时也致力于马来西亚政府对马来西亚全体棕油生产商的托付，以便于2019年杪全面遵守马来西亚永续发展棕油(MSPO)认证。本集团也已采取重大步骤，确保我们的初搾油厂与供应基链持续符合国际永续性与碳验证(ISCC)设定的标准，且预测未来会有新标准，而不断提高内部的标竿。

然而，本集团认同，这些认证并非永续商务守则的唯一措施，并已设定长期计划，朝向确保我们的业务与营运会考虑到当地社区与环境的最佳利益。在过去的财政年，本集团继续执行永续发展的扩充计划，同时我们在营运上，也对保护与管理自然野生动物与森林保护尽一分力。

营运而言，持续地努力推行自动化技术、机械化、可再生能源消耗与天然资源保护构成加强本集团生产力与效率的主要推动力。更重要的是，本集团持续与当地利益相关者接触，让我们所处地区之社区的生计与生活质量更加富足。

本集团对永续发展持有前瞻性愿景的另一个典范就是，我们的生物科技组持续进行基因组学研究与开发，以释出这种黄金农作物比起其他油籽农作物更优越的收成潜能。通过我们在油棕基因组测序和标记鉴定方面的成就与成果，以增加我们现有地库里的农作物收成与生产力。我们持续的成就，将可压倒棕油业面对的最严厉主张，即扩大土地面积以提高生产力只能透过参与砍伐森林活动。

影响深远的永续发展议程，并不只限于本集团的社会责任与企业责任感。随着监管机构和消费人的要求日益严格且更敏锐，全球商品若来自永续性生产模式，在市场上将更具竞争优势。有鉴于此，本集团也深知为了实现此目标，我们必须达到的未来里程碑，同时也为股东创造附加价值。

董事部动态

正当本集团迎向未来之际， 我欲表扬董事部成员珍贵无比的洞察力与治理。在这一方面，我欣然欢迎杨智刚先生于2018年1月1日加入董事部。于2017年6月退休前，杨先生是本公司总裁兼首席营运员，而他受委进入董事部是深受欢迎之举，因为他对此行业有深入知识。随着杨先生的退休，2017年的高级管理层变动，包括提升陈为国先生为总裁兼首席营运员，而首席财务员的职务则由利莳禾先生担任。

随着杨先生加入，董事部也欢迎Tan Sri Dato' Sri Zaleha binti Zahari受委为独立非执行董事。她具备广泛的经验与智慧将为董事部在决策上以及秉持良好企业治理标准上增值。

我谨代表董事部亦衷心感谢于2017年5月30日卸下独立非执行董事职务的Encik Mohd Din Jusoh，他在此之前忠心耿耿地服务了37年。身为本集团服务期限最长的其中一位董事，他深谋远虑的指导，在这几十年来一直是协助本集团有所成就的宝贵资产。

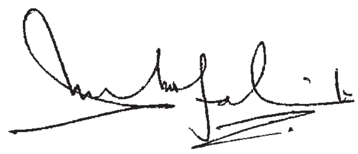
表扬与鸣谢

董事部对管理层在本集团现有业务的管理能力与以往的良好记录深具信心，无疑的，本集团将继续善用其人员的实力、才华与委身精神，以确保未来的策略性前景得以成功。

我欲感谢我们股东持续信任董事部具有能力履行受托付的职务，以确保本集团在追求成就之际，也秉承企业治理的最高标准。我谨代表董事部成员，感激您们坚定不移的支持。

本集团前进的动力是建基于我们的主要利益相关者这么多年来所给予的强大信任与信心的基础上。因此，我欲衷心感谢管理层与员工、监管当局与监管单位、我们的商业伙伴、供应商与客户一直以来的贡献。您们结合的努力帮助本集团攀上今日的高峰，也藉此铺平明日登上更高峰之途。

谢谢!



JEN. DATO' SERI DIRAJA TAN SRI (DR.)
MOHD ZAHIDI BIN HJ ZAINUDDIN (B)
主席
2018年2月26日

BOARD OF DIRECTORS

TAN SRI DATO' SRI ZALEHA BINTI ZAHARI
Independent Non-Executive Director

MR QUAH CHEK TIN
Independent Non-Executive Director

MR LIM KEONG HUI
Non-Independent Non-Executive Director

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

MR YONG CHEE KONG
Non-Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT 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

MR CHING YEW CHYE
Member/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

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 69, 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 had a distinguished career in the Malaysian Armed Forces for nearly 40 years, 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, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) served as a Military Observer under the United Nations International Monitoring Group in Iraq after the Iran-Iraq War Ceasefire in 1988/1989.

Upon retirement, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) moved from Defence Forces to the corporate sector. In the corporate world, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) holds several directorships. Currently he is the Chairman of Genting Plantations Berhad and Affin Bank Berhad. He is a Director of Genting Malaysia Berhad, Bintulu Port Holdings Berhad, Sogo (K.L.) Department Store Sdn Bhd and DRB-HICOM Defence Technologies Sdn Bhd.

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 a Director/ Trustee for the Board of 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, he was bestowed with the Perak's highest award for commoners, the 'Darjah Kebesaran Seri Paduka Sultan Azlan Shah Perak Yang Amat Dimulia' (S.P.S.A) which carries the title "Dato' Seri DiRaja."

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) 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, Command and General Staff College Philippines, Joint Services Staff College Australia and National Defence College Pakistan.

In June 2015, Asia Metropolitan University (AMU) elected Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) as the Chancellor of the University. In October 2016, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) was conferred with an honorary doctorate in Management of Defense and Strategic Studies from National Defence University of Malaysia, also known as Universiti Pertahanan Nasional Malaysia (UPNM).

Tan Sri Lim Kok Thay

Chief Executive/
Non-Independent Executive Director

Tan Sri Lim Kok Thay (Malaysian, aged 66, 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

Non-Independent Non-Executive Director

Mr Lim Keong Hui (Malaysian, aged 33, 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. On 5 May 2017, Mr Lim was redesignated as Non-Independent Non-Executive Director of the Company following his resignation as the CIO of the Company.

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.

Mr Lim Keong Hui is a son of Tan Sri Lim Kok Thay, the Chief Executive and Director of the Company. Both Tan Sri Lim Kok Thay and Mr Lim Keong Hui are major shareholders of the Company.

He is a Non-Independent Executive Director of Genting Berhad 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 Genting Berhad on 1 June 2013 and assumed additional role as the CIO on 1 January 2015. 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 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 Genting Berhad, 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.

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

Independent Non-Executive Director

Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) (Malaysian, aged 76, male), appointed on 14 February 1996 was redesignated as an Independent Non-Executive Director on 21 May 2007.

Dato' Abdul Ghani retired as a Director of the Company pursuant to Section 129 of the Companies Act, 1965 at the conclusion of the Company's 39th Annual General Meeting of the Company held on 30 May 2017. On the same day, Dato' Abdul Ghani was appointed as an Independent Non-Executive Director of the Company pursuant to a resolution of the Board of Directors of the Company dated 30 May 2017.

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 66, 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 64, 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 and YTL Starhill Global Reit Management Limited and the Chairman of AIA Bhd.

Mr Yong Chee Kong

Non-Independent Non-Executive Director

Mr Yong Chee Kong (Malaysian, aged 63, male), appointed on 1 January 2018, is a Non-Independent Non-Executive Director. He pursued his accountancy studies in Tunku Abdul Rahman University Collage. 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 joined Genting Berhad in 1985 and was transferred to Genting Plantations Berhad in 1991 as Chief Financial Officer where he was promoted to Chief Operating Officer in 2006. Subsequently, he was appointed the President & Chief Operating Officer of Genting Plantations Berhad on 1 December 2010 and thereafter retired as the President & Chief Operating Officer on 1 July 2017. Prior to joining the Genting Group, he was attached to the Inland Revenue Department of Malaysia and two major international accounting firms.

He is a member of the Board of Trustees of the Planters Benevolent Trust of Malaysia.

Tan Sri Dato' Sri Zaleha binti Zahari

Independent Non-Executive Director

Tan Sri Dato' Sri Zaleha binti Zahari (Malaysian, aged 69, female), appointed on 26 February 2018, is an Independent Non-Executive Director. Having qualified as a Barrister-at-Law, Middle Temple, London in 1971, she joined the Judicial and Legal Service. In the twenty years of her service, she had, inter alia, served as a Magistrate, Senior Assistant Registrar of the High Court, Deputy Public Prosecutor as well as a Legal Adviser to the Ministry of Education, the Economic Planning Unit, the Ministry of Home Affairs as well as the Department of Inland Revenue. She was the Head of the Civil Division in the Attorney General's Chambers prior to being appointed as a Judge of the Superior Bench.

She was initially appointed as a Judicial Commissioner and subsequently as Judge of the High Court, then Court of Appeal Judge and thereafter, as a Federal Court Judge.

After her retirement from the Bench, she was appointed as an Independent Non-Executive Director of the Ombudsman of Financial Services. Currently, she is the Chairman of the Operations Review Panel of the Malaysian Anti-Corruption Commission.

Notes:

The details of Directors' attendances at Board Meetings are set out in the Corporate Governance Overview Statement on page 45 of this Annual Report.

The details of the Board Committees where certain Directors are also members are set out on pages 12 and 13 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 15 of this Annual Report.

MR TAN KONG HAN
Deputy Chief Executive

Mr Tan Kong Han (Malaysian, aged 52, 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 TAN WEE KOK
President & Chief Operating Officer

Mr Tan Wee Kok, (Malaysian, aged 52, male), was promoted to President & Chief Operating Officer of the Company on 1 July 2017 after holding the position of Chief Financial Officer since 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. Currently, he holds directorships in various subsidiaries 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.

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 for 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 LEE SER WOR
Chief Financial Officer

Mr Lee Ser Wor, (Malaysian, aged 50, male), was appointed the Chief Financial Officer of the Company on 1 July 2017. He holds a professional qualification from the Chartered Institute of Management Accountants and is a member of the Malaysian Institute of Accountants.

He has been with GENP since 1991 and has held various work portfolios covering inter alia, corporate, treasury, tax and management accounting. Prior to his appointment as Chief Financial Officer, he was the Senior Vice President – Corporate and Finance of GENP. He currently holds directorships in various subsidiaries within the GENP Group as well as a public company, Benih Restu Berhad.

Mr Lee Ser Wor 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 for any offences within the past five years and have 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 TAN WEE KOK
President & Chief Operating Officer

MR LEE SER WOR
Chief Financial Officer

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

MR CHOO HUAN BOON
Senior Vice President, Group Processing

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 PLT
(Chartered Accountants)

INTERNET HOMEPAGE

www.gentingplantations.com

CORPORATE
DIARY

2017

22 FEBRUARY 2017
Announcement on 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 on the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

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

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

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

3 APRIL 2017
Notice to shareholders of Thirty-Ninth Annual General Meeting.

5 MAY 2017
Announcement on the redesignation of Mr Lim Keong Hui from Non-Independent Executive Director to Non-Independent Non-Executive Director following his resignation as Chief Information Officer of the Company.

29 MAY 2017
Announcement on the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2017.

30 MAY 2017
Thirty-Ninth Annual General Meeting ("AGM")
Announcement on the following :
(a) Retirement of Encik Mohd Din Jusoh as (i) an Independent Non-Executive Director of the Company pursuant to Section 129(6) of the Companies Act, 1965 at the conclusion of the Company's 39th AGM held on 30 May 2017; and (ii) a member of the Audit Committee and Remuneration Committee on 30 May 2017.
(b) Retirement of Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) as (i) an Independent Non-Executive Director of the Company pursuant to Section 129(6) of the Companies Act, 1965 at the conclusion of the Company's 39th AGM held on 30 May 2017; (ii) a member of the Audit Committee and Nomination Committee; and (iii) subsequent appointment of Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) on the same day as an Independent Non-Executive Director and a member of the Audit Committee and Nomination Committee of the Company on 30 May 2017.

1 JULY 2017
Announcement on the appointment of Mr Lee Ser Wor as the Chief Financial Officer following the promotion of the previous Chief Financial Officer, Mr Tan Wee Kok to President & Chief Operating Officer on the same date.

18 AUGUST 2017
Announcement on the proposed acquisition of 100% equity interest in Knowledge One Investment Pte Ltd ("KOI") from Lee Rubber Company (Pte) Limited for a cash consideration of USD94.97 million ("Proposed Acquisition of KOI").

23 AUGUST 2017
Announcement on the following :
(a) Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2017.
(b) Entitlement Date for the interim single-tier dividend of 5.5 sen per ordinary share in respect of the financial year ended 31 December 2017.

10 OCTOBER 2017
Announcement on the completion of the Proposed Acquisition of KOI.

19 OCTOBER 2017
Announcement on the proposed acquisition by PT Genting Plantations Nusantara, an indirect wholly-owned subsidiary of the Company, of 1,923 square metres of office space at DBS Bank Tower 15th Floor, Ciputra World 1 Jakarta from PT Lestari Properti Investama, an indirect 95%-owned subsidiary of Genting Berhad for a cash consideration of IDR93.8 billion (about RM29.33 million) ("Proposed Acquisition of Office Space").

22 NOVEMBER 2017
Announcement on the Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2017.

24 NOVEMBER 2017
Announcement on the completion of the Proposed Acquisition of Office Space.

29 DECEMBER 2017
Announcement on the following :
(a) Redesignation of Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R) from Chairman of Audit Committee to member of Audit Committee.
(b) Redesignation of Mr Quah Chek Tin from member of Audit Committee to Chairman of Audit Committee.
(c) Renaming of Audit Committee to Audit And Risk Management Committee.
(d) Appointment of Mr Yong Chee Kong as a Non-Independent Non-Executive Director of the Company with effect from 1 January 2018.

2018

26 FEBRUARY 2018

Announcement on the following :

(a) Consolidated Unaudited Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2017.

(b) Entitlement date for the special single-tier dividend of 11 sen per ordinary share in respect of the financial year ended 31 December 2017.

(c) Appointment of Tan Sri Dato' Sri Zaleha binti Zahari as an Independent Non-Executive Director with effect from 26 February 2018.

29 MARCH 2018

Announcement on the following :

(a) Proposed renewal of the shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

(b) Entitlement date for the proposed final single-tier dividend for the financial year ended 31 December 2017.

(c) Proposed renewal of authority for the Company to purchase its own shares.

DIVIDENDS		Announcement	Entitlement Date	Payment
2016	Special single-tier – 11.0 sen per ordinary share	22 February 2017	9 March 2017	27 March 2017
2016	Final single-tier - 8 sen per ordinary share	22 February 2017	1 June 2017	19 June 2017
2017	Interim single-tier – 5.5 sen per ordinary share	23 August 2017	13 September 2017	2 October 2017
2017	Special single-tier – 11 sen per ordinary share	26 February 2018	13 March 2018	29 March 2018
2017	Proposed Final single-tier – 9.5 sen per ordinary share	26 February 2018	7 June 2018	26 June 2018 *

** Upon approval of shareholders at the Fortieth Annual General Meeting.*

FINANCIAL HIGHLIGHTS
2017

REVENUE
RM **1,804.3** MILLION
2016: RM1,480.1 million

MARKET CAPITALISATION
RM **8.43** BILLION
AS AT 29 DECEMBER 2017

ADJUSTED EBITDA*
RM **628.6** MILLION
2016: RM566.6 million

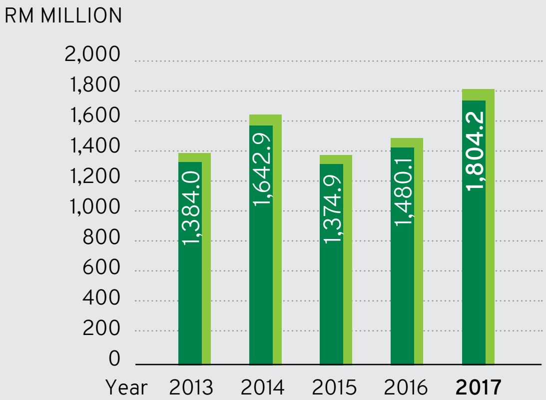
TOTAL EQUITY
RM **4.6** BILLION
2016: RM4.5 billion

NET PROFIT
RM **344.8** MILLION
2016: RM327.5 million

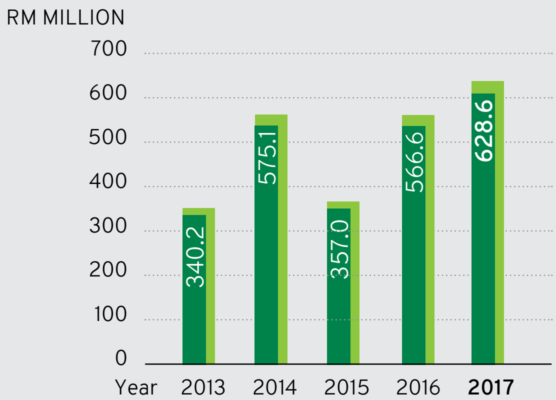
TOTAL ASSETS EMPLOYED
RM **8.5** BILLION
2016: RM7.5 billion

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

REVENUE

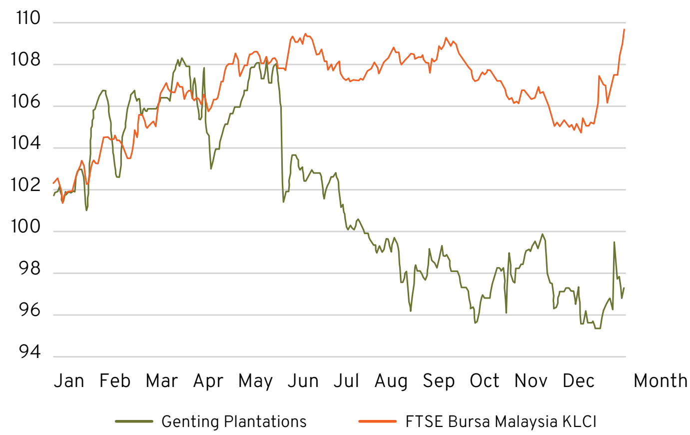


ADJUSTED EBITDA



2017 GENTING PLANTATIONS SHARE PRICE PERFORMANCE RELATIVE TO FTSE BURSA MALAYSIA KLCI

Normalised data (rebased to 100)



Source - Bloomberg

All figures are in Ringgit Malaysia

TOP 10 BURSA MALAYSIA PLANTATION COMPANIES

	By Market Capitalisation (29 Dec 2017)	RM billion
1	Sime Darby Plantation Berhad	40.81
2	IOI Corporation Berhad	28.53
3	Kuala Lumpur Kepong Berhad	26.62
4	**Genting Plantations Berhad**	**8.43**
5	Batu Kawan Berhad	7.86
6	Felda Global Ventures Holdings Berhad	6.17
7	United Plantations Berhad	5.83
8	Boustead Plantations Berhad	2.64
9	IJM Plantations Berhad	2.41
10	TSH Resources Berhad	2.28

Sources - Bursa Malaysia & Bloomberg

FIVE-YEAR
SUMMARY

Amount in RM'000 unless otherwise stated	2017	2016	2015	2014	2013
Revenue	1,804,250	1,480,079	1,374,931	1,642,939	1,384,009
Adjusted EBITDA	628,638	566,637	357,022	575,104	340,187
Profit before taxation	461,127	448,771	200,883	491,862	270,908
Taxation	(116,339)	(121,280)	(66,796)	(133,165)	(74,490)
Profit for the financial year	344,788	327,491	134,087	358,697	196,418
Attributable to:-					
Equity holders of the Company	337,710	338,213	156,452	356,076	205,675
Non-controlling interests	7,078	(10,722)	(22,365)	2,621	(9,257)
	344,788	327,491	134,087	358,697	196,418
Issued capital	841,340	397,019	391,331	385,223	379,423
Retained earnings	3,439,606	3,297,472	2,995,275	2,905,296	2,548,161
Other reserves	53,210	586,434	474,101	285,942	198,955
Equity attributable to equity holders of the Company	4,334,156	4,280,925	3,860,707	3,576,461	3,126,539
Non-controlling interests	235,315	255,380	265,720	246,821	173,106
Total equity	4,569,471	4,536,305	4,126,427	3,823,282	3,299,645
Borrowings (non-current)	2,559,068	2,315,708	2,232,537	999,762	861,454
Provision for retirement gratuities	14,292	12,469	9,511	9,841	5,584
Derivative financial liability	128	2,073	512	476	1,571
Deferred tax liabilities	308,709	143,357	121,350	117,969	114,490
Deferred income	8,493	8,493	8,493	-	-
	7,460,161	7,018,405	6,498,830	4,951,330	4,282,744
Property, plant and equipment	4,392,549	3,811,281	3,349,143	2,741,125	2,373,726
Land held for property development	260,226	254,825	175,016	158,644	162,847
Investment properties	25,115	25,517	26,137	24,757	19,424
Plantation development	-	-	-	-	-
Leasehold land use rights	641,053	495,758	387,063	305,329	238,702
Intangible assets	32,189	34,628	145,684	159,233	163,139
Joint ventures	108,096	77,894	59,440	43,559	37,466
Associates	12,871	12,501	10,774	18,864	24,459
Available-for-sale financial assets	94,548	143,170	137,854	111,187	106,865
Derivative financial assets	-	-	-	-	456
Other non-current assets	12,897	14,361	15,748	17,062	10,307
Deferred tax assets	134,316	92,556	134,314	83,289	77,644
	5,713,860	4,962,491	4,441,173	3,663,049	3,215,035
Net current assets	1,746,301	2,055,914	2,057,657	1,288,281	1,067,709
	7,460,161	7,018,405	6,498,830	4,951,330	4,282,744
Basic earnings per share (sen)	42.1	42.8	20.2	46.6	27.1
Net dividend per share (sen)	26.0	21.0	5.5	10.0	35.8
Dividend cover (times)	1.6	2.0	3.7	4.7	0.8
Current ratio	2.7	5.5	5.8	4.5	4.2
Net assets per share (RM)	5.40	5.39	4.93	4.64	4.12
Return (after tax and non-controlling interests) on average shareholders' equity (%)	7.8	8.3	4.2	10.6	6.6
Market share price					
- highest (RM)	11.72	11.56	10.90	11.62	11.98
- lowest (RM)	10.28	10.02	8.91	9.43	8.12

Certain figures relating to the previous years have been restated due to change in accounting policy on bearer plants in the current financial year

	2017			2016			2015		
	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total
OIL PALM									
FFB Production (mt)	1,220,407	663,538*	1,883,945	1,134,803	479,334*	1,614,137	1,289,314	437,824*	1,727,138
Yield Per Mature Hectare (mt)	22.9	13.1	18.4	20.7	12.6	17.5	22.9	12.4	19.0
Average Selling Prices									
Crude Palm Oil (RM/mt)	2,820	2,554	2,715	2,700	2,477	2,631	2,180	1,900	2,122
Palm Kernel (RM/mt)	2,561	2,182	2,443	2,583	2,137	2,477	1,612	1,255	1,552

	2014			2013		
	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total
OIL PALM						
FFB Production (mt)	1,348,735	307,183*	1,655,918	1,339,457	185,142*	1,524,599
Yield Per Mature Hectare (mt)	23.5	11.7	20.1	23.3	13.8	21.7
Average Selling Prices						
Crude Palm Oil (RM/mt)	2,424	2,204	2,386	2,404	2,182	2,378
Palm Kernel (RM/mt)	1,715	1,336	1,667	1,348	1,034	1,324

* excluding Plasma

LAND AREAS

HECTARES	2017			2016			2015		
	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total
Oil Palm									
Mature	52,194	58,091	110,285	54,388	38,303	92,691	55,050	35,162	90,212
Immature	6,886	26,733	33,619	4,831	33,637	38,468	3,713	32,540	36,253
	59,080	84,824	143,904	59,219	71,940	131,159	58,763	67,702	126,465
Oil Palm (Plasma)									
Mature	-	11,446	11,446	-	7,756	7,756	-	6,454	6,454
Immature	-	3,852	3,852	-	2,271	2,271	-	1,909	1,909
	-	15,298	15,298	-	10,027	10,027	-	8,363	8,363
TOTAL PLANTED AREA	59,080	100,122	159,202	59,219	81,967	141,186	58,763	76,065	134,828
Unplanted Area	149	81,849	81,998	273	113,630	113,903	1,245	97,857	99,102
Buildings, Infrastructure, etc.	5,087	1,056	6,143	5,054	969	6,023	5,206	649	5,855
Property Development	312	-	312	309	-	309	298	-	298
	5,548	82,905	88,453	5,636	114,599	120,235	6,749	98,506	105,255
TOTAL LAND AREA	64,628	183,027	247,655	64,855	196,566	261,421	65,512	174,571	240,083

HECTARES	2014			2013		
	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total
Oil Palm						
Mature	57,130	30,276	87,406	57,284	17,220	74,504
Immature	2,125	30,369	32,494	2,241	40,196	42,437
	59,255	60,645	119,900	59,525	57,416	116,941
Oil Palm (Plasma)						
Mature	-	4,890	4,890	-	2,055	2,055
Immature	-	3,473	3,473	-	5,923	5,923
	-	8,363	8,363	-	7,978	7,978
TOTAL PLANTED AREA	59,255	69,008	128,263	59,525	65,394	124,919
Unplanted Area	1,132	111,711	112,843	914	97,961	98,875
Buildings, Infrastructure, etc.	4,938	851	5,789	4,813	822	5,635
Property Development	316	-	316	335	-	335
	6,386	112,562	118,948	6,062	98,783	104,845
TOTAL LAND AREA	65,641	181,570	247,211	65,587	164,177	229,764

LIST OF GROUP PROPERTIES

AS AT 31 DECEMBER 2017

Location	Tenure	Year Of Expiry	Hectares		Description	Age Of Buildings (years)	Year Of Acquistion/ Revaluation*	Net Book Value As At 31 Dec 2017 (RM000)
			Plantation	Property Developement				
PENINSULAR MALAYSIA								
A. NORTH								
1. Genting Bukit Sembilan Estate,Baling/ Jitra, Kedah	Freehold		1,268				1981*	32,938
2. Genting Selama Estate, Serdang & Kulim, Kedah/Selama, Perak	Freehold		1,830				1981*	22,018
B. CENTRAL								
3. Genting Sepang Estate, Sepang & Ulu Langat, Selangor	Freehold		436				1981*	18,380
4. Genting Tebong Estate, Jasin & Alor Gajah, Melaka/Tampin & Kuala Pilah, Negeri Sembilan	Freehold		2,230				1981*	29,917
5. Genting Cheng Estate, Melaka Tengah, Alor Gajah & Kuala Linggi, Melaka	Freehold		793	1			1981*	9,659
6. Genting Tanah Merah Estate, Tangkak, Johor	Freehold		1,801				1981*	27,355
C. SOUTH								
7. Genting Sri Gading Estate, Batu Pahat, Johor	Freehold		3,366	242			1983	147,139
8. Genting Sungei Rayat Estate, Batu Pahat, Johor	Freehold		1,707				1983	27,362
9. Genting Sing Mah Estate, Air Hitam, Johor	Freehold		669			37	1983	14,120
10. Genting Kulai Besar Estate, Kulai/ Simpang Renggam, Johor	Freehold		2,513	12			1983	194,101
11. Genting Setiamas Estate, Kulai & Batu Pahat, Johor	Freehold		71	53			1996	48,878
SABAH								
12. Genting Sabapalm Estate, Labuk Valley, Sandakan	Leasehold	2085,2887	4,360			47	1991	53,548
13. Genting Tanjung Estate, Kinabatangan	Leasehold	2086, 2096	4,345			23	1988, 2001	42,712
14. Genting Bahagia Estate,Kinabatangan	Leasehold	2085, 2086	4,548				1988, 2003	26,941
15. Genting Tenegang Estate, Kinabatangan	Leasehold	2088	3,653				1990	15,068
16. Genting Landworthy Estate, Kinabatangan	Leasehold	2083	4,039				1992	24,713
17. Genting Layang Estate, Kinabatangan	Leasehold	2090	2,077				1993	14,364
18. Genting Jambongan Estate, Beluran	Leasehold	2033 - 2100, 2043, 2044, 2045	4,062			4	2001 - 2004, 2014, 2015, 2016	104,098
19. Genting Indah, Genting Permai & Genting Kencana Estates, Kinabatanga	Leasehold	2096	8,182			9	2001	157,013
20. Genting Mewah & Genting Lokan Estates, Kinabatangan	Leasehold	2083 - 2890	5,611			21	2002	91,017
21. Genting Sekong & Genting Suan Lamba Estates, Kinabatangan	Leasehold	2022 - 2098	6,755			21	2004	124,680
INDONESIA								
22. Ketapang, Kalimantan Barat	Leasehold	2037, 2044, 2046 *Note*	38,793			5	2006, 2009, 2011, 2014, 2016	533,275
23. Sanggau, Kalimantan Barat	Leasehold	*Note*	25,595				2010, 2016	329,188
24. Sintang, Kalimantan Barat	Leasehold	*Note*	11,727				2016	59,591
25. Kapuas & Barito Selatan, Kalimantan Tengah	Leasehold	*Note*	85,993			4 & 2	2008, 2012, 2015	1,772,362
26. Tapin, Kalimantan Selatan	Leasehold	2044, *Note*	14,661			1	2017	707,416
OTHER PROPERTIES OWNED								
27. Bangi Factory, Selangor	Leasehold	2086		12,140 (sq.m)		36	1990	1,968
28. Wisma Genting Plantations, Sandakan, Sabah	Leasehold	2100	2,023 (sq.m)			15	2004	3,229
29. Residential Bungalows, Sandakan, Sabah	Leasehold	2887	1,206 (sq.m)			33	1991	114
30. Genting Vegetable Oils Refinery, Sandakan, Sabah	Leasehold	2080	8				1992	1,868
31. Genting Integrated Biorefinery Complex, Lahad Datu, Sabah	Leasehold	2104, 2105	41.50			10	2011, 2014, 2015	98,796
32. Commercial land, Segambut, Kuala Lumpur	Leasehold	2074		4			2016	68,202
33. Office Space at DBS Bank Tower 15th Floor, Ciputra World 1 Jakarta, Indonesia	Leasehold	2027	1,923 (sq. m.)			4	2017	29,347
34. Office Space, Kalimantan Selatan	Leasehold	2043	349 (sq.m.)			4	2017	1,080

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

Note: Yet to be determined

LOCATION OF GROUP PROPERTIES

PENINSULAR MALAYSIA

PLANTATION

- 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

OIL MILL

- Genting Ayer Item Oil Mill

PROPERTY

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

BIOTECHNOLOGY

- ACGT Laboratories
- The Gasoline Tree™ Experimental Research Station

SABAH

PLANTATION

- 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

SABAH

OIL MILL

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

SABAH

DOWNSTREAM MANUFACTURING

- Genting Integrated Biorefinery Complex

SARAWAK

OIL MILL

- Serian Palm Oil Mill

INDONESIA

PLANTATION

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

OIL MILL

- Mulia Oil Mill
- Golden Hill Oil Mill
- Globalindo Oil Mill
- KIU Oil Mill

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 of 31 December 2017, our Group has a landbank of about 64,600 hectares in Malaysia and some 183,000 hectares (including the *Plasma* scheme) in Indonesia. Our Group owns seven oil mills in Malaysia and four in Indonesia, with a total milling capacity of 550 metric tonnes per hour. Genting Plantations Berhad has also diversified into property development, biotechnology and the manufacturing of downstream products.

Our Group is focused on value enhancement and delivering better returns to our shareholders. For our mainstay Plantation Division, our Group constantly explores opportunities to expand through value-accretive investments while progressively planting up areas in our existing landbank at a sustainable pace. At the same time, we are fully focused on managing costs and yield improvement through better agronomic practices and operational efficiency.

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

FINANCIAL REVIEW

Revenue

Our Group registered revenue of RM1.80 billion for the financial year ended 31 December 2017 ("FY 2017"), representing a 22% increase from the previous year.

Revenue growth was underpinned by the positive performance from all segments, with the exception of the Property segment. The Plantation segment recorded a 17% year-on-year increase in fresh fruit bunch ("FFB") production with improvements from both Malaysia and Indonesia buoyed by crop recovery from the impact of El Nino along with additional mature areas and an improved age profile of planted areas in Indonesia. The Downstream Manufacturing segment also recorded higher sales of refined palm products and biodiesel. Collectively, these increases were partly offset by a lower year-on-year revenue from the Property segment due to a different sales mix as well as the impact of a higher inter-segment adjustment reflecting the sales of crude palm oil ("CPO") by the Plantation-Malaysia segment to the Downstream Manufacturing segment.

Our Group achieved a higher CPO selling price of RM2,715 per metric tonne (mt) in FY 2017 on the back of sustained demand from major importing countries amid the generally slower-than-expected crop output recovery from El Nino. However, our Group's palm kernel ("PK") selling prices in FY 2017 was comparable year-on-year at RM2,443 per metric tonne.

	Financial Year ended 31 December		
	2017	**2016**	**Change (%)**
Average Selling Price/mt(RM)			
CPO	**2,715**	2,631	*+3*
PK	**2,443**	2,477	*-1*
Production for FFB ('000mt)	**1,884**	1,614	*+17*

Costs and Expenses

For 2017, total costs and expenses before finance costs and share of results in joint ventures and associates increased to RM1,386.3 million from RM1,216.9 million in the previous year mainly due to the higher cost of sales from the Plantation and Downstream Manufacturing segments in line with the higher sales quantities achieved.

EBITDA

Despite a 22% year-on-year increase in revenue, our Group's EBITDA for FY 2017 of RM637.7 million was a moderate 3% improvement year-on-year due to a significant net gain of RM53.8 million in 2016 mainly derived from the 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.

EBITDA (cont'd)

Excluding the one-off net gain, our Group's EBITDA for FY 2017 was an 11% year-on-year improvement buoyed by the performance of the Plantation and Downstream Manufacturing segments along with lower losses from the Biotechnology segment which more than offset the lower contribution from the Property segment and the lower gains arising from the impact of foreign currency translation position arising from foreign exchange movements.

a) Plantation segment
For FY 2017, the Plantation-Indonesia segment posted a 63% increase in EBITDA to RM168.2 million bolstered mainly by the higher FFB production. However, EBITDA for the Plantation-Malaysia segment of RM413.0 million was comparable year-on-year as the positive impact of its higher FFB production was largely offset by the unrealised profit from inter-segment sales of CPO to the Downstream Manufacturing segment.

b) Property segment
Despite registering higher year-on-year property sales for FY 2017, the Property segment posted a lower EBITDA of RM23.5 million against that of last year due to a different sales mix.

c) Biotechnology segment
Excluding the one-off impact from the write-off of intangible assets last year, the Biotechnology segment recorded a narrower loss of RM11.0 million for FY 2017 in line with its lower research and development expenditure.

d) Downstream Manufacturing segment
The Downstream Manufacturing segment improved from a loss of RM2.4 million a year ago to an EBITDA of RM12.1 million in FY 2017 on the back of higher sales and improving capacity utilisation of its operations.

e) Others
The lower gain in FY 2017 of RM22.8 million was mainly due to the effects of foreign currency translation position of our Group's U.S. Dollar denominated cash reserves and borrowings arising from foreign exchange movements.

Other Income

Other income for FY 2017 of RM83.0 million was 62% lower against the previous year's amount of RM220.2 million as the previous year featured a one-off gain of RM131.8 million from the disposal of plantation land as mentioned earlier. That aside, our Group also registered lower FFB scout harvesting income and foreign currency exchange gains this year. Other major components such as rental income, interest income, and dividends were fairly uniform year-on-year.

Finance Cost

Finance cost for FY 2017 increased by RM15.0 million or 25% year-on-year, due to the higher charge-out of interest expense in tandem with the increase in matured areas in our Group's Plantation-Indonesia segment along with higher external borrowings utilised to fund our Group's Plantation-Indonesia and Downstream Manufacturing segments.

Taxation

The higher effective tax rate against the statutory tax rate for FY 2017 was mainly due to expenses not deductible for tax purposes and tax losses of certain subsidiaries where deferred tax assets have not been recognised, partly mitigated by the utilisation of tax incentives.

Profit Attributable to Equity Holders of the Company

Whilst the profit attributable to equity holders of the Company was less than 1% lower year-on-year, earnings per share was 2% lower year-on-year due to the higher number of issued and paid up shares from the exercise of the Company's warrants during the year by shareholders.

Liquidity and Capital Resources

As at 31 December 2017, our Group's cash and cash equivalents stood at RM1.22 billion, a 3% decrease from a year ago of RM1.26 billion mainly from the net effects of the following:

(a) Net cash generated from operating activities totalling RM596.0 million, contributed mostly by the Plantation segment.

Liquidity and Capital Resources (cont'd)

(b) RM813.9 million expended for investing activities, of which RM391.6 million was for the acquisition of 100% equity interest in Knowledge One Investment Pte Ltd ("KOI") by AsianIndo Holdings Pte Ltd ("AsianIndo"), our 100% indirect subsidiary, from Lee Rubber Company (Pte) Ltd ("Lee Rubber"). KOI in turn owns 85% equity interest in PT Kharisma Inti Usaha ("PT KIU"). Along with the said acquisition, Lee Rubber assigned to AsianIndo their shareholder's loan to KOI for a consideration of RM139.5 million. The said outflows totalling RM531.1 million, along with a capital expenditure of RM360.5 million, were partly cushioned by RM40.8 million and RM17.8 million from interest income and investment income respectively during the year along with the proceeds from the disposal PT Permata Sawit Mandiri for RM14.5 million.

(c) A net cash inflow of RM207.5 million generated from financing activities, largely through the drawdown of borrowings amounting to RM836.1 million relating mainly to the acquisition of KOI as well as working capital for our Downstream Manufacturing segment. In addition, our Group also received RM72.5 million from the exercise of its warrants by shareholders. These said inflows, collectively more than offset our Group's dividend and finance costs of RM199.0 million and RM101.7 million respectively as well as RM357.3 million pledged as interest bearing deposit with a licensed bank to secure bank borrowings for AsianIndo's acquisition of KOI. This interest bearing deposit is classified as restricted cash in our Group's financial statements.

Gearing

The gearing ratio of our Group as at 31 December 2017 increased from 34% a year ago to 41% largely due to the higher borrowings as mentioned earlier. 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

Our Group's prospects for 2018 will largely be driven by the performance of our mainstay Plantation segment, which in turn is contingent upon the direction of palm oil prices and our Group's FFB production volume. Palm oil prices are influenced by several factors including global supply and demand of edible oils, weather patterns, currency exchange movements, global economic conditions, as well as the relevant government policies such as import/export tax, duty regimes, and biodiesel mandates.

On our Group's FFB production prospects, whilst replanting activities are expected to moderate production from our Plantation-Malaysia segment, an overall uptrend is expected in 2018 with higher output from our Indonesian segment amid additional mature areas from new planting and new acquisition made in 2017 and an overall better age profile.

For the Property segment, our Group will continue to focus on the provision of affordable residential housing which caters to a broader market segment given the prevailing soft market sentiments. Genting Highlands Premium Outlets® has been doing well since its opening in June 2017 and our Group expects its good performance to continue into 2018, likely matching that of the Johor Premium Outlets®.

Our Group's Biotechnology segment will continue its efforts for prospective value creation by leveraging on its ongoing research and genomic milestones for the development of commercial solutions and applications.

Having achieved profitability in 2017, the Downstream Manufacturing segment will continue to leverage on its position as a major supplier of biodiesel in Sabah and along with its refinery operations focus on improving its capacity utilisation, market reach and market share.

OPERATIONAL REVIEW

Replant at Genting Tanjung Estate

Plantation - Malaysia

In the past year, the Malaysian oil palm industry saw a positive turnaround as crop production emerged from the adverse lagged weather effects following the El-Nino occurrence over the past years. As with most instances of adverse dry weather, the industry usually expects to see a significant rebound as weather patterns normalise in the succeeding months.

The year 2017 therefore saw a notable improvement in the production of fresh fruit bunches ("FFB") from our Group's Malaysian operations due to the more favourable weather conditions and FFB yield recovery seen throughout the year. As a whole, FFB production increased 8% year-on-year to 1.22 million metric tonnes ("mt"), reflected also in our Group's FFB yield in Malaysia which saw a marked 10% jump from 20.7 mt per hectare in 2016 to 22.9 mt per hectare for the year.

Despite the recovery in FFB production, crude palm oil ("CPO") prices continued to strengthen in 2017 due to sustained demand, and the rebound in overall supply was lower than expected for 2017.

Our Group's Malaysian operations achieved an average CPO price of RM2,820 per mt, an increase of 4% compared to 2016. Palm kernel ("PK") prices averaged RM2,561 per mt to be on par with 2016 overall.

On the crop processing front, our Group's oil mills in Malaysia recorded an average oil extraction rate of 20.8%, a marginal decrease compared to 21.0% in 2016, due to significantly higher rainfall in 2017 and crop quality challenges. Various initiatives aimed at improving the quality of FFB were implemented, particularly in ensuring timely FFB deliveries by estates to our Group's oil mills.

Our Group remained aggressively committed to introduce mechanisation in all aspects of field and mill operations wherever possible. Aimed at enhancing operational efficiency and reducing labour dependency, the Division has introduced varying mechanised and automation processes in our estates and oil mills. To date, our Group's Malaysian estates are nearly fully mechanised in all areas possible, while two of our oil mills are automated and require minimal human supervision.

As a testament to the continued emphasis on mechanisation, it is noteworthy to mention that our Group achieved another significant milestone in its mechanisation efforts by winning the Merit Award in the 3rd MPOB International Competition on Oil Palm Mechanisation ("ICOPM3") for the category of "Loose Fruit Collection Technology". The award-winning solution, which reduces manual labour for

1-2
Award-winning innovation for loose fruit collection

3-5
Amongst the various mechanisation initiatives adopted – circle raking, in-field crop collection and targeted weedicide-spraying

loose fruit recovery, is a fully-automated, tractor-pulled invention which not only collects but also sieves for clean loose fruits.

Apart from mechanisation, our Group also places utmost attention to address the ageing profile of planted areas in Malaysia, rolling out a five-year replanting roadmap while simultaneously implementing key soil and water conservation initiatives to maintain long-term soil health besides putting in place initiatives to achieve high early yields.

Our Group's commitment towards sustainability was most visibly demonstrated in our continued engagement with industry certification bodies for our Group's operations. To date, for our operations in Malaysia, more than half of our oil mills and 65% of total planted areas have been certified by the Roundtable for Sustainable Palm Oil ("RSPO"). Our Group aims to achieve full RSPO certification within the next two years.

In a move towards favourably positioning Malaysian palm oil on a global stage, the Malaysian government has mandated that the industry be fully compliant to Malaysian Sustainable Palm Oil ("MSPO") certification by 2019. To date, one of our Group's oil mills in Sabah and its supply base has acquired the MSPO certification since 2014, while two other oil mills and their supply bases have successfully been audited in 2017. All oil mills and their supply bases remain certified to International Sustainability and Carbon Certification ("ISCC") EU and ISCC PLUS standards.

During the year, our Group also furthered its efforts for the stewardship of wildlife habitats within its Sabah operations. Our Group is a party to a memorandum of agreement with the Sabah Department of Environment for conservation of the Mumiang River – a tributary of the Kinabatangan River – for the benefit of the villagers along its banks who depend on the waterway for their livelihood.

As of 31 December 2017, our Group had a total of 59,080 hectares of oil palm planted area in Malaysia, along with seven oil mills with a combined capacity of 295 mt per hour.

Our Group's first ISPO-certified operating unit - Mulia Oil Mill and its supply bases

Plantation – Indonesia

Our Group's Indonesian operations remained resilient against the receding effects of previous years' droughts, building upon the previous year's marginal growth to deliver good crop production and yield recovery throughout 2017, mirroring the improvements seen in our Malaysian operations.

Challenges notwithstanding, our Group's Indonesian operations recorded a commendable growth in FFB production to achieve nearly 664,000 mt in 2017 – an increase of 38% year-on-year – significantly outstripping the previous year's record of 479,000 mt. This brings the contribution from our Indonesian operations to 35% of our Group's total FFB output for the year, up from 30% in 2016. While improved weather conditions and yield recovery undoubtedly played a part in this achievement, the higher production were aided in part by the addition of newly-mature harvesting areas, land acquisitions and the movement of the average palm age to a higher-yielding bracket.

In line with favourable environmental factors, average FFB yield improved to 13.1 mt per hectare against 12.6 mt per hectare in the same period last year, representing a growth of 4%.

Similar to Malaysia, our Group's Indonesian operations saw a slight bump in average CPO prices, achieving RM2,554 per mt to record a 3% increase over 2016. PK prices also picked up incrementally by 2% to achieve an average of RM2,182 per mt.

On the back of increased FFB production, crop processing intake by our Indonesian oil mills increased by almost 50% compared to 2016. On average, our mills recorded an oil extraction rate of 22.6% which was comparable year-on-year but notably higher than Malaysia due in part to the mills' more modern processing facilities.

Operational processes in the mills were continually evaluated in our Group's goals towards achieving better efficiencies, underscoring the anticipation of growing feedstock input as upstream production increases. During the year, works were ongoing to improve milling capacity especially with our Group's plans to construct more oil mills in Indonesia to support the imminent growth in FFB production volume.

Among our Group's oil mills in Indonesia, PT Sepanjang Inti Surya Mulia and its supply bases were the first operating unit to be certified to the Indonesian Sustainable Palm Oil (ISPO) standard, and were also audited for RSPO certification in 2017. Our Group continues to work on obtaining ISPO and RSPO certifications for the other operating units in due course.

Our Group's organic growth was not without challenges in 2017. New planting activities during the year were significantly limited by compliance to RSPO's New Planting Procedures ("NPP") intended to reinforce sustainable plantation expansion requirements, in addition to the ongoing moratorium on new licences and the United Nations' Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation ("UN-REDD") mandate which limits the clearing of new land for oil palm cultivation. Nevertheless, we are mindful and committed to the principle of sustainable plantation development.

Our Group's fourth oil mill in Indonesia – KIU Oil Mill

Conscientious efforts are undertaken to train workers (1-2) and create awareness to minimise human-wildlife conflicts (3 – field observation by YIARI)

Our Group remains committed to the expansion of our operations in Indonesia. On 10 October 2017, our Group completed the acquisition of an effective 85% equity interest in PT Kharisma Inti Usaha from Lee Rubber Company (Pte) Ltd, which covers a landbank of approximately 19,212 hectares, and a 60-mt oil mill. This strategic move expanded our Group's planted hectarage and along with it improved our Group's FFB production and oil mill processing capacity.

For 2017, our Plantation-Indonesia Division managed to increase planted areas by 18,155 hectares, and this brought the total planted area for our Indonesian operations to 100,122 hectares including the *Plasma* scheme – a community farming initiative on land earmarked from our current plantable landbank.

In contrast to the previous year's focus on water management and flood mitigation initiatives, our Group took further steps in 2017 to reduce the number of fire incidences within our Indonesian concessions. We collaborated with Manggala Agni, the designated local authority, to conduct routine training for our operational units as well as local communities, which covered simulated fire-fighting exercises by the emergency response team, fire prevention education, and community engagement on the impact of open burning on the environment.

Concurrently, our Group stepped up efforts to prevent major fire incidents including real-time monitoring of hotspots during the dry season, mapping of fire-prone areas, establishing fire watch-towers and fire patrols, and conserving forested buffers and water sources.

Recognising the importance of providing value whilst building goodwill and rapport within the communities where we operate in, our Group has made further progress for the *Plasma* scheme. We now have nine *Plasma* schemes with mature areas totalling 11,446 hectares and are proud to report that one of the schemes was awarded by the Governor of West Kalimantan and the Regent of Ketapang for its achievements as a cooperative, thus signalling a positive move forward in the continued collaboration between our operating units and the local community.

Our Group also reiterated its commitment towards implementing best practices in areas of environmental conservation for our operations. Through ongoing collaborations with government agencies and non-governmental organisations including Balai Konservasi Sumber Daya Alam ("BKSDA"), Yayasan International Animal Rescue Indonesia ("YIARI"), and Borneo Orang Utan Survival ("BOS") throughout the year, we aim to prevent human-wildlife conflicts from occurring within our concessions while HCV areas are diligently managed and conserved.

Genting Highlands Premium Outlets®

Property

Despite Malaysia posting a gross domestic product ("GDP") growth of 5.8% in 2017, the local economy's highest annual growth since 2014, the property market faced another lacklustre year recording negative growth with supply once again outstripping demand.

In the first half of 2017, the value of completed but unsold units stood at RM12.3 billion, a 40% increase of RM8.6 billion in the previous year, reflecting cautious buyer sentiments over affordability, rising inflation, property price bubbles, and a challenging job market.

On the whole, Malaysian property developers saw slower sales in 2017 as potential homeowners and investors continued to adopt a reactive stance by holding out for more favourable conditions. The number of cancelled bookings also increased on the back of stricter bank lending regulations, creating more obstacles for potential buyers seeking to secure financing.

In 2017, buyer focus shifted towards residential units priced under RM500,000 in the form of suburban houses and smaller units closer to urban centres as demand for affordable housing increased. Throughout the year, there was a proliferation of incentives and new designs aimed at boosting sales amid daunting market conditions.

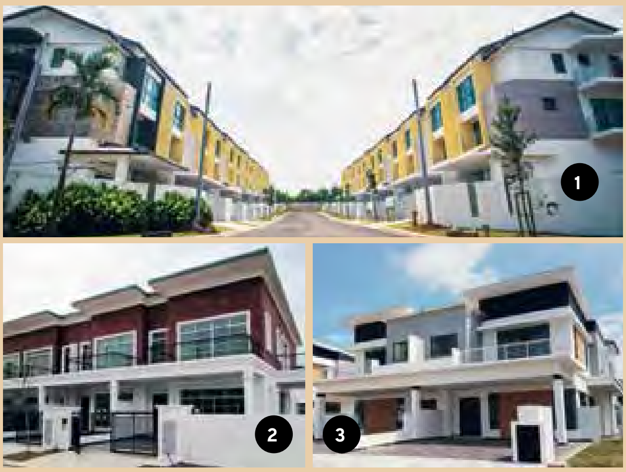
Despite this penurious landscape, our Group's Property Division persevered to deliver a fair performance of RM112.4 million in revenue. This marked the third consecutive year of decline with revenue decreasing 10% from 2016's total of RM125.6 million, but is less pronounced at 4% if excluding the one-off sale of land in 2016. Correspondingly, adjusted EBITDA dipped to RM23.5 million from RM42.2 million in the previous year.

However, investor confidence in the intrinsic and pecuniary value of our property offerings was highlighted by an increase in sales for our Group's current projects. Genting Indahpura – our Group's flagship development in Kulai, Johor – was the main contributor to the Division's overall revenue with RM124.6 million in sales mostly from its residential properties, representing a 25% year-on-year increase. On the other hand, Genting Pura Kencana, our Group's residential and commercial development in Batu Pahat, Johor, saw an uptick of 21% in sales to record RM25.4 million by year-end.

Our Group had limited new launches throughout 2017 to focus on clearing existing inventories and the balance of properties under construction. Accordingly, the Division boosted its marketing initiatives such as promotional packages, rebates, and roadshows which contributed to the increase in sales for 2017.

The year 2017 also marked a momentous milestone for our Group with Genting Highlands Premium Outlets® – the first hilltop Premium Outlet Center® in the world – which opened its doors in June 2017. This new retail landmark is the second under our Group's joint venture with U.S.-based Simon Property Group after Johor Premium Outlets® and boasts direct access to the new Awana Skyway, a boon for visitor footfall due to its proximity to Resorts World Genting.

Developed at a cost of RM200 million, Genting Highlands Premium Outlets® is located 3,000 ft above sea level and features a gross leasable area of 275,000 square feet. Since its soft-opening, Genting Highlands Premium Outlets® is now home to 150 designer and name brand outlet stores and has posted excellent visitor and revenue numbers, adding to the commendable performance of Johor Premium Outlets® which is in its 6th year of operations.



Genting Indahpura, Johor
1. 2 ½ -Storey Terrace Houses - Crystal
2. Double-Storey Terrace Houses - Kensington
3. Double-Storey Semi-Detached Houses - Raintree Residences

Downstream Manufacturing

For 2017, the Downstream Manufacturing Division saw the commencement of operations of our Group's maiden refinery, the Genting MusimMas Refinery ("GMMR"), a new addition to our Group's growing integration of its palm oil supply chain.

The refinery, which has a processing capacity of 600,000 mt per annum, is based in the Palm Oil Industrial Cluster ("POIC") Lahad Datu, Sabah and is a collaboration between our Group and Musim Mas Group, a leading integrated palm oil producer in the global market. GMMR, which was completed in September 2016, saw the successful commissioning of both its physical refinery and dry fractionation plants in January 2017.

Throughout 2017, GMMR produced processed palm oil ("PPO") in the form of refined, bleached and deodorised ("RBD") palm oil, RBD palm olein, RBD palm stearin, and palm fatty acid distillate ("PFAD"), achieving an average utilisation rate of nearly half its maximum capacity. For the year ahead, GMMR's capacity utilisation is expected to improve in tandem with the anticipated increase in raw CPO feedstock in 2018.

During the year, GMMR has successfully obtained certifications by numerous local and international dietary, industrial safety and sustainability authorities. As of 31 December 2017, GMMR holds certifications from RSPO, ISCC EU and ISCC PLUS, and Italian National Scheme ("INS") for PFAD. GMMR also holds food safety certification such as Hazard Analysis and Critical Control Points (HACCP) by SIRIM, *Makanan Selamat Tanggungjawab Industri* ("MeSTI") certification by the Ministry of Health Malaysia, *Halal* certification by the Department of Islamic Development Malaysia ("JAKIM"), and Kosher certification by KLBD Kosher. These achievements underline our Group's commitment to the highest international standards and customer requirements, opening doors for new markets whilst adding value to existing ones.

Genting MusimMas Refinery at POIC Lahad Datu, Sabah

Biodiesel production, which is the Division's other activity, experienced a challenging year. The industry saw further delays of the government's B10 blending mandate, more stringent product requirements by buyers for palm biodiesel, increased lobbying by environmentalists, and a wide palm-oil-gas-oil ("POGO") spread which discouraged discretionary blending. The year 2017 also closed with the European Union ("EU") parliament proposing a ban on palm oil biodiesel by 2021 which met with fervent protests from Malaysian industry players.

Our Group's biodiesel production was backed by local demand from the nation's B7 biodiesel mandate, with local sales to petroleum terminals in Sabah and Labuan. Within the year, our Group became the main supplier of biodiesel to two petroleum companies operating in Sabah, thus raising our local market share from that of previous year. In addition, our Group had also exported to the EU, as well as previously untapped markets.

As an executive member of the Malaysian Biodiesel Association, our Group has been working closely with the Ministry of Plantation Industries and Commodities ("MPIC") and the Malaysian Palm Oil Board ("MPOB") to host numerous dialogues and promote the implementation of the B10 mandate nationwide. One key activity was the B10 Trans-Borneo Expedition, where a convoy of 14 diesel vehicles running on B10 biodiesel traversed 1,200 kilometres over five days in March from Belaga in Sarawak to Kundasang in Sabah, effectively demonstrating the viability of high Malaysian biodiesel standards.

Our Group has also made headway in the global glycerine market through the exports of crude glycerine in conjunction with regular biodiesel production. Our exports of crude glycerine fetched a substantially higher premium over published benchmark prices due to a growing recognition of our Group's stringent production process and superior quality among global buyers.

Biotechnology

Our Group's Biotechnology Division's ongoing research and development ("R&D") efforts continued to bear fruit in 2017, focusing on increasing yield and productivity of the oil palm. Through ACGT Sdn Bhd ("ACGT"), our Group's genomic and microbial technology arm, as well as Genting AgTech Sdn Bhd ("GAT"), its seed production unit, our Group has achieved notable strides forward, with several of the Division's products undergoing field evaluation while others moved closer to commercial viability.

ACGT Laboratories at TPM, Bukit Jalil

As an R&D entity, ACGT aims to drive sustainable means of palm oil production through a two-prong strategy of generating high-yielding planting materials through marker-assisted selection while using environmentally-compatible microbial yield enhancers in estate applications. The ongoing goal of this approach is to achieve higher yields with less land and fertiliser input, thus enabling higher crop production even with the scarcity of land due to sustainability compliance and replanting activities.

During the period under review, ACGT continued with field trials of oil palm plantings screened with yield-associated markers. The trial, which started in 2015, now covers over 1,000 hectares across our Group's estates. This initiative aims to capitalise on ACGT's DNA marker technology developed through a decade-long investment in whole genome sequencing using ACGT's Titanium Platform Technology – the industry's most comprehensive oil palm reference genome. Preliminary findings from the first planted plots have generated encouraging results and our Group intends to improve its marker identification database with other yield component traits.

Complementing the research done by ACGT, GAT continues to implement ACGT's genomic techniques at the breeding stage. By leveraging on our Group's growing germplasm inventory and marker database, GAT has supplied our Group's estates with potentially high-yielding planting materials selected through genomic means. Through this approach, higher-yielding cultivars can be identified with greater precision in a shorter timeframe. In 2017, GAT continued to build upon its various collaborations, including the Department of Agriculture Sabah, to evaluate our Group's marker technology.

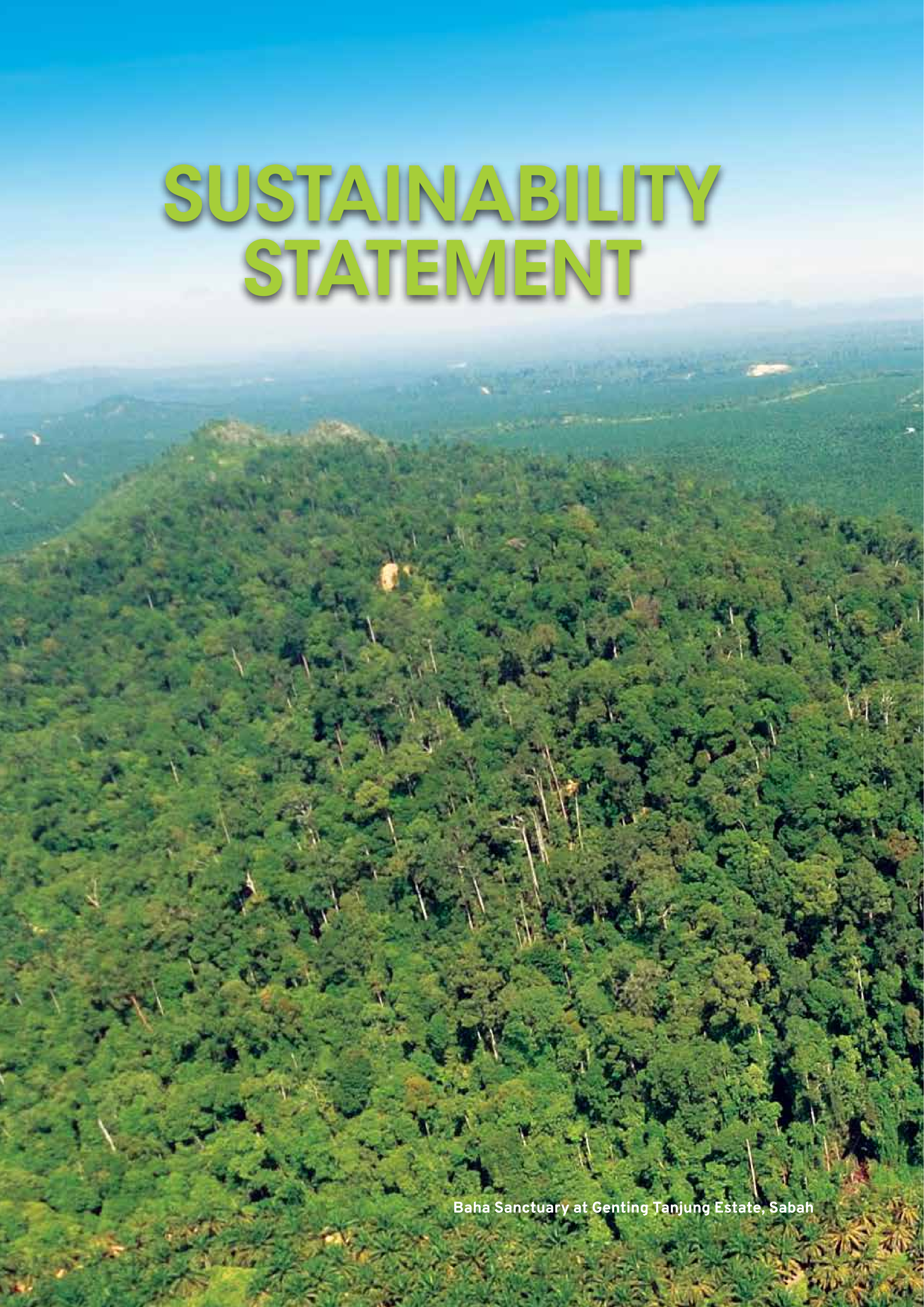
Yield Booster, a microbial-based biofertiliser developed exclusively by ACGT, is now being used on a large scale in several of our Group's estates. Since the start of trials in 2014, field data has demonstrated a reduction in inorganic fertiliser requirement by 25%, and an increase of up to 15% in crop yield are possible with Yield Booster application. Buoyed by these encouraging results, our Group will continue to increase Yield Booster application over a larger area while exploring avenues for commercialisation.

The palm oil industry continues to be threatened by the presence of basal stem rot ("BSR"), a disease fatally afflicting oil palms caused by the *Ganoderma boninense* fungus. Apart from the development of an organic, microbiological formulation to control the spread of the disease, ACGT has embarked on a method for early detection of the pathogen through the application of comparative genomics, which not only identifies the *Ganoderma* fungus but can differentiate between pathogenic and non-pathogenic variants. If proven effective and replicable, such a method, for which a patent has been filed, would be much sought after for replanting analysis and decision-making.

Moving forward, the Division will tap on "big data" analytics to consolidate the voluminous genomic data generated from the ACGT Titanium Platform Technology to unfold more innovations for oil palm improvement, which should see spillover effects for the development of its markers, microbial growth enhancers, and disease-prevention solutions.

Overview of some palms at field trial plots

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 22,493 as at 31 December 2017 with 8.004% Malaysians comprising Malay (6%), Chinese (1%), Indian (1%) and Others (0.004%) and the remaining 91.996% from other countries including but the not limited to Korea, India, Bangladesh, Philippines, Nepal, Sri Lanka, Pakistan, Thailand and Indonesia. The male to female employee ratios is 3:1; with age below 30 (57%) between 30 to 55 (42%) and above 55 (1%).

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 26 February 2018. Our Sustainability Report is available for download from www.gentingplantations.com/sustainability

HIGHLIGHTS OF GROUP'S KEY SUSTAINABILITY PERFORMANCE

ISPO
Certification for Mulia Oil Mill and its supply base in Indonesia

ISCC EU ISCC PLUS
- Successful re-certification of all palm oil mills and its supply bases in Malaysia
- Certifications for all biodiesel plants and refinery

RSPO
Certifications for palm oil mills and 4 supply bases, and refinery in Malaysia

MSPO
Certification for 1 palm oil mill and its supply base in Malaysia

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

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

ACGT Yield Booster
applied to 500 hectares of planted areas

1,000 hectares
planted with marker-screened oil palm seedlings

Over 22,400
employees

9 Humana Schools
with 764 students

To date,

9 scholars
benefitted from the Tan Sri (Dr.) Lim Goh Tong Endowment Fund

7 Community Learning Centres ("CLC")
with 145 students

CORPORATE GOVERNANCE OVERVIEW STATEMENT

It is the policy of the Company to manage the affairs of the Group, in particular the Company and its subsidiaries in accordance with the appropriate standards for good corporate governance.

The new Malaysian Code on Corporate Governance ("MCCG") issued in April 2017 supersedes the Malaysian Code on Corporate Governance 2012.

The MCCG covers three broad principles namely Board Leadership and Effectiveness, Effective Audit & Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company has completed the prescribed Corporate Governance Report for financial year 2017 which is made available at the Company's website at www.gentingplantations.com.

Set out below is a summary of the extent to which the Company has applied/adopted the practices encapsulated in the Principles of the MCCG save for certain departure/non-adoption of the Principles of the MCCG.

Principle A – Board Leadership and Effectiveness

I. Board Responsibilities

Intended Outcome

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the Company

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 1.1 The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.	Applied	The Board has overall responsibility for the proper conduct of the Company's business in achieving the objectives and long term goals of the Company. The Company's values and standards and the Board's responsibilities are set out in the Board's Charter. Corporate strategies as well as the annual plan are presented to the Board as part of the ongoing plans in achieving the objectives and long term goals of the Company by focusing on its core values and standards through the vision of the Company set out in the Board Charter mentioned in Practice 2.1 The details of Directors' attendance during the financial year 2017 are set out below:

Name of Directors	Number of Meetings Attended
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	#5 out of 5
Tan Sri Lim Kok Thay	#4 out of 5
Mr Lim Keong Hui	#5 out of 5
Encik Mohd Din Jusoh (Retired on 30 May 2017)	2 out of 2
Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	4 out of 4
Mr Quah Chek Tin	#5 out of 5
Mr Ching Yew Chye	#5 out of 5

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
		# An additional Board meeting was convened to approve the appointment of a Director who had retired at the 39th Annual General Meeting of the Company held on 30 May 2017 pursuant to Section 129 of the Companies Act, 1965.
Practice 1.2 A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.	Applied	The present Chairman of the Board is Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. The key responsibilities of the Chairman are provided in the Corporate Governance Report.
Practice 1.3 The positions of Chairman and CEO are held by different individuals.	Applied	The position of the Chairman of the Board is held by Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R) whilst the position of Chief Executive is held by Tan Sri Lim Kok Thay.
Practice 1.4 The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.	Applied	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.
Practice 1.5 Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.	Applied	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 clarification on the matters to be deliberated at Board meetings. The minutes of meetings are prepared and circulated to all the Directors for their review and approval.

2.0 There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 2.1 The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies– • the respective roles and responsibilities of the board, board committees, individual directors and management; and • issues and decisions reserved for the board.	Applied	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 at www.gentingplantations.com.

3.0 The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 3.1 The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering. The Code of Conduct and Ethics is published on the company's website.	Applied	The Company has a Code of Conduct and Ethics ("Code") which applies to all employees and Directors of the Group and its subsidiaries. The Code, together with other related policies, procedures and guidelines which are disseminated to employees at the Company's intranet portal, sets out the principles to guide standards of behaviour and business conduct when employees and directors deal with third party and these are integrated into company-wide management practices. The Directors observe the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. Both the Codes can be viewed from the Company's website at www.gentingplantations.com.
Practice 3.2 The board establishes, reviews and together with management implements policies and procedures on whistleblowing.	Applied	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

II. Board Composition

Intended Outcome

4.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 4.1 At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.	Applied	The Board has eight members, comprising one Executive Director, two Non-Independent Non-Executive Directors and five Independent Non-Executive Directors which fulfils the requirement of the Board comprising a majority of independent directors.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 4.2 The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.	Departure	The Board noted that the tenure of an independent director should not exceed a cumulative term of nine 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 each 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad. 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. In relation to the criteria to assess independence of directors, the Board had adopted the same criteria used in the definition of "independent directors" prescribed by the MMLR. Accordingly, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R), Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) and Mr Quah Chek Tin who have been Independent Non-Executive Directors of the Company since 1 July 2005, 21 May 2007 and 8 October 2008 respectively, will continue to be Independent Directors of the Company, notwithstanding having served as independent directors on the Board for more than 9 years. All the three Directors are distinguished and well known figures in their field of expertise and being conversant with the Group's businesses, they bring valuable insights and contributions to the Board.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
		For the financial year ended 31 December 2017, each of the 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 four Independent Non-Executive Directors of the Company, namely Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R), Lt. Gen. Dato' Abdul Ghani bin Abdullah (R), Mr Quah Chek Tin and Mr Ching Yew Chye continue to demonstrate conduct and behaviour 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 the interests of the Company and its shareholders as a whole. 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 shareholders of the Company, if there are any conflict of interests with the Company and if they have been convicted of any offence 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 Annual General Meeting.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
		The Independent Non-Executive Directors serving more than nine years are persons with high caliber and their vast knowledge and experience contributes positively to the growth of the Group. If the Board, including Independent Non-Executive Directors serving more than 9 years, is able to continuously give their best efforts by using their expertise and skills to contribute positively towards the stewardship of the Company to attain greater heights, they should remain as Independent Non Executive Directors of the Company as the intended outcome is achieved as they are able to make objective decision, in the best interest of the Group taking into account diverse perspectives and insights.
Practice 4.3 - Step Up The board has a policy which limits the tenure of its independent directors to nine years.	Not adopted	
Practice 4.4 Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.	Applied	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 and senior management.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 4.5 The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.	Departure	As explained in Practice 4.4 above, for the selection of Board members, the Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organisation. The Board is mindful of the target of at least 30% women directors and has taken the initial step of appointing a female director to the Board on 26 February 2018 where Tan Sri Dato' Sri Zaleha binti Zahari was appointed. Currently, there are 7 male Directors and 1 female Director. The racial composition of the Board is 38% Malay and 62% Chinese. 13% of the Directors are between the ages of 30 and 55 and the remaining 87% are above 55 years old. Amongst others, the measure taken by the Board is for any vacant Board position in the future, the Board when sourcing for suitable candidates, consideration is given to identify suitably qualified women candidates in line with the recommendation of the Malaysian Code on Corporate Governance.
Practice 4.6 In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.	Departure	The Nomination Committee of the Company has recommended a male candidate and a female candidate for appointment to the Board which fits the criteria requirements that the Board is looking for. The Board did not utilise independent sources to identify suitably qualified candidates as the management understand the specialised industry it operates in. Through its own network and bearing in mind the industry in which the Company operates in, the management would be in the best position to look for potential candidates with background which fits the criteria requirements. The Board is open to utilising independent sources to identify suitably qualified candidates, where necessary.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 4.7 The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.	Applied	The Chairman of the Nomination Committee, Mr Quah Chek Tin (chektin.quah@genting.com) has been designated as the Senior Independent Non-Executive Director identified by the Board pursuant to Practice 4.7 of the Malaysian Code on Corporate Governance. The role of the senior independent director is set out in Practice 2.1 above. 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 Nomination Committee met two times during the financial year ended 31 December 2017 where all the members attended. The main activities carried out by the Nomination Committee during the financial year ended 31 December 2017 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; (e) assessed and recommended to the Board, the effectiveness of the Board, Board Committees and individual Directors, including the Chief Executive; and (f) considered and recommended to the Board, the appointment of Mr Yong Chee Kong as a Non-Independent Non-Executive Director of the Company based on a set of prescribed criteria, including but not limited to skills, knowledge, expertise and experience, professionalism and integrity.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
		In February 2018, the Nomination Committee considered and recommended to the Board, the appointment of Tan Sri Dato' Sri Zaleha binti Zahari as an Independent Non-Executive Director of the Company based on a set of prescribed criteria, including but not limited to skills, knowledge, expertise and experience, professionalism and integrity. In addition, evaluation of her ability to discharge responsibilities/ functions as expected from independent non-executive director.

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 5.1 The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome. For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.	Applied	The process of assessing the Directors is an on-going responsibility of the Nomination Committee and 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. In respect of the assessment for the financial year ended 31 December 2017 which was internally facilitated, the Nomination Committee and the Board were 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 Board is mindful of the gender diversity relating to women directors and has taken the initial step as explained in Practice 4.5 above. The Board took cognisance of Practice 5.1 and at the appropriate time, periodically engages independent experts to facilitate the annual assessment.

III. Remuneration

Intended Outcome

6.0 The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 6.1 The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.	Applied	The Company has established a formal remuneration policy for the Executive Directors and senior management to align with business strategy and long term objectives of the Company and its subsidiaries. The Board, as a whole, determines the level of fees of Non-Executive Directors and Executive Directors. The policies and procedures are made available on the company's website at www.gentingplantations.com.
Practice 6.2 The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management. The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's websites.	Applied	The Remuneration Committee is responsible for making recommendations to the Board on the remuneration packages of Executive Directors and members of the Board Committees whilst the Board is responsible for making recommendations for the employees including senior management. The Remuneration 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.

7.0 Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 7.1 There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.	Applied	The details of the Directors' remuneration received in 2017 on a named basis are set out in the Appendix A of this Corporate Governance Overview Statement.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 7.2 The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.	Departure	The Company has proposed to provide the information from a different perspective which could also achieved the same intended outcome. The top five senior management (excluding executive directors) of the Group are Mr Tan Kong Han, Mr Tan Wee Kok, Mr Lee Ser Wor, Mr Tan Cheng Huat and Mr Choo Huan Boon (their designations as disclosed in the Annual Report 2017). The aggregate remuneration of these executives received in 2017 was RM6.32 million, representing 1.87% of the total remuneration of the Group. The remuneration of the aforesaid top five senior management is a combination of an annual salary, bonus, benefits in-kind and other emoluments which are determined in a similar manner as other management employees of the Group. This is based on thier individual performance, the overall performance of the Group, inflation and benchmarked against other companies operating in similar industries in the region. The basis of determination has been applied consistently from previous years.
Practice 7.3 - Step Up Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.	Not Adopted	

Principle B – Effective Audit and Risk Management

I. Audit Committee

Intended Outcome

8.0 There is an effective and independent Audit Committee. The board is able to objectively review the Audit Committee's finding and recommendations. The company's financial statement is a reliable source of information.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 8.1 The Chairman of the Audit Committee is not the Chairman of the board.	Applied	The Chairman of the Audit and Risk Management Committee is Mr Quah Chek Tin, an Independent Non-Executive Director of the Company.
Practice 8.2 The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.	Applied	The Terms of Reference of the Audit and Risk Management Committee has been revised to include a cooling-off period of at least two years before a former key audit partner could be appointed as a member of the Audit and Risk Management Committee to safeguard the independence of the audit of the financial statements.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 8.3 The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.	Applied	The Audit and Risk Management 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 external auditors are also required to provide confirmation to the Audit and Risk Management 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 Audit and Risk Management Committee is satisfied with the suitability and independence of the external auditors based on the quality and competency of services delivered, sufficiency of the firm and professional staff assigned to the annual audit as well as the non- audit services performed for the financial year ended 31 December 2017 and has recommended their re-appointment for the financial year ending 31 December 2018.
Practice 8.4 - Step Up The Audit Committee should comprise solely of Independent Directors.	Adopted	The Audit and Risk Management Committee of the Company consists of four members, who are all Independent Non-Executive Directors.
Practice 8.5 Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.	Applied	The members of the Audit and Risk Management Committee of the Company comprised at least one member with the requisite accounting qualification based on the requirement of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Members of the Audit and Risk Management Committee are financial literate as they continuously keep themselves abreast with the latest development in the new accounting and auditing standards and the impact it may have on the Group through briefings by the management and the external auditors. During the financial year ended 31 December 2017, 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, including Mandatory Accreditation Programme for new Directors.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
		The courses and training programmes attended by the Directors in 2017 are attached as Appendix B. The Directors are also required by the Companies Act, 2016 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 financial position of the Group and of the Company at the end of the financial year and of the financial performance 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 in the audited Financial Statements for the financial year ended 31 December 2017 of the Company.

II. Risk Management and Internal Control Framework

Intended Outcome

9.0 Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 9.1 The board should establish an effective risk management and internal control framework.	Applied	The Board is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity. The Board affirms its overall responsibility for establishing an effective risk management and internal control framework which is in place and has been enhanced over the years.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 9.2 The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.	Applied	The internal control and risk management framework of the Company are designed to manage rather than eliminate risks, and to provide reasonable but not absolute assurance against any material misstatement or loss. Features of the internal control and risk management framework of Genting Plantations Berhad are set out in the Statement on Risk Management and Internal Control.
Practice 9.3 - Step Up The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.	Adopted	The Audit Committee of the Company which has been assisting the Board in carrying out, among others, the responsibility of overseeing the Company and its subsidiaries' risk management framework and policies, has been renamed as "Audit and Risk Management Committee" with effect from 29 December 2017.

10.0 Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 10.1 The Audit Committee should ensure that the internal audit function is effective and able to function independently.	Applied	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 Internal Audit has an Audit Charter approved by the Audit & Risk Management Committee, which define the mission & objectives, roles & responsibilities, independence, authority, audit standards & code of ethics, audit scope & methodology and audit reporting. The Internal Audit function is headed by Mr. Koh Chung Shen ("Head of Internal Audit" or "Mr. Koh"). He reports functionally to the Audit & Risk Management Committee and administratively to the senior management of the Company. The competency and working experience of Mr Koh and the internal audit team as disclosed in Practice 10.2. The details of the scope of work, performance evaluation and budget of the internal audit function are set out in the Corporate Governance Report.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 10.2 The board should disclose– • whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence; • the number of resources in the internal audit department; • name and qualification of the person responsible for internal audit; and • whether the internal audit function is carried out in accordance with a recognised framework.	Applied	The head of internal audit and other internal audit personnel are independent from the operational activities of the Company and they do not hold management authority and responsibility over the operations that internal audit covers in its scope of works. For year 2017, the average number of internal audit personnel was 21 comprising degree holders and professionals from related disciplines with an average of 9 years of working experience per personnel. Mr. Koh Chung Shen is the head of internal audit. He joined the Company in November 2000 as Manager of Internal Audit and subsequently took over as Head of Internal Audit in November 2008. Mr. Koh started his career as an internal auditor in one of the financial institutions since then. Mr. Koh has in total 24 years of internal audit experience. The internal audit 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.

Principle C – Integrity in Corporate Reporting and meaningful relationship with stakeholders.

I. Communication with Stakeholders

Intended Outcome

11.0 There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respects to the business of the company, its policies on governance, the environment and social responsibility.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 11.1 The board ensures there is effective, transparent and regular communication with its stakeholders.	Applied	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 the relevant information to its stakeholders. The Group also participates in investor forums held locally and abroad and periodically organizes briefings and meetings with analysts and fund managers to give them a better understanding of the businesses of the Group.
Practice 11.2 Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.	Departure	The Company would review the need to adopt the integrated reporting based on a globally recognised framework at the appropriate time.

II. Conduct of General Meetings

Intended Outcome

12.0 Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 12.1 Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.	Applied	The Company serves the Notice of Annual General Meeting to the shareholders of the Company at least 28 days prior to the meeting for financial year 2017.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 12.2 All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.	Applied	The date of the Annual General Meeting of the Company is scheduled at the beginning of the calendar year to ensure that all the Directors are present to provide meaningful response to questions addressed to them. All the Directors attended the Annual General Meeting held on 30 May 2017.
Practice 12.3 Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate– • including voting in absentia; and • remote shareholders' participation at General Meetings.	Departure	This Practice 12.3 recommendation to leverage on technology is a new concept introduced and companies would need time to study the availability of such software and hardware as well as writing the programmes to facilitate such mode of voting.

The summary of the Corporate Governance practices gave a general overview of the application of the Corporate Governance and shareholders are advised to read the Corporate Governance Report for the full details.

Overall, the Company has applied 26 and adopted 2 out of the 36 Practices/Practice Step Up with 6 departures and 2 non-adoption under the Malaysian Code on Corporate Governance. This reflects the Board's strong support of the overall corporate governance objectives as encapsulated in the Malaysian Code on Corporate Governance for :-

- improving the Company's corporate governance practices by creating a healthy and dynamic corporate culture that is driven by the Board together with management;
- increasing the effectiveness of the board oversight function through the establishment of objective audit functions and committees charged with the oversight of internal controls, risk and reporting; and
- enhancing the Company's communication with shareholders and other stakeholders through transparent and timely communication.

Notwithstanding the Company's departures from Practices such as seeking annual approval of the shareholders to retain an independent directors beyond 9 and 12 years (Practice 4.2) and policy for the Board to have at least 30% women directors (Practice 4.5), the Board will continue to evaluate and assess the Practices and at the appropriate time, take the appropriate steps to narrow the gap, especially for women directors where initial steps had been taken to appoint a first female director to its Board. On Practice 4.6 where the Board is recommended to utilise independent sources to identify suitably qualified candidates, the Board is open to use such facilities where necessary. On Practice 7.2, on the disclosure on named basis the top five senior management's remuneration, the alternative information provided should meet the intended objective.

Apart from the above, the key area of focus and priorities in the future include preparation of the Company for the adoption of integrated reporting based on globally recognised framework (Practice 11.2) as well as facilitating voting in absentia and remote shareholders' participation at general meetings (Practice 12.3) within a time frame of 2 to 5 years.

The stewardship of the Company under the leadership of the present Board ensures that the decisions are made objectively in the best interest of the Company, taking into account diverse perspectives and insights.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors dated 26 February 2018.

Appendix A

Group/Company
Details of Directors' Remuneration received in 2017

Amount in RM million	SALARIES & BONUS	DEFINED CONTRIBUTION PLAN	FEES	ESTIMATED MONETARY VALUE OF BENEFITS IN-KIND	RETIREMENT GRATUITY	TOTAL
EXECUTIVE						
TAN SRI LIM KOK THAY	0.541	0.103	0.085	-	-	0.729
NON-EXECUTIVE						
GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)	-	-	0.167	0.005	-	0.171
MR LIM KEONG HUI (Resigned as Chief Information Officer on 5 May 2017)	0.287	0.043	0.085	-	-	0.415
MOHD DIN BIN JUSOH (Retired on 30 May 2017)	-	-	0.111	0.044	0.519	0.673
LT. GEN DATO' ABDUL GHANI BIN ABDULLAH (R)	-	-	0.109	0.006	-	0.114
MR QUAH CHEK TIN	-	-	0.115	-	-	0.115
MR CHING YEW CHYE	-	-	0.106	0.005	-	0.111

Appendix B

THE FOLLOWING ARE THE COURSES AND TRAINING PROGRAMMES ATTENDED BY THE DIRECTORS IN 2017

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	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye @ Chng Yew Chye
Bursa Malaysia's Sustainability Forum 2017: "The Velocity of Global Change & Sustainability - The New Business Model" by Bursa Malaysia Securities Berhad.					•		
AIA: Management Briefing on Cybersecurity.							•
The Listed Company Directors (LCD) Programme - LCD1: Understanding the Regulatory Environment by The Singapore Institute of Directors.							•
HK Research - Focus Group 4.				•			
Corporate Governance, Directors' Duties and Regulatory Updates Seminar 2017 by Aram Global Sdn Bhd.						•	
Breakfast Talk on CG Watch 2016 entitled "Ecosystems Matter" by Malaysian Directors Academy and The Iclif Leadership and Governance Centre.		•					•
The Listed Company Directors (LCD) Programme - LCD3: Risk Management Essentials by The Singapore Institute of Directors.							•
"Geeks On An Island" by RW Tech Labs.				•			
Directors' Guide to Crisis Management and Leadership during crisis by Institute of Enterprise Risk Practitioners					•	•	
The New Companies Act 2016 "Raising the Bar For Directors" by Aram Global Sdn Bhd and Affin Holdings Berhad.		•					
A New Era of Auditor Reporting: "Insights for Investors" by the Malaysian Institute of Accountants (MIA) in collaboration with the Minority Shareholder Watchdog Group (MSWG) and supported by Bursa Malaysia Securities Berhad.					•		
Ted 2017: The Future You by TED Conferences, LLC, New York.				•			
The Audit Committee Institute Breakfast Roundtable 2017 by The Audit Committee Institute in Malaysia.					•		
1st Distinguished Board Leadership Series 2017: "Efficient Inefficiency: Making Boards Effective in a Changing World" by Professor Jeffrey L. Sampler.							•
Cyber Fraud for Board by Asian World Summit Sdn Bhd.						•	
Wild Digital Southeast Asia, Malaysia.				•			

Appendix B

THE FOLLOWING ARE THE COURSES AND TRAINING PROGRAMMES ATTENDED BY THE DIRECTORS IN 2017 (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	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye @ Chng Yew Chye
Latest Updates on Directors' Remuneration in Compliance with the Companies Act and the Upcoming Amendment to the Listing Requirements 2017 by Aram Global Sdn Bhd and Affin Holdings Berhad.		•					
Forbes Asia Forum: The Next Typhoon "A Generation Emerges" by Forbes Asia.				•			
36th Management Conference (Plantation Division) of Genting Plantations Berhad ("GENP") Theme: "Building Value Through Integration and Innovation" - Malaysia: Proven Mechanization For Labour Reduction by Encik Abdul Rahim Wilson Abdullah. - Indonesia: Successful Flood Mitigation & Water Management at PT. GAL by Encik Sazale Bin Saar - Oleochemicals/Bio Refinery - Overview on Processes and Market Trends by Ir Qua Kiat Seng, Advisor AOMG. - Palm Oil Long / Short Term Outlook & How GENP Stack Up by Ms Tan Ting Min, Head of Research, Credit Suisse. - My Story, My Brand - Founder of Sirivat Sandwich - Overcoming Crisis & Business Adversity by Mr Sirivat Voravetvuthikun.		•		•	•	•	•
Risk Management on Corporate Governance by Affin Bank Berhad.		•					
29th Annual Senior Managers' Conference 2017 of Genting Malaysia Berhad - Theme: Strategic Transformation lead by Professor George Yip. - Introduction: What is strategy? - Business strategies (Group Discussion and Presentation). - Strategic execution plan (Group Discussion). - Strategic transformation needs (Group Discussion and Presentation). - Strategic transformation plans (Group Discussion and Presentation).		•	•	•	•		
International Forum on Asia Pacific Retailers Convention & Exhibition 2017 (APRCE)		•					
1/2 day Talk on Code of Corporate Governance 2016 & The Companies Act 2016		•					
Establishing an empowered Audit Committee by Institute of Enterprise Risk Practitioners						•	
Briefing on the Malaysian Code on Corporate Governance 2017 by PricewaterhouseCoopers.					•		

Appendix B

THE FOLLOWING ARE THE COURSES AND TRAINING PROGRAMMES ATTENDED BY THE DIRECTORS IN 2017 (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	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye @ Chng Yew Chye
Forbes Global CEO Conference: The Next Century (Hong Kong) by Forbes Asia.				•			
Advocacy session on corporate disclosure for directors and principal officers of listed issuers by Bursa Malaysia Berhad.					•		
"Focus Group Session on the Proposed Revision of the Corporate Governance Guide" by Bursa Malaysia Berhad.					•		
Information Session Tsinghua University PBCSF 'Belt & Road' Finance EMBA Program by Tsinghua University PBC School of Finance.				•			
Independent Directors Programme: "The Essence of Independence" by Bursa Malaysia Berhad					•		
Briefing on the Companies Act 2016 by Bintulu Port Holdings Berhad.		•					
Tax Seminar - The 2018 Budget organised by Genting Group.					•		•
Cyber security risk implications and the implications of MFRS 9 on the business strategy – by PricewaterhouseCoopers.		•					
30% Club Business Leaders Roundtable Meeting by Securities Commission Malaysia.					•		
Risk Governance Framework for Islamic Banks by Affin Bank Berhad.		•					

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit Committee was established on 26 July 1994 to serve as a Committee of the Board. In line with the recommendation of the Malaysian Code on Corporate Governance, the Audit Committee of the Company which has been assisting the Board in carrying out, among others, the responsibility of overseeing the Company and its subsidiaries' risk management framework and policies has been renamed as Audit and Risk Management Committee ("Committee") on 29 December 2017.

In compliance with the Malaysian Code on Corporate Governance, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R) relinquished his Chairman position to Mr Quah Chek Tin on 29 December 2017 and remained as a member of the Committee.

MEMBERSHIP

The present members of the Committee comprise:

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
Mr Ching Yew Chye	Member/Independent Non-Executive Director

TERMS OF REFERENCE

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

ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR 2017

The Committee held a total of six (6) meetings. Details of attendance of the 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	^3 out of 3
Lt. Gen. Dato' Abdul Ghani Bin Abdullah (R)	6 out of 6
Mr Ching Yew Chye	6 out of 6

^ *Encik Mohd Din Jusoh retired on 30 May 2017 immediately after the conclusion of the 39th Annual General Meeting.*

* *The total number of meetings include the special meetings held between members of the 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 2017

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

During the financial year ended 31 December 2017, 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 and deliberated 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, objectivity 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 2016 and recommended for their approval by the Board;

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

xi) reviewed the 2016 Annual Report of the Company, including the Committee's Report, Sustainability Report and Statement on Risk Management and Internal Control.

HOW THE COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR 2017

1. Financial Reporting

The 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 financial position, financial performance 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 for Entities Other Than Private Entities and the requirements of the Companies Act 2016 in Malaysia 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 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 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 Committee and highlighted and addressed by the external auditors in their audit report.

The 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 Committee for recommendation to the Board for approval. Non-audit fees and non-audit related costs 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 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 Committee meetings were held on 21 February 2017 and 22 August 2017 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 Committee, and the Committee can be sufficiently assured that management has fully provided all relevant information and responded to all queries from the external auditors.

The external auditors shared their observations on significant operational matters and key audit findings, including internal controls.

3. Internal Audit

The Group has an adequately resourced internal audit function to assist the Board in maintaining a sound system of internal control. The internal audit department of the Company reports to the 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 objectively 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 Committee reviewed and approved the 2018 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 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 and 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 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 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 2017 amounted to RM4.05 million.

4. Related Party Transactions

Related party transactions of the Company and its subsidiaries which exceeded pre-determined thresholds were reviewed by the 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 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 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 Committee also reviewed the adequacy and effectiveness of the internal control system to ensure compliance with 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 the 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 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 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 70 to 72 of the Annual Report.

This Audit and Risk Management Committee Report is made in accordance with a resolution of the Board of Directors dated 26 February 2018.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

BOARD RESPONSIBILITY

The Board of Directors ("the Board") affirms its overall responsibility for establishing an effective risk management and internal control framework for Genting Plantations Berhad ("the Company") and for reviewing its adequacy and effectiveness. The Board recognises that business decisions involve the taking of appropriate risks and hence, necessary actions need to be taken to understand the principal risks and monitor that risks are being managed within the risk appetite.

Through the years, the risk management framework has been enhanced to ensure that the ongoing risk management processes are able to identify, analyse, evaluate, and manage significant risks within the risk tolerance levels and risks that may impede the achievement of the business and corporate objectives of Genting Plantations Berhad Group of Companies' ("the Group"), are effectively mitigated. It should be noted that the internal control system is designed to manage rather than eliminate risks, and provides 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. In line with its responsibilities, the Audit Committee has been renamed the Audit and Risk Management Committee ("ARMC") on 29 December 2017.

MANAGEMENT RESPONSIBILITIES

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

- Institutionalise the risk management practices in the respective business units.
- Ensure the effectiveness of the risk management policies and processes.
- Ensure that relevant risks that may impede the achievement of objectives are identified and appropriate mitigating actions have been implemented.
- Review significant changes in the risk profiles and emerging risks, taking into consideration the changing business and regulatory environment; ensuring that appropriate actions are taken; and communicating them to the ARMC and the Board.

The RBCMC comprises senior management of the Group and is chaired by the Chief Financial Officer. The RBCMC met on a quarterly basis in 2017 to ensure the continual effectiveness, adequacy and integrity of the risk management system and key matters were escalated to the ARMC and the Board for deliberation and approval.

INTERNAL AUDIT FUNCTION

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

Key elements of the Group's internal control system are as follows:

- The Board and the ARMC meet every quarter to discuss business and operational matters raised by Management, Internal Audit and the external auditors 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 significant findings detected. Management takes appropriate action on these internal control recommendations.
- The Board has delegated the responsibilities to various committees established by the Board and Management of the Company to implement and monitor the Board's policies on controls.
- 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 and operational requirements as well as statutory reporting needs.
- Performance and cash flow reports are provided to the Management and Executive Committee ("EXCO") to facilitate review and monitoring of financial performance and cash flow position.
- Business/ Operating Units present their annual budget, which includes financial and operating targets, capital expenditure proposals and performance indicators for approval by the EXCO.

- Quarterly results are compared with the budget to identify and where appropriate, to address significant variances from the budget.

- A whistleblower policy is in place and anyone who has a genuine concern on detrimental actions or improper conduct may raise it using the confidential channels laid out in the policy.

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 of 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 ARMC. 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.

The internal audit reviews during the financial year had identified some weaknesses in internal control. These weaknesses have not materially impacted the business or operations of the Group and are not deemed significant. Management has either taken the necessary measures to address these weaknesses or is in the process of addressing them.

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 and reviews 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 risk management practices adopted by the Group are aligned with the principles of ISO 31000: 2009 Risk Management Principles and Guidelines.

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

Key aspects of the risk management process during the year under review were:

- Risks were identified by each key business function or activity along with assessments of the probability and impact of their occurrence. The level of residual risk was determined after identifying and evaluating the effectiveness of existing controls and mitigating measures.

- The risk profiles were re-examined on a six monthly basis and Business/ Operations Heads provided a confirmation that the review was carried out and that action plans were being monitored.

- The Risk Management facilitated discussions with Business/ Operations Heads to assess the reasonableness of the risks identified and the appropriateness of the proposed mitigating actions.

- On a quarterly basis the RBCMC and EXCO met to review the status of risk reviews, the significant risks identified and the progress of implementation of action plans. Consequently, a risk management report summarising the significant risks and/or status of action plans of the respective Business/ Operating Units was presented to the ARMC for review, deliberation and recommendation for endorsement by the Board.

KEY RISKS FOR 2017

a. Financial Risk

   The Group is exposed to foreign currency exchange, interest rate, credit, price and liquidity risks. With the objective of optimising the value creation for shareholders, the strategies adopted to manage these risks were mostly to minimise potential adverse impacts to the financial performance of the Group. These include entering into forward foreign currency exchange contracts, entering into floating-to-fixed interest rate swaps, a comprehensive insurance program and adherence to financial risk management policies.

b. Security Risk

The Group is exposed to external threats to its assets, employees and resources, which may interrupt business operations, threaten the safety of employees, impair the Group's reputation and/or result in financial loss. In light of this, the Group employs vigilant security screening and monitoring at all its key properties and assets.

c. Business Continuity Risk

The daily business activities of the Group may be disrupted by failure of IT systems, cyber-attacks, a major health pandemic or even inaccessibility to the workplace. Appropriate systems with adequate capacity, security arrangements, facilities and resources to mitigate risks that may cause interruption to critical business functions have been put in place. Respective departments have established their Disaster Recovery and Business Continuity Management Plans. These plans were reviewed and updated and tests were also conducted, including on the core IT systems to ascertain the preparedness in response to prolonged business disruption situations. Findings and feedbacks were gathered post exercise and analysed for continual improvement.

d. Cybersecurity Risk

The Group is exposed to the risk of malware, ransomware, unauthorised access, corruption and/or loss of its information assets. To manage these risks, processes are in place to manage and protect the confidentiality, integrity, and availability of data and critical infrastructure. Amongst others, network gateway protection systems limit, manage and monitor network traffic and accessibility to the Group's systems; anti-malware software is installed in major systems and endpoints; and encryption is used to protect critical and confidential data. Any notifications and alerts received for suspicious network traffic will be investigated. Regular maintenance of the Group's systems are carried out and action is taken to close any identified gaps.

CONCLUSION

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.

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.

The disclosures in this statement do not include the risk management and internal control practices of the Company's jointly controlled and associated companies. The Company's interests in these entities are safeguarded through the appointment of members of the Company's senior management to the boards of directors of the investee companies and, in certain cases, the management committees of these entities. Additionally, where necessary, key financial and other appropriate information on the performance of these entities are obtained and reviewed periodically.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

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 2015) issued by the Malaysian Institute of Accountants.

RPG 5 (revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement on Risk Management & Internal Control is made in accordance with a resolution of the Board dated 26 February 2018.

DIRECTORS' REPORT AND STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of **GENTING PLANTATIONS BERHAD** have pleasure in submitting their report together with their statement pursuant to Section 251(2) of the Companies Act 2016 therein and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

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 42 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	461,127	627,202
Taxation	(116,339)	(4,786)
Profit for the financial year	344,788	622,416

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 30 May 2017.

As at 31 December 2017, the total number of shares purchased was 160,000 and held as treasury shares in accordance with the provision of Section 127(4) of the Companies Act 2016.

DIVIDENDS

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

(i) a special single-tier dividend of 11 sen per ordinary share amounting to RM87,805,333 in respect of the financial year ended 31 December 2016 was paid on 27 March 2017;

(ii) a final single-tier dividend of 8 sen per ordinary share amounting to RM64,253,821 in respect of the financial year ended 31 December 2016 was paid on 19 June 2017; and

(iii) an interim single-tier dividend of 5.5 sen per ordinary share amounting to RM44,176,621 in respect of the financial year ended 31 December 2017 was paid on 2 October 2017.

A special single-tier dividend of 11 sen per ordinary share in respect of the financial year ended 31 December 2017 has been declared for payment on 29 March 2018 to shareholders registered in the Register of Members on 13 March 2018. Based on the total number of issued shares (excluding treasury shares) of the Company as at 31 December 2017, the special dividend would amount to RM88,356,297.

The Directors recommend payment of a final single-tier dividend of 9.5 sen per ordinary share in respect of the financial year ended 31 December 2017 to 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 ordinary shares (excluding treasury shares) of the Company as at 31 December 2017, the final dividend would amount to RM76,307,711.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in Note 33 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, 9,360,660 new ordinary shares were issued by virtue of the exercise of 9,360,660 warrants to subscribe for 9,360,660 ordinary shares 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 BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016 (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 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 94,647,400 outstanding Warrants in the Company.

DIRECTORATE

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)
Tan Sri Lim Kok Thay
Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)*
Mr Quah Chek Tin
Mr Ching Yew Chye
Mr Lim Keong Hui
Mr Yong Chee Kong (Appointed on 1 January 2018)
Tan Sri Dato' Sri Zaleha Binti Zahari (Appointed on 26 February 2018)
Encik Mohd Din Jusoh (Retired on 30 May 2017)

* *Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) retired as Director of the Company at the conclusion of the Company's 39th Annual General Meeting held on 30 May 2017 in accordance with Section 129 of the Companies Act 1965 and was appointed as Director on the same day pursuant to a resolution of the Board of Directors of the Company dated 30 May 2017.*

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 51.56% equity interest in the Company as at 31 December 2017; 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	1.1.2017	Acquired	Disposed	31.12.2017
	(Number of ordinary shares)			
Shareholding in which the Director has direct interest				
Tan Sri Lim Kok Thay	369,000	-	-	369,000

DIRECTORS' REPORT AND STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016 (cont'd)

Interest in the Company (cont'd)	1.1.2017	Acquired	Disposed	31.12.2017
	(Number of ordinary shares)			
Shareholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	-	407,005,000[1]	-	407,005,000[1]
Mr Lim Keong Hui	-	407,005,000[1]	-	407,005,000[1]

	1.1.2017	Acquired	Exercised/ Disposed	31.12.2017
	(Number of warrants 2013/2019)			
Warrantholding in which a Director has direct interest				
Tan Sri Lim Kok Thay	73,800	-	-	73,800

	1.1.2017	Acquired	Exercised/ Disposed	31.12.2017
	(Number of warrants 2013/2019)			
Warrantholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	-	81,401,000[1]	-	81,401,000[1]
Mr Lim Keong Hui	-	81,401,000[1]	-	81,401,000[1]

Interest in Genting Berhad	1.1.2017	Acquired	Disposed	31.12.2017
	(Number of ordinary shares)			
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
Shareholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	-	1,630,411,110[2]	-	1,630,411,110[2]
Mr Lim Keong Hui	-	1,630,411,110[2]	-	1,630,411,110[2]
Interest of Spouse/Child of the Director				
Mr Quah Chek Tin	1,000,000	-	-	1,000,000

	1.1.2017	Acquired	Exercised/ Disposed	31.12.2017
	(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

DIRECTORS' REPORT AND STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016 (cont'd)

Interest in Genting Berhad (cont'd)	1.1.2017	Acquired	Exercised/ Disposed	31.12.2017
		(Number of warrants 2013/2018)		
Warrantholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	-	407,602,777[(2)]	-	407,602,777[(2)]
Mr Lim Keong Hui	-	407,602,777[(2)]	-	407,602,777[(2)]
Interest of Spouse/Child of the Director				
Mr Quah Chek Tin	250,000	-	-	250,000

Interest in Genting Malaysia Berhad	1.1.2017	Acquired	Disposed	31.12.2017
		(Number of ordinary shares)		
Shareholdings in which the Directors have direct interests				
Tan Sri Lim Kok Thay	4,349,800	3,778,100	-	8,127,900
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	125,600	-	186,800
Shareholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	-	2,796,992,189[(3)]	-	2,796,992,189[(3)]
Mr Lim Keong Hui	-	2,796,992,189[(3)]	-	2,796,992,189[(3)]

	1.1.2017	Granted on 16.3.2017	Vested on 16.3.2017	31.12.2017
		(Number of ordinary shares)		
Long Term Incentive Plan shares in the names of Directors				
Restricted Share Plan				
Tan Sri Lim Kok Thay	3,709,200[(4)]	494,225[(4)]	-	4,203,425[(4)]
Mr Lim Keong Hui	123,400[(4)]	60,000[(4)]	-	183,400[(4)]
Performance Share Plan				
Tan Sri Lim Kok Thay	9,524,748[(4)]	1,467,339[(4)]	3,778,100	7,213,987[(4)]
Mr Lim Keong Hui	315,738[(4)]	188,786[(4)]	125,600	378,924[(4)]

DIRECTORS' REPORT AND STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016 (cont'd)

Interest in Genting Singapore PLC	1.1.2017	Acquired	Disposed	31.12.2017
		(Number of ordinary shares)		
Shareholdings in which the Directors have direct interests				
Tan Sri Lim Kok Thay	12,695,063	750,000	-	13,445,063
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 deemed interests				
Tan Sri Lim Kok Thay	6,353,828,069(5)	-	-	6,353,828,069(5)
Mr Lim Keong Hui	6,353,828,069(5)	-	-	6,353,828,069(5)

	1.1.2017	Awarded	Vested	31.12.2017
		(Number of performance shares)		
Performance Shares in the name of the Director				
Tan Sri Lim Kok Thay	750,000(6)	-	750,000	-

Legend:

(1) Deemed interest by virtue of Tan Sri Lim Kok Thay ("TSLKT") and Mr Lim Keong Hui ("LKH") being beneficiaries of a discretionary trust of which Parkview Management Sdn Bhd ("PMSB") is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of Kien Huat International Limited ("KHI") which in turn owns 100% of the voting shares in Kien Huat Realty Sdn Berhad ("KHR"). KHR owns more than 20% of the voting shares of Genting Berhad ("GENT") which owns these Genting Plantations Berhad ("GENP") ordinary shares and warrants. As such, PMSB as trustee of the discretionary trust is deemed interested in the GENP ordinary shares and warrants held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT.

(2) Deemed interest by virtue of TSLKT and LKH being:

(i) beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares in KHR. As such, PMSB as trustee of the discretionary trust is deemed interested in the GENT shares and warrants held by KHR and Inverway Sdn Bhd ("Inverway"), a wholly-owned subsidiary of KHR, by virtue of its controlling interest in KHR and Inverway; and

(ii) beneficiaries of a discretionary trust of which First Names Trust Company (Isle of Man) Limited ("FNTC") is the trustee. Golden Hope Limited ("GHL") acts as trustee of the Golden Hope Unit Trust ("GHUT"), a private unit trust whose voting units are ultimately owned by FNTC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares and warrants in GENT.

Arising from the above, TSLKT and LKH have deemed interests in the shares of certain subsidiaries of GENT.

(3) Deemed interest by virtue of TSLKT and LKH being:

i) beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares in KHR. KHR owns more than 20% of the voting shares of GENT which owns these Genting Malaysia Berhad ("GENM") shares. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares of GENM held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT. PMSB as trustee of the discretionary trust is also deemed interested in the ordinary shares of GENM held by KHR by virtue of its controlling interest in KHR; and

ii) beneficiaries of a discretionary trust of which FNTC is the trustee. GHL acts as trustee of the GHUT, a private unit trust whose voting units are ultimately owned by FNTC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares in GENM.

DIRECTORS' REPORT AND STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016 (cont'd)

(4) Represents the right of the participant to receive ordinary shares subject to the performance conditions as determined by the Remuneration Committee of GENM.

(5) Deemed interest in accordance with the Singapore Securities and Futures Act (Cap. 289) on account of TSLKT and LKH being beneficiaries of a discretionary trust of which PMSB is the trustee.

PMSB as trustee of the discretionary trust is deemed interested in Genting Singapore PLC ("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.

(6) Represents the right of the participant to receive fully-paid ordinary shares of GENS free of charge, upon the participant satisfying the criteria set out in the Performance Share Scheme of GENS and upon satisfying such conditions as may be imposed.

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 remuneration 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, ("GENS") which in turn is an indirect 52.8% owned subsidiary of Genting Berhad ("GENT");

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

(c) been appointed by Resorts World at Sentosa Pte. Ltd., an indirect wholly-owned subsidiary of GENS, as the consultant for theme park and resort development and operations of the Resorts World Sentosa; and

(d) been appointed by Resorts World Las Vegas LLC, an indirect wholly-owned subsidiary of GENT, to provide design services as an Entertainment Design Consultant for the indoor Entertainment Street of the Resorts World Las Vegas project.

Mr Quah Chek Tin and Mr Lim Keong Hui are due to retire by rotation at the forthcoming Annual General Meeting ("AGM") in accordance with Paragraph 99 of the Constitution of the Company and they, being eligible, have offered themselves for re-election.

Lt. Gen. Dato' Abdul Ghani bin Abdullah (R), Mr Yong Chee Kong and Tan Sri Dato' Sri Zaleha binti Zahari are due to retire at the forthcoming AGM in accordance with Paragraph 104 of the Constitution of the Company and they, being eligible, have offered themselves for re-election.

DIRECTORS' REPORT AND STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016 (cont'd)

Details of the remuneration of the Directors of the Company are set out in Note 10 to the financial statements.

The names of the directors of subsidiaries where the shares are held by the Company are listed below (excluding directors who are also directors of the Company):

Mr Tan Kong Han
Mr Tan Wee Kok
Mr Lee Ser Wor
Mr Tan Cheng Huat
Mr Choo Huan Boon
Datuk Abidin bin Madingkir
Mr Chong Ming Kong
Dato' Justin Leong Ming Loong
Mr Narayanan Ramanathan
Datuk Chin Chee Kee
Datuk Mohd Hasnol bin Datuk Ayub
Datuk Haji Light Haji Nanis (alternate director to Datuk Mohd Hasnol)
Datuk Yap Yiw Sin (alternate director to Datuk Chin Chee Kee)
Mr John Lim Yeu Siang
Mr Robin Joseph Weitkamp
Mr Charles Gary Hepburn
Mr Christopher James Tushingham (alternate director to Mr Charles Gary Hepburn)

Total remuneration paid by these subsidiaries during the financial year was RM0.8 million.

INDEMNITY AND INSURANCE COSTS

The Directors and officers of the Group and the Company are covered by Directors and Officers Liability Insurance ("D&O") for any liability incurred in the discharge of their duties provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance is taken by Genting Berhad, the holding company of the Company, on a Genting Berhad Group basis. The premium borne by the Company for the D&O coverage during the financial year was approximately RM0.064 million.

OTHER STATUTORY INFORMATION

Before the financial statements 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;

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

(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; and

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

DIRECTORS' REPORT AND STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016 (cont'd)

(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.

SUBSIDIARIES

Details of subsidiaries of the Company are set out in Note 42 to the financial statements.

ULTIMATE HOLDING COMPANY

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

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R) and Lt. Gen. Dato' Abdul Ghani bin Abdullah (R), being two of the Directors of Genting Plantations Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 82 to 161, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and financial performance of the Group and of the Company for the financial year ended 31 December 2017 in accordance with Financial Reporting Standards, Malaysian Accounting Standards Board Approved Accounting Standards for Entities Other Than Private Entities and the requirements of the Companies Act 2016 in Malaysia.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) was registered on 2 January 2018 and with effect from that date, PricewaterhouseCoopers (AF 1146), a conventional partnership was converted to a limited liability partnership.

Details of Auditors' remuneration are set out in Note 8 to the financial statements.

Signed in accordance with a resolution of the Directors dated 26 February 2018.

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

LT. GEN. DATO' ABDUL GHANI BIN ABDULLAH (R)
Director

Kuala Lumpur
26 February 2018

FINANCIAL STATEMENTS

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2017	2016 Restated	**2017**	2016 Restated
Revenue	5&6	**1,804,250**	1,480,079	**746,646**	451,137
Cost of sales	7	**(1,181,684)**	(923,156)	**(64,989)**	(74,060)
Gross profit		**622,566**	556,923	**681,657**	377,077
Other income		**83,025**	220,202	**82,479**	76,200
Selling and distribution costs		**(46,448)**	(37,583)	**(6,910)**	(6,117)
Administration expenses		**(128,752)**	(120,296)	**(75,715)**	(69,605)
Other expenses		**(29,380)**	(135,890)	**(5,608)**	(299,970)
Operating profit		**501,011**	483,356	**675,903**	77,585
Finance cost		**(74,579)**	(59,573)	**(48,701)**	(46,327)
Share of results in joint ventures		**30,202**	21,139	**-**	-
Share of results in associates		**4,493**	3,849	**-**	-
Profit before taxation	5&8	**461,127**	448,771	**627,202**	31,258
Taxation	11	**(116,339)**	(121,280)	**(4,786)**	1,038
Profit for the financial year		**344,788**	327,491	**622,416**	32,296
Attributable to:					
- Equity holders of the Company		**337,710**	338,213	**622,416**	32,296
- Non-controlling interests		**7,078**	(10,722)	**-**	-
		344,788	327,491	**622,416**	32,296
Earnings per share for profit attributable to the equity holders of the Company:					
- basic (sen)	12	**42.13**	42.84		
- diluted (sen)	12	**40.72**	41.34		

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Amounts in RM'000 unless otherwise stated

	Group		Company	
	2017	2016 Restated	**2017**	2016 Restated
Profit for the financial year	**344,788**	327,491	**622,416**	32,296
Other comprehensive income/(loss), 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	**867**	1,011	**-**	-
	867	(12,247)	**-**	-
Items that will be reclassified subsequently to profit or loss:				
Fair value loss on available-for-sale financial assets	**(31,106)**	-		
Cash flow hedge	**5,528**	(360)	**26**	(26)
Foreign currency translation differences	**(148,613)**	46,822	**-**	-
	(174,191)	46,462	**26**	(26)
Other comprehensive (loss)/income for the financial year, net of tax	**(173,324)**	34,215	**26**	(26)
Total comprehensive income for the financial year	**171,464**	361,706	**622,442**	32,270
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	**176,921**	372,004		
Non-controlling interests	**(5,457)**	(10,298)		
	171,464	361,706		

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

Amounts in RM'000 unless otherwise stated

	Note	Group		
		31.12.2017	31.12.2016 Restated	1.1.2016 Restated
ASSETS				
Non-current assets				
Property, plant and equipment	14	**4,392,549**	3,811,281	3,349,143
Land held for property development	15	**260,226**	254,825	175,016
Investment properties	16	**25,115**	25,517	26,137
Plantation development	17	**-**	-	-
Leasehold land use rights	18	**641,053**	495,758	387,063
Intangible assets	19	**32,189**	34,628	145,684
Joint ventures	21	**108,096**	77,894	59,440
Associates	22	**12,871**	12,501	10,774
Available-for-sale financial assets	23	**94,548**	143,170	137,854
Other non-current assets	24	**12,897**	14,361	15,748
Deferred tax assets	25	**134,316**	92,556	134,314
		5,713,860	4,962,491	4,441,173
Current assets				
Property development costs	15	**31,218**	50,006	90,847
Inventories	27	**232,843**	174,278	98,078
Tax recoverable		**6,965**	13,112	25,175
Trade and other receivables	28	**397,318**	504,758	334,097
Amounts due from other related companies	29	**-**	-	3
Amounts due from joint ventures	21	**4,213**	3,759	3,203
Amounts due from associates	22	**356**	380	475
Derivative financial assets	36	**3,441**	424	-
Available-for-sale financial assets	23	**500,001**	500,006	500,006
Restricted cash	30	**357,300**	-	-
Cash and cash equivalents	30	**1,221,674**	1,260,266	1,424,897
		2,755,329	2,506,989	2,476,781
Assets classified as held for sale	26	**-**	6,034	5,373
		2,755,329	2,513,023	2,482,154
Total assets		**8,469,189**	7,475,514	6,923,327

STATEMENTS OF FINANCIAL POSITION (cont'd)
AS AT 31 DECEMBER 2017

Amounts in RM'000 unless otherwise stated

	Note	Group		
		31.12.2017	31.12.2016 Restated	1.1.2016 Restated
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital	31	**841,340**	397,019	391,331
Reserves	32 & 33	**3,492,816**	3,883,906	3,469,376
		4,334,156	4,280,925	3,860,707
Non-controlling interests		**235,315**	255,380	265,720
Total equity		**4,569,471**	4,536,305	4,126,427
Non-current liabilities				
Borrowings	37	**2,559,068**	2,315,708	2,232,537
Provision for retirement gratuities	35	**14,292**	12,469	9,511
Derivative financial liabilities	36	**128**	2,073	512
Deferred tax liabilities	25	**308,709**	143,357	121,350
Deferred income	38	**8,493**	8,493	8,493
		2,890,690	2,482,100	2,372,403
Current liabilities				
Trade and other payables	34	**367,045**	412,350	361,272
Amount due to ultimate holding company	29	**1,118**	960	1,566
Amounts due to other related companies	29	**1,142**	1,112	2,173
Borrowings	37	**625,312**	29,097	56,896
Derivative financial liabilities	36	**9**	574	1,350
Taxation		**14,402**	13,016	1,240
		1,009,028	457,109	424,497
Total liabilities		**3,899,718**	2,939,209	2,796,900
Total equity and liabilities		**8,469,189**	7,475,514	6,923,327

STATEMENTS OF FINANCIAL POSITION (cont'd)

AS AT 31 DECEMBER 2017

Amounts in RM'000 unless otherwise stated

	Note	Company		
		31.12.2017	31.12.2016 Restated	1.1.2016 Restated
ASSETS				
Non-current assets				
Property, plant and equipment	14	**312,653**	328,349	347,285
Plantation development	17	**-**	-	-
Subsidiaries	20	**3,378,726**	3,095,284	2,514,996
Associates	22	**2,123**	2,123	2,123
Other non-current assets	24	**8,000**	8,000	8,000
		3,701,502	3,433,756	2,872,404
Current assets				
Inventories	27	**1,839**	1,598	938
Tax recoverable		**3,785**	7,613	10,058
Trade and other receivables	28	**5,789**	38,053	58,294
Amounts due from subsidiaries	20	**1,397,785**	783,375	1,005,512
Amounts due from other related companies	29	**1,858**	1,200	788
Amounts due from associates	22	**356**	380	475
Available-for-sale financial assets	23	**500,001**	500,006	500,006
Restricted cash	30	**357,300**	-	-
Cash and cash equivalents	30	**790,793**	827,754	1,013,797
		3,059,506	2,159,979	2,589,868
Total assets		**6,761,008**	5,593,735	5,462,272

Amounts in RM'000 unless otherwise stated

	Note	Company		
		31.12.2017	31.12.2016 Restated	1.1.2016 Restated
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital	31	**841,340**	397,019	391,331
Reserves	32 & 33	**4,120,585**	4,066,154	3,991,209
Total equity		**4,961,925**	4,463,173	4,382,540
Non-current liabilities				
Borrowings	37	**236,640**	-	-
Amount due to a subsidiary	20	**1,000,000**	1,000,000	1,000,000
Provision for retirement gratuities	35	**12,511**	10,872	7,068
Deferred tax liabilities	25	**28,245**	31,246	31,140
		1,277,396	1,042,118	1,038,208
Current liabilities				
Trade and other payables	34	**22,191**	19,770	20,699
Amount due to ultimate holding company	29	**1,118**	960	1,566
Amounts due to subsidiaries	20	**177,120**	66,682	17,101
Amounts due to other related companies	29	**1,141**	1,006	2,158
Borrowings	37	**320,117**	-	-
Derivative financial liabilities	36	**-**	26	-
		521,687	88,444	41,524
Total liabilities		**1,799,083**	1,130,562	1,079,732
Total equity and liabilities		**6,761,008**	5,593,735	5,462,272

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Amounts in RM'000 unless otherwise stated

	Attributable to equity holders of the Company											
Group	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	Non-controlling Interests	Total Equity
At 1 January 2017, as previously reported	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
Effect of change in accounting policy *(see Note 2(d))*	-	-	-	-	-	(10,191)	-	-	(384,418)	(394,609)	(34,308)	(428,917)
At 1 January 2017, as restated	397,019	356,384	171,015	18,063	40,679	2,944	(1,279)	(1,372)	3,297,472	4,280,925	255,380	4,536,305
Profit for the financial year	-	-	-	-	-	-	-	-	337,710	337,710	7,078	344,788
Other comprehensive income/(loss)	-	-	-	-	(31,106)	(135,355)	5,012	-	660	(160,789)	(12,535)	(173,324)
Total comprehensive income/(loss) for the financial year	-	-	-	-	(31,106)	(135,355)	5,012	-	338,370	176,921	(5,457)	171,464
Transactions with owners:												
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	-	-	-	(11,849)	(11,849)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(11,849)	(11,849)
Issue of shares upon exercise of warrants *(see Note 33)*	73,929	14,008	(15,391)	-	-	-	-	-	-	72,546	-	72,546
Transfer from share premium *(see Note below)*	370,392	(370,392)	-	-	-	-	-	-	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,759)	(2,759)
Appropriation:												
- Special single-tier dividend paid for the financial year ended 31 December 2016 *(11 sen) (see Note 13)*	-	-	-	-	-	-	-	-	(87,805)	(87,805)	-	(87,805)
- Final single-tier dividend paid for the financial year ended 31 December 2016 *(8 sen) (see Note 13)*	-	-	-	-	-	-	-	-	(64,254)	(64,254)	-	(64,254)
- Interim single-tier dividend paid for the financial year ended 31 December 2017 *(5.5 sen) (see Note 13)*	-	-	-	-	-	-	-	-	(44,177)	(44,177)	-	(44,177)
Total contributions by and distribution to owners	444,321	(356,384)	(15,391)	-	-	-	-	-	(196,236)	(123,690)	(2,759)	(126,449)
Total transactions with owners	444,321	(356,384)	(15,391)	-	-	-	-	-	(196,236)	(123,690)	(14,608)	(138,298)
At 31 December 2017	841,340	-	155,624	18,063	9,573	(132,411)	3,733	(1,372)	3,439,606	4,334,156	235,315	4,569,471

Note: With the Companies Act 2016 ("the Act") that came into effect on 31 January 2017, the credit standing in the share premium account of RM370.4 million has been transferred to share capital account. Pursuant to subsection 618(3) of the Act, the Group may exercise its right to use the amount standing to the credit of its share premium within 24 months after the commencement of the Act. The Board of Directors will make a decision thereon before 31 January 2019.

Amounts in RM'000 unless otherwise stated

Group	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	Non-controlling Interests	Total Equity
	Attributable to equity holders of the Company											
At 1 January 2016, as previously reported	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
Effect of change in accounting policy *(see Note 2(d))*	-	-	-	-	-	(3,461)	-	-	(355,143)	(358,604)	(19,560)	(378,164)
At 1 January 2016, as restated	391,331	255,205	189,720	33,973	40,679	(43,263)	(1,058)	(1,155)	2,995,275	3,860,707	265,720	4,126,427
Profit for the financial year	-	-	-	-	-	-	-	-	338,213	338,213	(10,722)	327,491
Other comprehensive income/(loss)	-	-	-	(13,258)	-	46,207	(221)	-	1,063	33,791	424	34,215
Total comprehensive income/(loss) for the financial year	-	-	-	(13,258)	-	46,207	(221)	-	339,276	372,004	(10,298)	361,706
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	-	-	-	-	-	-	-	-	(149)	(149)	2,694	2,545
Issue of shares upon exercise of warrants *(see Note 33)*	5,688	101,179	(18,705)	-	-	-	-	-	-	88,162	-	88,162
Buy-back of shares	-	-	-	-	-	-	-	(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)*	-	-	-	-	-	-	-	-	(23,742)	(23,742)	-	(23,742)
- Interim single-tier dividend paid for the financial year ended 31 December 2016 *(2 sen)* *(see Note 13)*	-	-	-	-	-	-	-	-	(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
At 31 December 2016	397,019	356,384	171,015	18,063	40,679	2,944	(1,279)	(1,372)	3,297,472	4,280,925	255,380	4,536,305

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
At 1 January 2017, as previously reported	**397,019**	**356,384**	**171,015**	**104**	**5**	**(26)**	**3,752,524**	**(1,372)**	**4,675,653**
Effect of change in accounting policy *(see Note 2(d))*	**-**	**-**	**-**	**-**	**-**	**-**	**(212,480)**	**-**	**(212,480)**
At 1 January 2017, as restated	**397,019**	**356,384**	**171,015**	**104**	**5**	**(26)**	**3,540,044**	**(1,372)**	**4,463,173**
Profit/Total comprehensive income/(loss) for the financial year	**-**	**-**	**-**	**-**	**-**	**26**	**622,416**	**-**	**622,442**
Transactions with owners:									
Issue of shares upon exercise of warrants *(see Note 33)*	**73,929**	**14,008**	**(15,391)**	**-**	**-**	**-**	**-**	**-**	**72,546**
Transfer from share premium	**370,392**	**(370,392)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Appropriation:									
- Special single-tier dividend paid for the financial year ended 31 December 2016 *(11 sen) (see Note 13)*	**-**	**-**	**-**	**-**	**-**	**-**	**(87,805)**	**-**	**(87,805)**
- Final single-tier dividend paid for the financial year ended 31 December 2016 *(8 sen) (see Note 13)*	**-**	**-**	**-**	**-**	**-**	**-**	**(64,254)**	**-**	**(64,254)**
- Interim single-tier dividend paid for the financial year ended 31 December 2017 *(5.5 sen) (see Note 13)*	**-**	**-**	**-**	**-**	**-**	**-**	**(44,177)**	**-**	**(44,177)**
Total transactions with owners	**444,321**	**(356,384)**	**(15,391)**	**-**	**-**	**-**	**(196,236)**	**-**	**(123,690)**
At 31 December 2017	**841,340**	**-**	**155,624**	**104**	**5**	**-**	**3,966,224**	**(1,372)**	**4,961,925**

STATEMENTS OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Amounts in RM'000 unless otherwise stated

	Non-Distributable						Distributable		
Company	**Share Capital**	**Share Premium**	**Warrants Reserve**	**Re-valuation Reserve**	**Fair Value Reserve**	**Cash Flow Hedge Reserve**	**Retained Earnings**	**Treasury Shares**	**Total**
At 1 January 2016, as previously reported	391,331	255,205	189,720	104	5	-	3,747,004	(1,155)	4,582,214
Effect of change in accounting policy *(see Note 2(d))*	-	-	-	-	-	-	(199,674)	-	(199,674)
At 1 January 2016, as restated	391,331	255,205	189,720	104	5	-	3,547,330	(1,155)	4,382,540
Profit/Total comprehensive income/(loss) for the financial year	-	-	-	-	-	(26)	32,296	-	32,270
Transactions with owners:									
Issue of shares upon exercise of warrants *(see Note 33)*	5,688	101,179	(18,705)	-	-	-	-	-	88,162
Buy-back of shares	-	-	-	-	-	-	-	(217)	(217)
Appropriation:									
- Final single-tier dividend paid for the financial year ended 31 December 2015 *(3 sen) (see Note 13)*	-	-	-	-	-	-	(23,742)	-	(23,742)
- Interim single-tier dividend paid for the financial year ended 31 December 2016 *(2 sen) (see Note 13)*	-	-	-	-	-	-	(15,840)	-	(15,840)
Total transactions with owners	5,688	101,179	(18,705)	-	-	-	(39,582)	(217)	48,363
At 31 December 2016	397,019	356,384	171,015	104	5	(26)	3,540,044	(1,372)	4,463,173

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Amounts in RM'000 unless otherwise stated

	Group		Company	
	2017	2016 Restated	**2017**	2016 Restated
Cash flows from operating activities				
Profit before taxation	**461,127**	448,771	**627,202**	31,258
Adjustments for:				
Depreciation of property, plant and equipment	**175,138**	155,107	**32,013**	31,926
Depreciation of investment properties	**599**	605	**-**	-
Amortisation of leasehold land use rights	**1,733**	1,992	**-**	-
Amortisation of intangible assets	**-**	18,680	**-**	-
Property, plant and equipment written off	**2,053**	2,862	**391**	874
Intangible assets written off	**-**	80,141	**-**	-
Impairment loss on investment in a subsidiary	**-**	-	**-**	294,000
Write off of receivables	**2,354**	51	**33**	25
Provision for retirement gratuities	**6,043**	2,958	**5,859**	3,804
Net write back of impairment loss on receivables	**(323)**	(28)	**-**	-
Loss/(Gain)on disposal of property, plant and equipment	**90**	(136,730)	**109**	53
Gain on disposal of subsidiaries	**(640)**	-	**-**	-
Share of results in joint ventures	**(30,202)**	(21,139)	**-**	-
Share of results in associates	**(4,493)**	(3,849)	**-**	-
Investment income	**(17,826)**	(18,661)	**(17,826)**	(18,661)
Interest income	**(40,755)**	(39,376)	**(58,616)**	(46,129)
Finance cost	**74,579**	59,573	**48,701**	46,327
Net unrealised exchange gains	**(3,912)**	(8,830)	**(5,031)**	(9,598)
Net surplus arising from compensation in respect of land acquired by the Government	**(10,595)**	(59)	**-**	-
Dividend income	**-**	-	**(582,463)**	(287,063)
Other non-cash items	**6,138**	745	**-**	-
	159,981	94,042	**(576,830)**	15,558
Operating profit before changes in working capital	**621,108**	542,813	**50,372**	46,816
Property development costs	**11,953**	43,638	**-**	-
Inventories	**(49,415)**	(74,874)	**(242)**	(660)
Receivables	**156,491**	(35,975)	**32,232**	20,217
Amounts due from joint ventures	**1,010**	831	**-**	-
Amounts due from associates	**24**	95	**24**	95
Assets classified as held for sale	**6,034**	(206)	**-**	-
Payables	**(51,887)**	(29,519)	**2,421**	(929)
Amount due to ultimate holding company	**158**	(606)	**158**	(606)
Amounts due from/to other related companies	**30**	(1,058)	**(523)**	(1,564)
Amounts due from/to subsidiaries	**-**	-	**(35,979)**	(34,563)
	74,398	(97,674)	**(1,909)**	(18,010)
Cash generated from operations	**695,506**	445,139	**48,463**	28,806
Tax (paid)/refund	**(95,272)**	(69,834)	**(3,959)**	3,589
Retirement gratuities paid	**(4,220)**	-	**(4,220)**	-
Net cash flows generated from operating activities	**596,014**	375,305	**40,284**	32,395

STATEMENTS OF CASH FLOWS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Amounts in RM'000 unless otherwise stated

	Note	Group 2017	Group 2016 Restated	Company 2017	Company 2016 Restated
Cash flows from investing activities					
Proceeds received from Government in respect of acquisition of land		**11,008**	116	**-**	-
Interest received		**40,755**	39,376	**31,257**	26,169
Dividends received from:					
- subsidiaries		**-**	-	**578,340**	284,940
- associates		**4,123**	2,123	**4,123**	2,123
Investment income		**17,826**	18,661	**17,826**	18,661
Proceeds from disposal of property, plant and equipment		**737**	23,839	**205**	57
Land held for property development		**(8,410)**	(83,911)	**-**	-
Purchase of property, plant and equipment		**(309,878)**	(412,371)	**(17,022)**	(13,974)
Purchase of leasehold land use rights		**(50,390)**	(13,019)	**-**	-
Purchase of investment properties		**(201)**	(77)	**-**	-
(Purchase of)/proceeds from available-for-sale financial assets		**(2,843)**	-	**5**	-
Acquisition of subsidiaries	(a)	**(531,090)**	(106,754)	**-**	-
Proceeds received from redemption of preference shares by a joint venture		**-**	2,685	**-**	-
Proceeds received from disposal of subsidiaries		**14,507**	-	**-**	-
Investment in subsidiaries		**-**	-	**(283,442)**	(874,288)
(Advances to)/Repayment of advances from subsidiaries		**-**	-	**(442,736)**	325,986
Net cash flows used in investing activities		**(813,856)**	(529,332)	**(111,444)**	(230,326)
Cash flows from financing activities					
Proceeds from bank borrowings		**836,052**	443,025	**575,994**	-
Proceeds from issue of shares upon exercise of warrants		**72,546**	88,162	**72,546**	88,162
Repayment of bank borrowings and transaction costs		**(43,047)**	(433,012)	**-**	-
Finance cost paid		**(101,748)**	(80,763)	**(46,600)**	(46,073)
Dividends paid		**(196,236)**	(39,582)	**(196,236)**	(39,582)
Dividends paid to non-controlling interests		**(2,759)**	(2,736)	**-**	-
Movement in restricted cash		**(357,300)**	-	**(357,300)**	-
Buy-back of shares		**-**	(217)	**-**	(217)
Net cash flows generated from/(used in) financing activities		**207,508**	(25,123)	**48,404**	2,290
Net decrease in cash and cash equivalents		**(10,334)**	(179,150)	**(22,756)**	(195,641)
Cash and cash equivalents at beginning of the financial year		**1,260,266**	1,424,897	**827,754**	1,013,797
Effects of currency translation		**(28,258)**	14,519	**(14,205)**	9,598
Cash and cash equivalents at end of the financial year	30	**1,221,674**	1,260,266	**790,793**	827,754

Amounts in RM'000 unless otherwise stated

Notes

(a) Analysis of the acquisition of subsidiaries

2017

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

	RM'000
Property, plant and equipment	**(626,693)**
Leasehold land use rights	**(163,361)**
Inventories	**(9,149)**
Trade and other receivables	**(46,279)**
Cash and bank balances	**(10,223)**
Trade and other payables	**153,422**
Borrowings	**188,764**
Deferred tax liabilities	**122,328**
Non-controlling interests	**(10,620)**
Total purchase consideration/Fair value of identifiable net assets acquired	**(401,811)**
Less: Cash and bank balances acquired	**10,223**
Add: Assumption of liabilities	**(139,502)**
Net cash outflow on acquisition of subsidiaries	**(531,090)**

This acquisition relates to the acquisition of 100% equity interest in Knowledge One Investment Pte Ltd as disclosed in Note 40 (A). The purchase price allocation of the acquisition was provisional as at 31 December 2017 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 loss 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 2017 amounted to RM15.7 million and RM0.6 million respectively. Had the acquisition taken effect on 1 January 2017, the revenue and net profit of the above acquired subsidiaries included in the consolidated income statement of the Group would be RM73.6 million and RM1.5 million respectively. These amounts have been determined using the Group's accounting policies.

(b) Reconciliation of liabilities arising from financing activities

2017	Group	Company
Beginning of the financial year	**2,344,805**	-
Cash flows - proceeds from bank borrowings, net of repayment	**793,005**	575,994
Non-cash changes		
Borrowings of subsidiaries acquired	**188,764**	-
Amortisation of borrowing cost	**1,864**	-
Foreign exchange differences	**(144,058)**	(19,237)
End of financial year	**3,184,380**	556,757

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 42 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 26 February 2018.

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 2016 in Malaysia.

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 retrospective against opening retained earnings in accordance with MFRS 1 "First-time adoption of MFRS".

Based on the assessment performed, transitional adjustments required in accordance with MFRS 1 upon transitioning to the MFRS Framework will not have any material impact on the Group's financial position, financial performance and cash flows.

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) 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.

2. BASIS OF PREPARATION (cont'd)

(a) Judgements and estimations (cont'd)

ii) 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 25)*

iii) 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 15 to the financial statements.

iv) Impairment and valuation of available-for-sale financial assets

The Group measures its unquoted available-for-sale financial assets at fair value. The fair values of certain unquoted equity investments are determined based on valuation techniques which involve the use of estimates as disclosed in Note 23. In addition, the measurements of the available-for-sale financial assets within Level 3 of the fair value hierarchy are disclosed in Note 4(c).

(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 2017:

- Amendments to FRS 107 "Statement of Cash Flows" – Disclosure Initiative
- Amendments to FRS 112 "Income Taxes" – Recognition of Deferred Tax Assets for Unrealised Losses
- Annual Improvements to FRSs 2014 – 2016 Cycle: FRS 12 "Disclosures of Interests in Other Entities"

The adoption of the Amendments to FRS 107 has required additional disclosure of changes in liabilities arising from financing activities. The additional disclosure is disclosed in notes to the Consolidated Statements of Cash Flows. Other than that, the adoption of these amendments did not have any significant 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 2018. 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 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.

2. BASIS OF PREPARATION (cont'd)

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

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)* 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 income statement, unless this creates an accounting mismatch.

  MFRS 9 introduces an expected credit loss ("ECL") 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 Group has reviewed its financial assets and liabilities and envisage the following impact from the adoption of the new standard on 1 January 2018:

  Classification and measurement

  The Group's investments in unquoted equity in foreign corporations is currently classified as available-for-sale will satisfy the conditions for classification as financial assets at fair value through other comprehensive income ("FVOCI"). Fair value changes on equity investments at FVOCI are presented in OCI and are not subsequently transferred to profit or loss. Upon sale of equity investments at FVOCI, the cumulative gain or loss in OCI is reclassified to retained earnings. The Group's available-for-sale investments in debts instruments and income funds that do not meet the criteria for classification either as FVOCI or amortised cost will have to be reclassified to financial assets at fair value through profit or loss ("FVTPL"). Related fair value gains or losses will have to be transferred from fair value reserve to retained earnings on 1 January 2018.

  The other financial assets held by the Group include trade and other receivables, other non-current assets, amounts due from joint ventures, associates and other related companies currently accounted for at amortised cost will continue to meet the conditions for classification as amortised cost under MFRS 9.

  There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

  Impairment

  The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under MFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group does not expect any significant impact arising from adopting this model under MFRS 9.

2. BASIS OF PREPARATION (cont'd)

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

Hedge Accounting

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. The Group expects that all its existing hedges that are designated in effective hedging relationships will continue to qualify for hedge accounting under MFRS 9.

MFRS 9 also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of adoption of the new standard.

The Group will apply the new standard retrospectively effective from 1 January 2018, with the practical expedients permitted under the standard and that comparatives will not be restated.

- 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 recognised 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.

  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. Revenue is recognised in accordance with that core principle by applying a 5-step model:

  (i) Identify contracts with customers;
  (ii) Identify the separate performance obligations;
  (iii) Determine the transaction price of the contract;
  (iv) Allocate the transaction price of each of the separate performance obligations; and
  (v) Recognise the revenue as each performance obligation is satisfied.

  The Group has conducted the analysis on the different types of existing contracts with customers. The application of MFRS 15 is not expected to have a material impact on the Group's revenue based on the current scope, and will have no impact on the cash flows. However, the Group anticipates more extensive disclosures will be required from the year of adoption in view of the requirements of MFRS 15 to provide information about nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

  The Group will adopt the standard using the full retrospective approach from 1 January 2018, with the practical expedients permitted under the standard.

- 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 "Property, Plant and Equipment" 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.

  During the financial year, the Group has changed its accounting policy for its bearer plants (i.e oil palm trees) to be in accordance with the principles of MFRS 116 *(See Note 2(d)).*

  The agriculture produce of the Group comprises fresh fruit bunches ("FFB") prior to harvest. Management has deliberated on the oil content of unripe FFB and concluded that since the oil content of unharvested FFB accrues exponentially up to 15 days prior to harvest, such unharvested FFB more than 15 days are excluded from the valuation as their fair values are considered negligible. The fair value of unharvested FFB is computed based on the market approach which takes into consideration the market prices of such unharvested FFB less harvesting, transport and other costs to sell.

2. BASIS OF PREPARATION (cont'd)

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

In view of the change in accounting policy for bearer plants which has taken effect during the current financial year and the assessment of fair value of FFB above, the adoption of this new standard is not expected to be material to the Group upon initial application in the next financial year beginning 1 January 2018.

- 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.

- IC Interpretation 23 "Uncertainty over Income Tax Treatments" (effective from 1 January 2019) provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

  If an entity concludes that it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. An entity shall measure the effect of uncertainty using the method which best predicts the resolution of the uncertainty.

  IC Interpretation 23 will be applied retrospectively. 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.

(d) Change in accounting policies

During the financial year, the Group has changed its accounting policy for bearer plants to be aligned with the underlying principle in the revised standard, Agriculture: Bearer Plants (Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture") issued under the MFRS Framework. A bearer plant is a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Prior to the change in accounting policy, the Group adopted the capital maintenance model on its bearer plants (i.e. oil palm trees) where all new planting expenditure (also termed as plantation development expenditure) incurred from the stage of land clearing up to the stage of maturity was capitalised and not depreciated. Replanting expenditure was charged to profit or loss in the financial year in which the expenditure was incurred.

Under the revised accounting policy, bearer plants are classified as property, plant and equipment and are accounted for in the same way as self-constructed items of property, plant and equipment. Plantation development and replanting expenditures are capitalised at cost and depreciated on a straight-line basis over its useful life of 22 years from the date of maturity. The bearer plants are subsequently measured at cost less accumulated depreciation and accumulated impairment loss, if any.

The change in accounting policy has been applied retrospectively and comparatives were restated. The change has resulted in additional depreciation charges to profit or loss in the current and previous financial years. The replanting expenditure that was charged to profit or loss in the previous years as other expenses is reversed and capitalised under property, plant and equipment. The corresponding tax impacts have been accounted for.

2. BASIS OF PREPARATION (cont'd)

(d) Change in accounting policies (cont'd)

Plantation development expenditure has been reclassified to property, plant and equipment on the statements of financial position.

Cash flows from replanting expenditure which were previously classified as part of operating activities are classified as part of investing activities in the statements of cash flows under the new accounting policy.

The effects of the change in accounting policy on the current financial year and comparatives are as follows:

	Financial year ended 31 December 2017			Financial year ended 31 December 2016		
	Previous policy RM'000	Adjustments RM'000	As presented RM'000	As previously reported RM'000	Adjustments RM'000	Restated RM'000
Income Statement						
Group						
Cost of sales	(1,101,125)	(80,559)	(1,181,684)	(848,926)	(74,230)	(923,156)
Other expenses	(58,582)	29,202	(29,380)	(157,920)	22,030	(135,890)
Profit before taxation	512,484	(51,357)	461,127	500,971	(52,200)	448,771
Taxation	(116,759)	420	(116,339)	(131,014)	9,734	(121,280)
Profit for the financial year	395,725	(50,937)	344,788	369,957	(42,466)	327,491
Profit/(loss) attributable to:						
- Equity holders of the Company	374,751	(37,041)	337,710	367,488	(29,275)	338,213
- Non-controlling interests	20,974	(13,896)	7,078	2,469	(13,191)	(10,722)
Earnings per share (sen):						
- Basic	46.75	(4.62)	42.13	46.54	(3.70)	42.84
- Diluted	45.19	(4.47)	40.72	44.92	(3.58)	41.34
Company						
Cost of sales	(45,524)	(19,465)	(64,989)	(53,922)	(20,138)	(74,060)
Other expenses	(11,822)	6,214	(5,608)	(303,258)	3,288	(299,970)
Profit before taxation	640,453	(13,251)	627,202	48,108	(16,850)	31,258
Taxation	(10,614)	5,828	(4,786)	(3,006)	4,044	1,038
Profit for the financial period	629,839	(7,423)	622,416	45,102	(12,806)	32,296
Profit/(loss) attributable to:						
- Equity holders of the Company	629,839	(7,423)	622,416	45,102	(12,806)	32,296

2. BASIS OF PREPARATION (cont'd)

(d) Change in accounting policies (cont'd)

	Financial year ended 31 December 2017			Financial year ended 31 December 2016		
	Previous policy RM'000	Adjustments RM'000	As presented RM'000	As previously reported RM'000	Adjustments RM'000	Restated RM'000
Statement of Comprehensive Income						
Group						
Foreign currency translation differences	(148,663)	50	(148,613)	55,109	(8,287)	46,822
Total comprehensive income for the financial year	222,351	(50,887)	171,464	412,459	(50,753)	361,706
Total comprehensive income/(loss) attributable to:						
- Equity holders of the Company	213,924	(37,003)	176,921	408,009	(36,005)	372,004
- Non-controlling interests	8,427	(13,884)	(5,457)	4,450	(14,748)	(10,298)
Company						
Total comprehensive income for the financial year	629,865	(7,423)	622,442	45,076	(12,806)	32,270
Statement of Cash Flows						
Group						
Cash flows from operating activities						
Profit before taxation	512,484	(51,357)	461,127	500,971	(52,200)	448,771
Depreciation of property, plant and equipment	94,579	80,559	175,138	80,870	74,237	155,107
Amortisation of plantation development	7	(7)	-	7	(7)	-
Property, plant and equipment written off	1,736	317	2,053	1,500	1,362	2,862
Cash flows from investing activities						
Purchase of property, plant and equipment	(157,186)	(152,692)	(309,878)	(239,640)	(172,731)	(412,371)
Plantation development	(122,839)	122,839	-	(149,339)	149,339	-

2. BASIS OF PREPARATION (cont'd)

(d) Change in accounting policies (cont'd)

	Financial year ended 31 December 2017			Financial year ended 31 December 2016		
	Previous policy RM'000	Adjustments RM'000	As presented RM'000	As previously reported RM'000	Adjustments RM'000	Restated RM'000
Statement of Cash Flows (cont'd)						
Company						
Cash flows from operating activities						
Profit before taxation	640,453	(13,251)	627,202	48,108	(16,850)	31,258
Depreciation of property, plant and equipment	12,548	19,465	32,013	11,788	20,138	31,926
Property, plant and equipment written off	226	165	391	144	730	874
Cash flows from investing activities						
Purchase of property, plant and equipment	(10,038)	(7,063)	(17,101)	(9,275)	(4,699)	(13,974)
Plantation development	(684)	684	-	(681)	681	-
Statement of Financial Position						
Group						
Non-current assets						
Property, plant and equipment	1,886,318	2,506,231	4,392,549	1,728,093	2,083,188	3,811,281
Plantation development	2,940,277	(2,940,277)	-	2,465,927	(2,465,927)	-
Non-current liabilities						
Deferred tax liabilities	262,951	45,758	308,709	97,179	46,178	143,357
Equity						
Reserves	3,924,428	(431,612)	3,492,816	4,278,515	(394,609)	3,883,906
Non-controlling interests	283,507	(48,192)	235,315	289,688	(34,308)	255,380
Company						
Non-current assets						
Property, plant and equipment	225,827	86,826	312,653	228,956	99,393	328,349
Plantation development	285,990	(285,990)	-	285,306	(285,306)	-
Non-current liabilities						
Deferred tax liabilities	7,506	20,739	28,245	4,679	26,567	31,246
Equity						
Reserves	4,340,488	(219,903)	4,120,585	4,278,634	(212,480)	4,066,154

2. BASIS OF PREPARATION (cont'd)

(d) Change in accounting policies (cont'd)

	As at 1 January 2016		
	As previously reported RM'000	Adjustments RM'000	Restated RM'000
Group			
Non-current assets			
Property, plant and equipment	1,561,740	1,787,403	3,349,143
Plantation development	2,109,655	(2,109,655)	-
Non-current liabilities			
Deferred tax liabilities	65,438	55,912	121,350
Equity			
Reserves	3,827,980	(358,604)	3,469,376
Non-controlling interests	285,280	(19,560)	265,720
Company			
Non-current assets			
Property, plant and equipment	231,723	115,562	347,285
Plantation development	284,625	(284,625)	-
Non-current liabilities			
Deferred tax liabilities	529	30,611	31,140
Equity			
Reserves	4,190,883	(199,674)	3,991,209

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 difference is recognised directly in the profit or loss as a gain on bargain purchase.

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.

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 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 the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in 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 is 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 obligation or made payment on behalf of the associate.

The Group's investments in associates includes 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 the profit or loss.

When the Group increases its stake in an existing investment and the investment becomes an associate for the first time, the cost of an associate acquired in stages is measured as the sum of the fair value of the interest previously held plus the fair value of any additional consideration transferred as of the date when the investment became an associate. Any gain or loss on re-measurement of the previously held stake is taken to profit or loss and any OCI recognised in prior periods in relation to the previously held stake in the acquired associate is also recognised in profit or loss. Any acquisition related costs are expensed in the periods in which the costs are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

e) Associates (cont'd)

The cost of acquiring additional stake in an associate is added to the carrying amount of the associate. This is the deemed cost of the Group's investment in the associate for applying equity accounting. 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 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 the profit or loss.

Investments in Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are shown at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the 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 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.

A bearer plant is a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Costs include plantation expenditures incurred from the stage of land clearing up to the stage of maturity. The bearer plants were previously termed as plantation development expenditure.

Cost of other property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items.

Cost of property, plant and equipment also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. (See accounting policy on borrowings.) 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.

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, if the asset was already of the age and in the condition expected at the end of its useful life.

Freehold land is stated at cost and is not depreciated. Leasehold lands are amortised equally over their respective periods of lease. The depreciation of leasehold land is capitalised as part of the cost of bearer plant from the stage of land clearing up to the stage of maturity. Immature bearer plants and other property, plant and equipment which are under construction are not depreciated. Depreciation commences when the bearer plants mature or when the assets under construction are ready for their intended use.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment (cont'd)

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

	Years
Leasehold lands	51 - 897
Land improvements	15
Bearer plants	22
Buildings and improvements	20 - 50
Plant and machinery	4 - 15
Motor vehicles	5
Furniture, fittings and equipment	3 - 10

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

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 the profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

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

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 the 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 for 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.

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 "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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property Development Activities (cont'd)

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.

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 the 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 the 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 asset was 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", "restricted cash", "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 of the other categories. They are included in non-current assets unless management intends to dispose of the assets within twelve months after the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Assets (cont'd)

(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 the 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.

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 the 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 the 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 the profit or loss as "gains and losses or impairment losses from available-for-sale financial assets", respectively.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in the 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 the profit or loss. Impairment losses recognised in the profit or loss on equity instruments classified as available-for-sale are not reversed through the 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 the 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 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 allowance for impairment losses. 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 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 the profit or loss. An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset. The reversal is recognised in the 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 balance, 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).

Financial Liabilities

The Company's financial liabilities comprise payables, borrowings and intercompany balances. Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities for those having maturity dates of less than twelve months after the reporting date, otherwise, the balance is classified as non-current.

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 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 distributable reserves. 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 capital 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 and 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 the profit or loss over the period of the borrowings.

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

All other borrowings costs are charged to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 payment 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.

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 and intangible assets with indefinite useful life for impairment annually by comparing its carrying amount with its recoverable amount.

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed, unless the possibility of an outflow of resource embodying economic benefit is remote. 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".

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits received under it.

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

Income Taxes

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.

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.

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

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.

The Group provides employee benefits in respect of its Indonesia subsidiaries as required under the Indonesian Labor Law No. 13/2003. The Group is required to recognise a provision for employee service entitlements, which represents a defined benefit plan. A defined benefit plan defines the entitlement that will be received by the employee, which usually depends on factors, such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect to the defined benefit plan is the present value of the defined benefit obligation as at the reporting date. The present value of the defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates at the reporting date of government bonds that are denominated in Rupiah, in which the benefits will be paid and that have terms to maturity approximating to the terms of the related defined benefit obligation.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Post-employment benefits (cont'd)

Remeasurement arising from experience adjustments and changes in actuarial assumptions are recognised in OCI in the period in which they arise. Past service costs are recognised immediately in the profit or loss.

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 year, 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 the 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 reserve on exchange differences 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 disposal.

Advances from parent to subsidiaries where the settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment in these subsidiaries. Translation differences arising therefrom are recognised in OCI.

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.

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 the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derivative Financial Instruments and Hedging Activities (cont'd)

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 the 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 and sale of palm oil commodities by the Group's downstream manufacturing segment. 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 *(2016: 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 2017			
Financial assets			
Trade and other receivables	**560**	**-**	**560**
Cash and cash equivalents	**165,405**	**2,598**	**168,003**
	165,965	**2,598**	**168,563**
Financial liabilities			
Trade and other payables	**(1,016)**	**(238)**	**(1,254)**
Borrowings	**(699,420)**	**-**	**(699,420)**
	(700,436)	**(238)**	**(700,674)**
Net currency exposure	**(534,471)**	**2,360**	**(532,111)**
Company			
At 31 December 2017			
Financial assets			
Cash and cash equivalents	**155,420**	**-**	**155,420**
Financial liabilities			
Borrowings	**(556,757)**	**-**	**(556,757)**
Net currency exposure	**(401,337)**	**-**	**(401,337)**
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

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% *(2016: 10%)* strengthening of USD against the functional currency, with all other variables held constant.

	2017		2016	
	←Increase/(Decrease)→		← Increase/(Decrease) →	
	Profit after tax	**OCI**	Profit after tax	OCI
Group				
USD against the functional currency	**(53,447)**	**-**	16,449	-
Company				
USD against the functional currency	**(40,134)**	**-**	15,892	-

A 10% *(2016: 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 and Company'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% *(2016: 1%)* higher/lower respectively, with all other variables in particular foreign exchange rates and tax rate being held constant, the Group's profit after tax will be lower/higher by RM9.7 million *(2016: RM5.9 million)* as a result of increase/(decrease) in interest expense on those borrowings. However, the impact to the Company's profit after tax would be immaterial.

(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.

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

(a) Financial risk factors (cont'd)

(iii) Credit risk (cont'd)

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.

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 24 and Note 28 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	
	2017	2016
Corporate guarantee provided by certain subsidiaries in Indonesia to banks on plasma farmers' loan facilities	**131,416**	133,365

	Company	
	2017	2016
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 37)* 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 2017				
Group				
Trade and other payables	**342,678**	**-**	**-**	**-**
Borrowings (principal and finance costs)	**732,180**	**497,325**	**949,352**	**1,543,613**
Derivative financial liabilities	**9**	**128**	**-**	**-**
Amount due to ultimate holding company	**1,118**	**-**	**-**	**-**
Amounts due to other related companies	**1,142**	**-**	**-**	**-**
	1,077,127	**497,453**	**949,352**	**1,543,613**
Financial guarantee contracts	**131,416**	**-**	**-**	**-**
Company				
Trade and other payables	**13,447**	**-**	**-**	**-**
Borrowings (principal and finance costs)	**331,336**	**238,990**	**-**	**-**
Amounts due to subsidiaries (principal and finance costs)	**219,903**	**46,200**	**138,727**	**1,115,563**
Amount due to ultimate holding company	**1,118**	**-**	**-**	**-**
Amounts due to other related companies	**1,141**	**-**	**-**	**-**
	566,945	**285,190**	**138,727**	**1,115,563**
Financial guarantee contracts	**1,000,000**	**-**	**-**	**-**
At 31 December 2016				
Group				
Trade and other payables	388,635	-	-	-
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	-	-	-
	503,728	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	-	-	-

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

(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 2017 and 2016 are as follows:

Group	**2017**	2016 Restated
Total debts	**3,184,380**	2,344,805
Total equity	**4,569,471**	4,536,305
Total capital	**7,753,851**	6,881,110
Gearing ratio	**41.1%**	34.1%

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 2017 and 2016.

(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
2017				
Group				
Assets				
Available-for-sale financial assets:				
- Equity securities	**-**	**-**	**94,548**	**94,548**
- Income funds	**-**	**500,001**	**-**	**500,001**
Derivative financial instruments:				
- Foreign exchange contracts	**-**	**1,403**	**-**	**1,403**
- Commodity forward contract	**-**	**2,038**	**-**	**2,038**
	-	**503,442**	**94,548**	**597,990**
Liabilities				
Derivative financial instruments:				
- Interest rate swap	**-**	**137**	**-**	**137**
Company				
Assets				
Available-for-sale financial assets:				
- Income funds	**-**	**500,001**	**-**	**500,001**
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
Liabilities				
Derivative financial instruments:				
- Forward foreign currency exchange contracts	-	26	-	26

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:

	Group	
	2017	2016
Available-for-sale financial assets		
As at 1 January	**143,170**	137,854
Additions	**2,843**	-
Fair value loss – recognised in other comprehensive income	**(31,106)**	-
Foreign exchange differences	**(20,359)**	5,316
As at 31 December	**94,548**	143,170

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The assessment of the fair value of unquoted equity securities is performed based on discounted cash flow analysis with key inputs such as growth rates and discount rates.

Although the Group believes that its estimates of fair values 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 growth rate or discount rate changes by 1%, the impact to the profit or loss or equity would not be significant.

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, 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	Elimination	Total
2017									
Group									
Revenue									
- External	441,640	526,826	968,466	112,428	-	723,356	-	-	1,804,250
- Inter segment	520,640	-	520,640	-	-	-	-	(520,640)	-
Total Revenue	962,280	526,826	1,489,106	112,428	-	723,356	-	(520,640)	1,804,250
Adjusted EBITDA	413,064	168,195	581,259	23,506	(11,013)	12,066	22,820	-	628,638
(Loss)/gain on disposal of assets	(107)	22	(85)	(2)	(3)	-	-	-	(90)
Net surplus arising from Government acquisition	9,293	-	9,293	1,302	-	-	-	-	10,595
Gain on disposal of subsidiaries	-	640	640	-	-	-	-	-	640
Assets written off	(1,599)	(53)	(1,652)	(88)	(170)	(147)	-	-	(2,057)
	420,651	168,804	589,455	24,718	(11,186)	11,919	22,820	-	637,726
Depreciation and amortisation	(71,229)	(90,871)	(162,100)	(915)	(2,306)	(12,149)	-	-	(177,470)
Share of results in joint ventures	-	-	-	30,202	-	-	-	-	30,202
Share of results in associates	4,442	-	4,442	64	-	-	(13)	-	4,493
	353,864	77,933	431,797	54,069	(13,492)	(230)	22,807	-	494,951
Interest income									40,755
Finance cost									(74,579)
Profit before taxation									461,127
Taxation									(116,339)
Profit for the financial year									344,788
Other information:									
Assets									
Segment assets	1,262,082	4,074,255	5,336,337	444,738	122,519	489,294	500,568	-	6,893,456
Joint ventures	-	-	-	108,096	-	-	-	-	108,096
Associates	12,666	-	12,666	347	-	-	(142)	-	12,871
	1,274,748	4,074,255	5,349,003	553,181	122,519	489,294	500,426	-	7,014,423
Interest bearing instruments									1,313,485
Deferred tax assets									134,316
Tax recoverable									6,965
Total assets									8,469,189
Liabilities									
Segment liabilities	94,460	134,706	229,166	136,846	2,164	18,336	5,715	-	392,227
Interest bearing instruments									3,184,380
Deferred tax liabilities									308,709
Taxation									14,402
Total liabilities									3,899,718

5. SEGMENT ANALYSIS (cont'd)

	Plantation				Bio-	Downstream			
	Malaysia	Indonesia	Total	Property	technology	Manufacturing	Others	Elimination	Total
2016									
Restated									
Group									
Revenue									
- External	905,476	352,956	1,258,432	125,567	-	96,080	-	-	1,480,079
- Inter segment	1,572	-	1,572	-	2,036	-	-	(3,608)	-
Total Revenue	907,048	352,956	1,260,004	125,567	2,036	96,080	-	(3,608)	1,480,079
Adjusted EBITDA	413,677	103,182	516,859	42,206	(19,243)	(2,350)	29,165	-	566,637
Gain on disposal of assets	131,243	6	131,249	2	5,456	23	-	-	136,730
Assets written off	(2,307)	(427)	(2,734)	-	(80,216)	(53)	-	-	(83,003)
	542,613	102,761	645,374	42,208	(94,003)	(2,380)	29,165	-	620,364
Depreciation and amortisation	(75,373)	(74,116)	(149,489)	(957)	(23,368)	(2,570)	-	-	(176,384)
Share of results in joint ventures	-	-	-	21,139	-	-	-	-	21,139
Share of results in associates	3,637	-	3,637	225	-	-	(13)	-	3,849
	470,877	28,645	499,522	62,615	(117,371)	(4,950)	29,152	-	468,968
Interest income									39,376
Finance cost									(59,573)
Profit before taxation									448,771
Taxation									(121,280)
Profit for the financial year									327,491
Other information:									
Assets									
Segment assets	1,489,460	3,263,192	4,752,652	469,559	173,386	378,801	502,071	-	6,276,469
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
	1,501,683	3,263,192	4,764,875	553,893	173,386	378,801	501,943	-	6,372,898
Interest bearing instruments									996,948
Deferred tax assets									92,556
Tax recoverable									13,112
Total assets									7,475,514
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									143,357
Taxation									13,016
Total liabilities									2,939,209

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	
	2017	2016	**2017**	2016 Restated
Malaysia	**1,277,424**	1,127,123	**1,644,473**	1,653,378
Indonesia	**526,826**	352,956	**3,706,659**	2,968,631
	1,804,250	1,480,079	**5,351,132**	4,622,009

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 *(2016: Nil)*.

6. REVENUE

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

	Group		Company	
	2017	2016	**2017**	2016
Sale of goods:				
Sale of plantation produce	**968,466**	1,260,685	**128,204**	129,512
Sale of development properties	**111,610**	124,540	**-**	-
Sale of bio-diesel and refined palm products	**723,356**	93,827	**-**	-
Rendering of services:				
Fee from management services	**818**	1,027	**35,979**	34,563
Dividend income	**-**	-	**582,463**	287,062
	1,804,250	1,480,079	**746,646**	451,137

7. COST OF SALES

	Group		Company	
	2017	2016 Restated	**2017**	2016 Restated
Cost of inventories sold for plantation produce	**961,704**	765,237	**64,989**	74,060
Cost of development properties sold	**71,719**	68,151	**-**	-
Cost of inventories sold for bio-diesel and refined palm products	**148,261**	89,768	**-**	-
	1,181,684	923,156	**64,989**	74,060

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	
	2017	2016 Restated	**2017**	2016 Restated
Charges:				
Depreciation of property, plant and equipment	**175,138**	155,107	**32,013**	31,926
Depreciation of investment properties	**599**	605	**-**	-
Amortisation of leasehold land use rights	**1,733**	1,992	**-**	-
Amortisation of intangible assets	**-**	18,680	**-**	-
Total Directors' remuneration *(see Note 10)*	**2,707**	2,558	**2,707**	2,558
Charges payable to related companies:				
- Rental of premises and related services	**5,623**	5,643	**2,315**	2,366
- Shared services fee	**1,655**	1,962	**1,228**	1,334
- Hire of equipment	**2,055**	1,978	**1,663**	1,613
Property, plant and equipment written off	**2,053**	2,862	**391**	874
Intangible assets written off	**-**	80,141	**-**	-
Impairment loss on investment in a subsidiary	**-**	-	**-**	294,000
Shared services fee payable to ultimate holding company	**2,210**	1,985	**823**	1,195
Write off of receivables	**2,354**	51	**33**	25
Statutory audit fees				
- Payable to auditors	**933**	849	**182**	158
- Payable to member firms of an organisation which are separate and independent legal entitles from the auditors	**1,534**	1,410	**-**	-
Audit related fees				
- Payable to auditors	**193**	185	**193**	185
Non-audit fees and non-audit related costs*				
- Payable to auditors	**55**	53	**55**	53
- Payable to member firms of an organisation which are separate and independent legal entitles from the auditors	**1,180**	580	**88**	458
Employee benefits expense *(see Note 9)*	**343,969**	301,820	**79,437**	73,618
Research and development expenditure	**12,487**	40,811	**-**	-
Repairs and maintenance:				
- property, plant and equipment	**37,319**	33,091	**3,326**	3,297
- investment properties	**55**	86	**-**	-
Transportation costs	**100,615**	87,471	**8,718**	7,163
Utilities	**10,518**	10,224	**85**	93
Raw materials and consumables	**210,377**	202,901	**-**	-
Oil palm cess and levy	**6,698**	4,895	**-**	-
Loss/(Gain) on disposal of property, plant and equipment	**90**	(136,730)	**109**	53
Net exchange loss/(gains) - realised	**572**	(1,499)	**240**	(2,806)
Finance costs:				
- bank borrowings	**43,835**	22,626	**2,501**	-
- Sukuk Murabahah	**29,060**	33,092	**-**	-
- loan from a subsidiary	**-**	-	**46,200**	46,327
- others	**1,684**	3,855	**-**	-
	74,579	59,573	**48,701**	46,327

* *Non-audit fees and non-audit related costs are in respect of tax related services of RM0.5 million (2016: RM0.1 million) and financial advisory services of RM0.7 million (2016: RM0.5 million) for the Group and are in respect of financial advisory services for the Company.*

8. PROFIT BEFORE TAXATION (cont'd)

	Group		Company	
	2017	2016 Restated	**2017**	2016 Restated
Credits:				
Net surplus arising from compensation in respect of land acquired by the Government	**10,595**	59	**-**	-
Interest income	**40,755**	39,376	**58,616**	46,129
Investment income	**17,826**	18,661	**17,826**	18,661
Dividend income from associates	**-**	-	**4,123**	2,123
Rental income	**2,517**	3,126	**180**	393
Rental income from related companies	**403**	38	**16**	15
Gain on disposal of subsidiaries	**640**	-	**-**	-
Write back of receivables	**323**	28	**-**	-
Net exchange gains - unrealised	**3,912**	8,830	**5,031**	9,598
Income from subsidiaries:				
- Single-tier dividend	**-**	-	**578,340**	284,940
- Management fee	**-**	-	**35,979**	34,563

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2017	2016	**2017**	2016
Wages, salaries and bonuses	**297,007**	262,087	**60,988**	58,158
Defined contribution plans	**13,023**	12,625	**6,212**	5,680
Provision for retirement gratuities	**6,043**	2,958	**5,859**	3,804
Other short term employee benefits	**27,896**	24,150	**6,378**	5,976
	343,969	301,820	**79,437**	73,618

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

10. DIRECTORS' REMUNERATION

	Group		Company	
	2017	2016	**2017**	2016
Non-Executive Directors				
Fees	**550**	607	**550**	607
Provision for retirement gratuities	**519**	-	**519**	-
Benefits-in-kind	**59**	-	**59**	-
	1,128	607	**1,128**	607
Executive Directors				
Fees	**170**	170	**170**	170
Salaries and bonuses	**828**	1,217	**828**	1,217
Defined contribution plans	**146**	202	**146**	202
Provision for retirement gratuities	**435**	362	**435**	362
	1,579	1,951	**1,579**	1,951
Total Directors' remuneration *(see Note 8)*	**2,707**	2,558	**2,707**	2,558

11. TAXATION

	Group		Company	
	2017	2016 Restated	**2017**	2016 Restated
Current taxation charge:				
Malaysian income tax charge	**101,848**	91,066	**7,789**	112
Real property gains tax	**-**	4,103	**-**	-
Foreign income tax charge	**480**	285	**-**	-
Deferred tax charge/(reversal) *(see Note 25)*	**13,534**	27,606	**(3,001)**	106
	115,862	123,060	**4,788**	218
Prior years' taxation:				
Income tax under/(over) provided	**477**	(1,780)	**(2)**	(1,256)
	116,339	121,280	**4,786**	(1,038)

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

	Group		Company	
	2017	2016 Restated	**2017**	2016 Restated
	%	%	**%**	%
Malaysian tax rate	**24.0**	24.0	**24.0**	24.0
Tax effects of:				
- expenses not deductible for tax purposes	**1.5**	9.6	**0.4**	228.4
- income not subject to tax	**(0.6)**	(3.8)	**(22.5)**	(234.6)
- tax incentives	**(0.9)**	(0.7)	**(0.7)**	(8.8)
- effect of lower tax rate on gain on disposal of land	**-**	(3.5)	**-**	-
- recognition of previously unrecognised tax losses and capital allowances	**(1.8)**	(3.1)	**-**	(8.3)
- unrecognised tax losses and capital allowances	**5.5**	5.9	**-**	-
- under/(over) provision in prior years	**0.1**	(0.4)	**-**	(4.0)
- share of results in joint ventures and associates	**(1.8)**	(1.3)	**-**	-
- others	**(0.8)**	0.3	**(0.4)**	-
Average effective tax rate	**25.2**	27.0	**0.8**	(3.3)

The income tax effect of the other comprehensive income/(loss) item is RM17.3 million *(2016: RM36.3 million)* in the current financial year.

12. 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 2017	Group 2016 Restated
(a) Basic earnings per share		
Profit for the financial year attributable to equity holders of the Company *(RM'000)*	**337,710**	338,213
Weighted average number of ordinary shares in issue *('000)*	**801,600**	789,561
Basic earnings per share *(sen)*	**42.13**	42.84
(b) Diluted earnings per share		
Profit for the financial year attributable to equity holders of the Company *(RM'000)*	**337,710**	338,213
Adjusted weighted average number of ordinary shares in issue		
Weighted average number of ordinary shares in issue *('000)*	**801,600**	789,561
Adjustment for assumed conversion of warrants *('000)*	**27,660**	28,548
	829,260	818,109
Diluted earnings per share *(sen)*	**40.72**	41.34

13. DIVIDENDS

	Group and Company 2017 Single-tier dividend per share Sen	Group and Company 2017 Amount of single-tier dividend RM'000	2016 Single-tier dividend per share Sen	2016 Amount of single-tier dividend RM'000
Special dividend paid in respect of previous year	**11.0**	**87,805**	-	-
Final dividend paid in respect of previous year	**8.0**	**64,254**	3.0	23,742
Interim dividend paid in respect of current year	**5.5**	**44,177**	2.0	15,840
	24.5	**196,236**	5.0	39,582

A special single-tier dividend of 11 sen *(2016: 11 sen)* per ordinary share in respect of the current financial year has been declared for payment to shareholders registered in the Register of Members on 13 March 2018. The special dividend shall be paid on 29 March 2018. Based on the total number of issued shares of the Company as at 31 December 2017, the special dividend would amount to RM88.4 million *(2016: RM87.8 million)*. 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 2017 of 9.5 sen *(2016: 8 sen)* per ordinary share amounting to RM76.3 million *(2016: RM64.3 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.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and improvements	Leasehold lands	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Bearer plants	Construction in progress	Total
2017									
Group									
Net book value:									
At 1 January, as previously reported	497,620	277,154	311,296	290,912	28,473	36,047	-	286,591	1,728,093
Effect of change in accounting policies *(see Note 2(d))*	-	-	-	-	-	-	2,083,188	-	2,083,188
At 1 January, as restated	497,620	277,154	311,296	290,912	28,473	36,047	2,083,188	286,591	3,811,281
Additions	29,822	89	33,054	25,077	6,337	3,550	178,686	38,817	315,432
Assets of subsidiaries acquired	3	-	18,491	31,522	929	553	534,747	40,448	626,693
Disposals	(170)	-	-	(1)	(423)	(8)	(263)	(394)	(1,259)
Written off	(592)	-	(504)	(332)	(41)	(267)	(317)	-	(2,053)
Depreciation charge for the financial year	(16,758)	(2,953)	(13,661)	(46,245)	(4,574)	(10,388)	(80,559)	-	(175,138)
Depreciation capitalised	(4,807)	(409)	(1,285)	(1,895)	(985)	(1,091)	10,472	-	-
Interest capitalised	-	-	-	-	-	-	31,202	-	31,202
Amortisation of leasehold land use rights capitalised *(see Note 18)*	-	-	-	-	-	-	334	-	334
Reclassifications	2,199	494	81,672	136,907	(714)	3,694	-	(224,252)	-
Foreign exchange differences	(19,795)	-	(16,725)	(12,757)	(1,710)	(1,483)	(155,309)	(6,164)	(213,943)
At 31 December	487,522	274,375	412,338	423,188	27,292	30,607	2,602,181	135,046	4,392,549
At 31 December									
Cost	612,615	320,231	525,041	747,053	57,906	89,509	3,144,711	135,046	5,632,112
At 1981 valuation	46,613	-	-	-	-	-	-	-	46,613
Accumulated depreciation	(171,706)	(45,856)	(112,703)	(323,865)	(30,614)	(58,902)	(542,530)	-	(1,286,176)
Net book value	487,522	274,375	412,338	423,188	27,292	30,607	2,602,181	135,046	4,392,549

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

	Freehold land and improvements	Leasehold lands	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Bearer plants	Construction in progress	Total
2016									
Group									
Net book value:									
At 1 January, as previously reported	456,238	275,075	280,614	296,192	29,251	34,324	-	190,046	1,561,740
Effect of change in accounting policies *(see Note 2(d))*	-	-	-	-	-	-	1,787,403	-	1,787,403
At 1 January, as restated	456,238	275,075	280,614	296,192	29,251	34,324	1,787,403	190,046	3,349,143
Additions	51,207	5,575	3,879	18,764	3,424	5,616	160,897	140,097	389,459
Assets of subsidiaries acquired	-	-	3,812	-	18	309	120,671	244	125,054
Disposals	(2,674)	-	(124)	(2,595)	(747)	(967)	(9,622)	-	(16,729)
Written off	(47)	-	(1,109)	(117)	(107)	(61)	(1,421)	-	(2,862)
Depreciation charge for the financial year	(15,780)	(3,467)	(11,636)	(36,838)	(3,380)	(9,769)	(74,237)	-	(155,107)
Depreciation capitalised	(3,011)	(29)	(2,069)	(569)	(846)	(776)	7,300	-	-
Interest capitalised	-	-	-	-	-	-	26,722	-	26,722
Amortisation of leasehold land use rights capitalised *(see Note 18)*	-	-	-	-	-	-	612	-	612
Reclassifications	1,013	-	31,421	10,859	-	6,847	-	(50,140)	-
Reclassification from leasehold land use rights *(see Note 18)*	-	-	-	376	-	-	783	-	1,159
Foreign exchange differences	10,674	-	6,508	4,840	860	524	64,080	6,344	93,830
At 31 December	497,620	277,154	311,296	290,912	28,473	36,047	2,083,188	286,591	3,811,281
At 31 December 2016									
Cost	611,996	318,956	413,038	566,006	54,246	86,368	2,550,548	286,591	4,887,749
At 1981 valuation	46,613	-	-	-	-	-	-	-	46,613
Accumulated depreciation	(160,989)	(41,802)	(101,742)	(275,094)	(25,773)	(50,321)	(467,360)	-	(1,123,081)
Net book value	497,620	277,154	311,296	290,912	28,473	36,047	2,083,188	286,591	3,811,281
At 1 January 2016									
Cost	546,121	313,379	368,020	546,380	51,809	79,696	2,109,655	190,046	4,205,106
At 1981 valuation	46,613	-	-	-	-	-	-	-	46,613
Accumulated depreciation	(136,496)	(38,304)	(87,406)	(250,188)	(22,558)	(45,372)	(322,252)	-	(902,576)
Net book value	456,238	275,075	280,614	296,192	29,251	34,324	1,787,403	190,046	3,349,143

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 *(2016: RM45.6 million)* had it been stated in the financial statements at cost.

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

	Freehold land and improvements	Leasehold lands	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Bearer plants	Construction in progress	Total
2017									
Company									
Net book value:									
At 1 January, as previously reported	26,200	151,617	24,740	8,490	3,783	12,840	-	1,286	228,956
Effect of change in accounting policies *(see Note 2(d))*	-	-	-	-	-	-	99,393	-	99,393
At 1 January, as restated	26,200	151,617	24,740	8,490	3,783	12,840	99,393	1,286	328,349
Additions	1,386	3	150	1,010	1,805	363	7,063	5,321	17,101
Disposals	-	-	-	(60)	(315)	(18)	-	-	(393)
Written off	-	-	(162)	(39)	(18)	(7)	(165)	-	(391)
Depreciation	(1,736)	(1,397)	(1,187)	(2,727)	(772)	(4,729)	(19,465)	-	(32,013)
Reclassification	-	-	2,549	99	-	1,209	-	(3,857)	-
At 31 December	25,850	150,223	26,090	6,773	4,483	9,658	86,826	2,750	312,653
At 31 December									
Cost	37,633	164,174	33,186	20,982	7,323	35,837	273,454	2,750	575,339
Accumulated depreciation	(11,783)	(13,951)	(7,096)	(14,209)	(2,840)	(26,179)	(186,628)	-	(262,686)
Net book value	25,850	150,223	26,090	6,773	4,483	9,658	86,826	2,750	312,653

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

	Freehold land and improvements	Leasehold lands	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Bearer plants	Construction in progress	Total
2016									
Company									
Net book value:									
At 1 January, as previously reported	26,933	152,965	23,039	7,634	3,426	14,696	-	3,030	231,723
Effect of change in accounting policies *(see Note 2(d))*	-	-	-	-	-	-	115,562	-	115,562
At 1 January, as restated	26,933	152,965	23,039	7,634	3,426	14,696	115,562	3,030	347,285
Additions	934	48	280	2,845	935	985	4,699	3,299	14,025
Disposals	-	-	-	(50)	(110)	(1)	-	-	(161)
Written off	-	-	(108)	(9)	-	(27)	(730)	-	(874)
Depreciation	(1,683)	(1,396)	(1,126)	(2,503)	(468)	(4,612)	(20,138)	-	(31,926)
Reclassification	16	-	2,655	573	-	1,799	-	(5,043)	-
At 31 December	26,200	151,617	24,740	8,490	3,783	12,840	99,393	1,286	328,349
At 31 December 2016									
Cost	36,247	164,171	30,812	20,225	6,348	34,506	275,770	1,286	569,365
Accumulated depreciation	(10,047)	(12,554)	(6,072)	(11,735)	(2,565)	(21,666)	(176,377)	-	(241,016)
Net book value	26,200	151,617	24,740	8,490	3,783	12,840	99,393	1,286	328,349
At 1 January 2016									
Cost	35,297	164,123	28,009	17,150	5,728	31,777	273,264	3,030	558,378
Accumulated depreciation	(8,364)	(11,158)	(4,970)	(9,516)	(2,302)	(17,081)	(157,702)	-	(211,093)
Net book value	26,933	152,965	23,039	7,634	3,426	14,696	115,562	3,030	347,285

The carrying values of the freehold land of the Group and of the Company as at 31 December 2017 are RM142.6 million *(2016: RM142.6 million)* and RM1.6 million *(2016: RM1.6 million)* respectively.

The Group's property, plant and equipment with a carrying amount of approximately RM144.7 million *(2016: RM114.7 million)* have been pledged as collateral as at 31 December 2017.

15. PROPERTY DEVELOPMENT ACTIVITIES

	Group			
	2017		2016	
(a) Land held for property development:				
Freehold land		**138,136**		140,456
Development costs		**122,090**		114,369
		260,226		254,825
At the beginning of the financial year				
- freehold land	**140,456**		73,756	
- development costs	**114,369**	**254,825**	101,260	175,016
Costs incurred during the financial year				
- freehold land	**-**		68,089	
- development costs	**6,202**	**6,202**	14,956	83,045
Costs charged to income statement		**-**		(21)
Costs transferred to property development costs *(see Note 15(b))*				
- freehold land	**(2,408)**		(1,287)	
- development costs	**(4,427)**	**(6,835)**	(1,510)	(2,797)
Costs transferred from/(to) assets classified as held for sale				
- freehold land	**88**		(81)	
- development costs	**5,946**	**6,034**	(337)	(418)
At the end of the financial year		**260,226**		254,825
(b) Property development costs:				
Freehold land		**4,215**		2,696
Development costs		**48,673**		68,314
Accumulated costs charged to income statement		**(21,670)**		(21,004)
		31,218		50,006
At the beginning of the financial year				
- freehold land	**2,696**		3,249	
- development costs	**68,314**		141,048	
- accumulated costs charged to income statement	**(21,004)**	**50,006**	(53,450)	90,847
Costs incurred during the financial year				
- development costs		**47,610**		48,789
Costs charged to income statement		**(44,144)**		(76,180)
Costs transferred from land held for property development *(see Note 15(a))*		**6,835**		2,797
Costs transferred to inventories				
- freehold land	**(889)**		(671)	
- development costs	**(71,678)**		(48,022)	
- accumulated costs charged to income statement	**43,478**	**(29,089)**	32,446	(16,247)
At the end of the financial year		**31,218**		50,006

16. INVESTMENT PROPERTIES

	Group 2017	Group 2016
Net book value:		
At 1 January	**25,517**	26,137
Additions	**201**	77
Depreciation	**(599)**	(605)
Written off	**(4)**	-
Others	**-**	(92)
At 31 December	**25,115**	25,517
At 31 December		
Completed properties		
- Cost	**32,752**	31,416
- Accumulated depreciation	**(7,637)**	(7,038)
	25,115	24,378
Construction in progress	**-**	1,139
Net book value at end of the financial year	**25,115**	25,517
Fair value of completed properties at end of the financial year	**40,275**	37,240

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 RM2.8 million and RM1.0 million *(2016: RM3.0 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.

17. PLANTATION DEVELOPMENT

	Group 2017	Group 2016	Company 2017	Company 2016
At 1 January, as previously reported	**2,465,927**	2,109,655	**285,306**	284,625
Less: Effect of change in accounting policies *(see Note 2(d))*	**(2,465,927)**	(2,109,655)	**(285,306)**	(284,625)
At 1 January, as restated/At 31 December	**-**	-	**-**	-

18. LEASEHOLD LAND USE RIGHTS

	Group 2017	2016
Net book value		
At 1 January	**495,758**	387,063
Additions	**50,390**	13,019
Asset of subsidiaries acquired	**163,361**	85,927
Disposal	**(42,941)**	-
Reclassification to property, plant and equipment *(see Note 14)*	**-**	(1,159)
Amortisation charged to income statement	**(1,733)**	(1,992)
Amortisation capitalised under property, plant and equipment *(see Note 14)*	**(334)**	(612)
Foreign exchange differences	**(23,448)**	13,512
At 31 December	**641,053**	495,758
At 31 December		
Cost	**665,248**	519,559
Accumulated amortisation	**(24,195)**	(23,801)
Net book value	**641,053**	495,758

Leasehold land use rights of certain subsidiaries with an aggregate carrying value of RM469.1 million *(2016: RM398.9 million)* are pledged as securities for borrowings *(see Note 37)*.

The disposal during the financial year of RM42.9 million *(2016: RMNil)* was related to the disposal of a subsidiary of the Group *(See Note 40 (B) (ii))*.

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.

19. INTANGIBLE ASSETS

	Goodwill	Intellectual property rights and development costs	Licencing fee	Total
2017				
Group				
Net book value:				
At 1 January 2017	**27,544**	**-**	**7,084**	**34,628**
Foreign exchange differences	**(2,439)**	**-**	**-**	**(2,439)**
At 31 December 2017	**25,105**	**-**	**7,084**	**32,189**
As at 31 December 2017				
Cost	**25,105**	**-**	**7,084**	**32,189**
Accumulated amortisation	**-**	**-**	**-**	**-**
Net book value	**25,105**	**-**	**7,084**	**32,189**

19. INTANGIBLE ASSETS (cont'd)

	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)
Foreign exchange differences	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

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 in the previous financial year comprised 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 in the previous financial year represented fair value of genomic data arising from the Group's acquisition of the remaining 50% equity interest in ACGT Intellectual Limited in 2010.

Both the intellectual property development costs and intellectual property rights had been written off in the previous financial year in view that the recoverable amount, based on the impairment assessment, was below the carrying amount of the intangible assets and other related assets.

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

	Group	
	2017	2016
Net book value:		
Plantation - Indonesia	**25,105**	27,544
Downstream Manufacturing	**7,084**	7,084
	32,189	34,628

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.

20. SUBSIDIARIES

	Company 2017	Company 2016
Unquoted shares - at cost	**3,678,051**	3,394,609
Accumulated impairment losses	**(299,325)**	(299,325)
	3,378,726	3,095,284
Amounts due from subsidiaries		
- Current	**1,397,785**	783,375
Amounts due to subsidiaries	**1,177,120**	1,066,682
Less: Balance included in current liabilities	**(177,120)**	(66,682)
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 *(2016: RM592.2 million)* bearing a fixed interest rate of 4.62% *(2016: 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% *(2016 : 4.62%)* per annum.

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

i) Subscription of 265,942,000 *(2016: 195,050)* redeemable convertible non-cumulative preference shares issued by its wholly owned subsidiaries amounting to RM265.9 million *(2016: RM863.3 million)*; and

ii) Subscription of new ordinary shares in an existing subsidiary as detailed in Note 40 (C).

The subsidiaries are listed in Note 42 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. Knowledge One Investment Pte Ltd
12. PT Citra Sawit Cemerlang
13. PT Sawit Mitra Abadi
14. PT Sepanjang Intisurya Mulia
15. PT Surya Agro Palma
16. PT Agro Abadi Cemerlang
17. PT Palma Agro Lestari Jaya
18. PT Kharisma Inti Usaha
19. PT Dwie Warna Karya
20. PT Kapuas Maju Jaya
21. PT Susantri Permai
22. GlobalIndo Holdings Pte Ltd
23. Global Agri Investment Pte Ltd
24. Universal Agri Investment Pte Ltd
25. PT GlobalIndo Agung Lestari
26. PT United Agro Indonesia

Malaysia Subsidiaries

1. Genting Biorefinery Sdn Bhd
2. Genting MusimMas Refinery Sdn Bhd

The total non-controlling interests as at 31 December 2017 is RM235.3 million *(2016: RM255.4 million)*, of which RM76.8 million *(2016: RM79.7 million)* is in respect of Malaysian subsidiaries and RM158.5 million *(2016: RM175.7million)* is in respect of Indonesian subsidiaries.

20. SUBSIDIARIES (cont'd)

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

	Indonesia Subsidiaries		Malaysia Subsidiaries	
	2017	2016 Restated	**2017**	2016
Summarised statement of financial position				
As at 31 December				
Current assets	**494,138**	371,079	**238,736**	185,908
Non-current assets	**2,423,180**	2,353,849	**332,137**	330,919
Current liabilities	**(1,248,446)**	(879,671)	**(178,980)**	(139,826)
Non-current liabilities	**(1,251,535)**	(1,268,402)	**(96,471)**	(72,338)
Net assets	**417,337**	576,855	**295,422**	304,663
Accumulated non-controlling interests at the end of the reporting period	**158,523**	175,671	**62,112**	65,689
Summarised statement of comprehensive income				
For the financial year ended 31 December				
Revenue for the financial year	**614,299**	407,560	**597,702**	-
(Loss) /Profit for the financial year	**(79,717)**	39,438	**(12,683)**	1,211
Total comprehensive (loss) /income for the financial year	**(55,825)**	35,326	**(9,241)**	1,211
Profit /(Loss) for the financial year attributable to non-controlling interest	**7,236**	(9,310)	**(3,577)**	184
Summarised cash flows				
For the financial year ended 31 December				
Cash flows generated from/(used in) operating activities	**97,349**	4,908	**(82,031)**	(12,153)
Cash flows used in investing activities	**(236,546)**	(272,689)	**(11,591)**	(74,723)
Cash flows generated from financing activities	**197,801**	342,083	**1,726**	55,410
Net increase/(decrease) in cash and cash equivalents	**58,604**	74,302	**(91,896)**	(31,466)
Dividend paid to non-controlling interests	**-**	-	**-**	-

21. JOINT VENTURES

	Group 2017	2016
Unquoted – at cost:		
Shares in a foreign corporation	**12,500**	12,500
Group's share of post acquisition reserves	**95,596**	65,394
	108,096	77,894
Amounts due from joint ventures	**9,110**	10,120
Less: Balance included in current assets	**(4,213)**	(3,759)
Balance included in other non-current assets *(see Note 24)*	**4,897**	6,361
	112,993	84,255

The joint ventures of the Group, as detailed in Note 42, comprises 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 amounts due from joint ventures included in current assets are 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 RM2,684,943 redeemable cumulative convertible preference shares in the previous financial year.

There are no contingent liabilities relating to the Group's interest in the joint ventures at the financial year end *(2016: Nil)*.

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

	Group 2017	2016
Summarised statement of financial position as at 31 December		
Current assets	**80,782**	32,283
Non-current assets	**334,874**	215,699
Current liabilities	**(74,877)**	(63,279)
Non-current liabilities	**(114,419)**	(18,747)
Net assets	**226,360**	165,956
Included in the statement of financial position are:		
Cash and cash equivalents	**37,493**	15,648
Current financial liabilities (excluding trade and other payables and provisions)	**(12,130)**	(26,920)
Non-current financial liabilities (excluding trade and other payables and provisions)	**(114,419)**	(18,747)

21. JOINT VENTURES (cont'd)

	Group 2017	Group 2016
Summarised income statement for the financial year ended 31 December		
Profit for the financial year	**60,404**	42,278
Other comprehensive income	**-**	-
Total comprehensive income	**60,404**	42,278
Included in the income statement are:		
Revenue	**93,867**	63,864
Depreciation and amortisation	**(5,368)**	(3,584)
Interest income	**212**	864
Interest expense	**(4,742)**	(3,835)
Income tax expense	**-**	(47)
Reconciliation of net assets to carrying amount:		
As at 31 December		
Group's share of net assets	**113,180**	82,978
Profit elimination on transaction with a joint venture	**(5,084)**	(5,084)
Carrying amount in the statement of financial position	**108,096**	77,894

22. ASSOCIATES

	Group 2017	Group 2016	Company 2017	Company 2016
Unquoted shares - at cost	**2,123**	2,123	**2,123**	2,123
Group's share of post-acquisition reserves	**10,748**	10,378	**-**	-
Share of net assets	**12,871**	12,501	**2,123**	2,123
Amounts due from associates	**356**	380	**356**	380
Less: Balance included in current assets	**(356)**	(380)	**(356)**	(380)
	-	-	**-**	-
	12,871	12,501	**2,123**	2,123

The associates are listed in Note 42.

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 *(2016: Nil)*.

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

	Group 2017	Group 2016
Share of profit for the financial year	**4,493**	3,849
Share of other comprehensive income	**-**	-
Share of total comprehensive income	**4,493**	3,849

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group 2017	Group 2016	Company 2017	Company 2016
Equity investments in foreign corporations				
- unquoted	**91,808**	143,170	**-**	-
Debt security in a foreign corporation				
- unquoted	**2,740**	-	**-**	-
Income funds in Malaysian corporations				
- unquoted	**500,001**	500,006	**500,001**	500,006
At 31 December	**594,549**	643,176	**500,001**	500,006
Analysed as follows:				
Current	**500,001**	500,006	**500,001**	500,006
Non-current	**94,548**	143,170	**-**	-
	594,549	643,176	**500,001**	500,006

The investments in unquoted foreign corporations comprise mainly the 4.24% *(2016: 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 sustainability challenges.

The fair values of the equity investments in unquoted foreign corporations are determined based on discounted cash flow valuation technique. During the financial year, a fair value loss of RM31.1 million *(2016: RMNil)* was recognised in OCI in relation to this investment.

Sensitivity disclosure has been included in Note 4(c) to the financial statements.

During the financial year, the Group subscribed to its proportionate allocated 8% Convertible Promissory Notes ("Notes") in SGI for RM2.8 million. The Notes is repayable upon maturity or convertible to equity share in SGI in its next equity issuance.

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.

24. OTHER NON-CURRENT ASSETS

	Group 2017	Group 2016	Company 2017	Company 2016
Amount due from a joint venture *(see Note 21)*	**4,897**	6,361	**-**	-
Amount due from a related party	**8,000**	8,000	**8,000**	8,000
	12,897	14,361	**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	**3,176**	4,640	**-**	-
	12,897	14,361	**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.

25. 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	
	2017	2016 Restated	**2017**	2016 Restated
Deferred tax assets:				
- subject to income tax *(see (i) below)*	**134,316**	92,556	**-**	-
Deferred tax liabilities:				
- subject to income tax	**(308,154)**	(142,802)	**(28,245)**	(31,246)
- subject to Real Property Gains Tax ("RPGT")	**(555)**	(555)	**-**	-
Total deferred tax liabilities *(see (ii) below)*	**(308,709)**	(143,357)	**(28,245)**	(31,246)
	(174,393)	(50,801)	**(28,245)**	(31,246)
At 1 January, as previously reported	**(4,623)**	68,876	**(4,679)**	(529)
Effect of change in accounting policy *(see Note 2(d))*	**(46,178)**	(55,912)	**(26,567)**	(30,611)
At 1 January, as restated	**(50,801)**	12,964	**(31,246)**	(31,140)
(Charged)/Credited to income statements *(see Note 11):*				
- Property, plant and equipment	**(13,956)**	(21,303)	**6,325**	(600)
- Provision for retirement gratuities	**370**	598	**394**	913
- Land held for property development	**629**	546	**-**	-
- Property development costs	**(193)**	(129)	**-**	-
- Inventories	**10,597**	324	**-**	-
- Payables	**1,006**	1,034	**13**	(37)
- Tax losses	**(10,008)**	(8,281)	**(3,731)**	(382)
- Tax incentives	**-**	-	**-**	-
- Other temporary differences	**(1,979)**	(395)	**-**	-
	(13,534)	(27,606)	**3,001**	(106)
Acquisition of subsidiaries	**(122,328)**	(1,452)	**-**	-
Currency translation differences	**12,270**	(34,707)	**-**	-
At 31 December	**(174,393)**	(50,801)	**(28,245)**	(31,246)
Subject to income tax/RPGT:				
i) Deferred tax assets (before offsetting)				
- Property, plant and equipment	**8,986**	10,453	**-**	-
- Provision for retirement gratuities	**3,212**	2,842	**3,003**	2,609
- Land held for property development	**5,688**	5,059	**-**	-
- Inventories	**11,900**	1,303	**-**	-
- Payables	**20,586**	19,586	**172**	159
- Tax losses	**161,351**	128,589	**-**	3,731
- Other temporary differences	**1,320**	1,562	**-**	-
	213,043	169,394	**3,175**	6,499
Offsetting	**(78,727)**	(76,838)	**(3,175)**	(6,499)
Deferred tax assets (after offsetting)	**134,316**	92,556	**-**	-

25. DEFERRED TAXATION (cont'd)

	Group 2017	Group 2016 Restated	Company 2017	Company 2016 Restated
ii) Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	**(379,436)**	(216,932)	**(31,420)**	(37,745)
- Land held for property development	**(204)**	(204)	**-**	-
- Property development costs	**(1,339)**	(1,146)	**-**	-
- Inventories	**(241)**	(239)	**-**	-
- Other temporary differences	**(6,216)**	(1,674)	**-**	-
	(387,436)	(220,195)	**(31,420)**	(37,745)
Offsetting	**78,727**	76,838	**3,175**	6,499
Deferred tax liabilities (after offsetting)	**(308,709)**	(143,357)	**(28,245)**	(31,246)

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 RM20.3 million *(2016: RM22.9 million)*.

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 2017	Group 2016
Unutilised tax losses		
- Expiring not more than five years *(see Note (a) below)*	**154,701**	137,606
- No expiry period *(see Note (b) below)*	**411,751**	392,172
	566,452	529,778
Unutilised capital allowances with no expiry period	**133,348**	97,868
	699,800	627,646

(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 RM318.7 million *(2016: RM305.9 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 RM93.1 million *(2016: RM86.3 million)* as the realisation of the tax benefits accruing to these tax losses is uncertain.

The deferred tax assets recognised on unutilised tax losses mainly relate to carried forward tax losses of subsidiaries in Indonesia, to the extent that the deferred tax assets will be recoverable based on the estimated future financial performance of the subsidiaries.

26. ASSETS CLASSIFIED AS HELD FOR SALE

	Group 2017	Group 2016
Land held for property development	**-**	6,034

The assets classified as held for sale as at the end of the previous financial year comprised land and infrastructure costs measuring approximately 20 acres pursuant to a sale and purchase agreement signed with a third party. The sale and purchase agreement was subsequently terminated during the financial year and accordingly the cost had been reclassified to land held for property development.

27. INVENTORIES

	Group 2017	Group 2016	Company 2017	Company 2016
Produce stocks	**113,750**	66,637	**-**	-
Stores and spares	**41,268**	37,131	**1,839**	1,598
Raw materials and consumables	**5,567**	2,020	**-**	-
Completed development properties	**72,258**	68,490	**-**	-
	232,843	174,278	**1,839**	1,598

28. TRADE AND OTHER RECEIVABLES

	Group 2017	Group 2016	Company 2017	Company 2016
Current:				
Trade receivables	**78,040**	140,895	**-**	80
Less: Allowance for impairment of trade receivables	**(47)**	(370)	**-**	-
	77,993	140,525	**-**	80
Accrued billings in respect of property development	**2,509**	4,697	**-**	-
Deposits	**5,537**	7,675	**820**	775
Prepayments	**17,448**	14,056	**540**	730
Other receivables*	**293,831**	337,805	**4,429**	36,468
	397,318	504,758	**5,789**	38,053

* *Included in other receivables of the Group are plasma plantations debtors of RM165.2 million (2016: RM111.8 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. Allowance for impairment losses on recovery is made when the estimated recoverable amount is less than the outstanding advances.

Credit terms offered by the Group in respect of trade receivables range from 7 days to 30 days *(2016: 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 2017	Group 2016	Company 2017	Company 2016
Trade receivables past due:				
Past due up to 3 months	**10,229**	6,757	**-**	-
Past due 3 to 6 months	**297**	1,459	**-**	-
Past due over 6 months	**1,194**	1,088	**-**	-
	11,720	9,304	**-**	-

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.

28. TRADE AND OTHER RECEIVABLES (cont'd)

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

	Group	
	2017	2016
At 1 January	**370**	398
Allowance for impairment of trade receivables	**28**	-
Write back of allowance	**(351)**	(28)
At 31 December	**47**	370

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.

29. HOLDING COMPANY AND OTHER RELATED COMPANIES

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

	Group		Company	
	2017	2016	**2017**	2016
Current:				
Amount due to ultimate holding company	**(1,118)**	(960)	**(1,118)**	(960)
Amounts due to other related companies	**(1,142)**	(1,112)	**(1,141)**	(1,006)
	(2,260)	(2,072)	**(2,259)**	(1,966)
Amounts due from other related companies	**-**	-	**1,858**	1,200
	(2,260)	(2,072)	**(401)**	(766)

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

30. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017	2016	**2017**	2016
Deposits with licensed banks	**398,945**	503,857	**160,613**	426,649
Cash and bank balances	**265,489**	263,318	**161,318**	209,391
	664,434	767,175	**321,931**	636,040
Add:				
Money market instruments	**914,540**	493,091	**826,162**	191,714
	1,578,974	1,260,266	**1,148,093**	827,754
Less: Restricted cash	**(357,300)**	-	**(357,300)**	-
Cash and cash equivalents	**1,221,674**	1,260,266	**790,793**	827,754

The deposits of the Group and of the Company as at 31 December 2017 have maturity period of one month *(2016: one month)*. The money market instruments of the Group and the Company as at 31 December 2017 have maturity periods ranging between overnight and one month *(2016: 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 3.26% to 3.43% *(2016: 3.31% to 3.56%)* per annum.

Included in the bank balances of the Group is an amount of RM31.3 million *(2016: RM22.5 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.

Restricted cash relates to the money market instruments pledged with a licensed bank to secure certain bank borrowings during the financial year.

31. SHARE CAPITAL

	Group and Company			
	Number of shares		Share Capital	
	2017	2016	**2017**	2016
Authorised share capital:				
At 1 January	**100,000,000**	100,000,000	**500,000**	500,000
Effects of transition to no authorised share capital regime on 31 January 2017 under the Companies Act 2016	**(100,000,000)**	-	**(500,000)**	-
At 31 December	**-**	100,000,000	**-**	500,000
Issued and fully-paid:				
Ordinary shares				
At 1 January				
- Ordinary shares of RM0.50 each	**794,038,404**	782,662,625	**397,019**	391,331
Effect of transition to no par value regime on 31 January 2017 under the Companies Act 2016	**-**	-	**370,392**	-
Issuance pursuant to conversion of warrants	**9,360,660**	11,375,779	**73,929**	5,688
At 31 December				
- Ordinary shares with no par value				
(2016: ordinary shares of RM0.50 each)	**803,399,064**	794,038,404	**841,340**	397,019

The Companies Act 2016 (the "Act") which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing credit of the share premium account of RM370.4 million becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. There is no impact on the number of ordinary share in issue or the relative entitlement of any of the members as a result of this transition.

Pursuant to subsection 618(3) of the Act, the Group may exercise its right to use the amount standing to the credit of its share premium within 24 months after the commencement of the Act. The Board of Directors will make a decision thereon before 31 January 2019.

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing 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.

32. TREASURY SHARES

At the Annual General Meeting of the Company held on 30 May 2017, 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.

In the previous financial year, the Company had purchased a total of 20,000 ordinary shares of its issued share capital from the open market at an average price of RM10.83 per share. The total consideration paid for the purchase, including transaction costs, was RM216,549 and was financed by internally generated funds. The Company did not purchase its own shares in the current financial year. The purchased shares are held as treasury shares in accordance with the requirements of Section 127(4) of the Companies Act 2016 in Malaysia. 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 2017, of the total 803,399,064 *(2016: 794,038,404)* issued and fully paid ordinary shares, 160,000 *(2016: 160,000)* shares are held as treasury shares by the Company. At 31 December 2017, the number of outstanding ordinary shares in issue after netting-off treasury shares against equity is 803,239,064 *(2016: 793,878,404)* ordinary shares.

32. TREASURY SHARES (cont'd)

	Total shares purchased in units '000	Total consideration paid RM'000	Average price* RM
At 1 January/31 December	160	1,372	8.58

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

33. RESERVES

	Group		Company	
	2017	2016 Restated	**2017**	2016 Restated
Share premium	**-**	356,384	**-**	356,384
Warrants reserve	**155,624**	171,015	**155,624**	171,015
Revaluation reserve	**18,063**	18,063	**104**	104
Fair value reserve	**9,573**	40,679	**5**	5
Treasury shares *(see Note 32)*	**(1,372)**	(1,372)	**(1,372)**	(1,372)
Cash flow hedge reserve	**3,733**	(1,279)	**-**	(26)
Reserve on exchange differences	**(132,411)**	2,944	**-**	-
	53,210	586,434	**154,361**	526,110
Retained earnings	**3,439,606**	3,297,472	**3,966,224**	3,540,044
	3,492,816	3,883,906	**4,120,585**	4,066,154

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 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			
	2017	2016	**2017**	2016
	No. of Warrants		**RM'000**	RM'000
At 1 January	**104,008,060**	115,383,839	**171,015**	189,720
Conversion of warrants	**(9,360,660)**	(11,375,779)	**(15,391)**	(18,705)
At 31 December	**94,647,400**	104,008,060	**155,624**	171,015

34. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	**2017**	2016
Current:				
Trade payables	**90,553**	75,818	**4,042**	4,315
Accruals for property development expenditure	**93,342**	82,922	**-**	-
Deposits	**8,785**	46,975	**330**	292
Accrued expenses	**160,503**	189,007	**17,783**	15,121
Retention monies	**13,862**	17,628	**36**	42
	367,045	412,350	**22,191**	19,770

Included in accrued expenses of the Group and of the Company are interest payable of RM14.6 million *(2016: RM11.0 million)* and RM2.1 million *(2016: RMNil)* respectively.

Included in accrued expenses of the Group amounting to RM9.1 million *(2016: RM3.9 million)* is an unfunded defined benefit plan operate by the subsidiaries in Indonesia for its eligible employees. The defined benefit obligation is determined based on the actuarial valuation carried out by an independent qualified actuary.

The principal assumptions used in respect of the Group's unfunded defined benefits plan are as follows:

	2017	2016
	%	%
Discount rate	**7.02% - 7.22%**	8.39% - 8.48%
Future salary increases	**5%**	5%

35. PROVISION FOR RETIREMENT GRATUITIES

	Group		Company	
	2017	2016	**2017**	2016
Non-current:				
At 1 January	**12,469**	9,511	**10,872**	7,068
Charged to income statements	**6,043**	2,958	**5,859**	3,804
Payment during the financial year	**(4,220)**	-	**(4,220)**	-
At 31 December	**14,292**	12,469	**12,511**	10,872

36. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Group		Company	
	2017	2016	**2017**	2016
Non-current:				
Designated as cash flow hedge				
Interest Rate Swap	**(128)**	(2,073)	**-**	-
Current:				
Designated as cash flow hedge				
Interest Rate Swap	**(9)**	424	**-**	-
Forward foreign currency exchange contracts	**1,403**	(574)	**-**	(26)
Commodity forward contracts	**2,038**	-	**-**	-
	3,432	(150)	**-**	(26)

36.DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (cont'd)

As at 31 December 2017, the summary and maturity analysis of the outstanding derivative financial assets and liabilities of the Group and of the Company are as follows:

(a) Interest Rate Swap

	Contract/Notional Value (RM'000)	Fair Value Asset/(Liability) (RM'000)
As at 31 December 2017		
Group		
USD	244,800	
- Less than 1 year		(9)
- 1 year to 3 years		(128)
As at 31 December 2016		
Group		
USD	313,355	
- Less than 1 year		424
- 1 year to 3 years		(2,073)

(b) Forward Foreign Currency Exchange Contracts

	Contract/Notional Value (RM'000)	Fair Value Asset/(Liability) (RM'000)
As at 31 December 2017		
Group		
USD	92,122	
- Less than 1 year		1,403
As at 31 December 2016		
Group		
USD	70,310	
- Less than 1 year		(574)
Company		
USD	31,946	
- Less than 1 year		(26)

(c) Commodity Forward Contracts

	Contract/Notional Value (RM'000)	Fair Value Asset (RM'000)
As at 31 December 2017		
Group		
USD	31,003	
- Less than 1 year		2,038

The commodity forward contracts were entered into with the objective of managing and hedging on the Group's downstream manufacturing operations to adverse price movements in the palm oil commodities.

These interest rate swap, forward foreign currency exchange contracts and commodity future 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 profit or loss 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 and are within Level 2 of the fair value hierarchy. The Group had no significant concentration of credit risk as at 31 December 2017.

37. BORROWINGS

	Group 2017	Group 2017	Company 2017	Company 2016
Current				
Secured:				
Term loans	**516,004**	29,097	**320,117**	-
Unsecured:	**109,308**	-	**-**	-
Trade financing	**625,312**	29,097	**320,117**	-
Non-current				
Secured:				
Term loans	**1,561,369**	1,318,318	**236,640**	-
Unsecured:				
Sukuk Murabahah	**997,699**	997,390	**-**	-
	2,559,068	2,315,708	**236,640**	-
	3,184,380	2,344,805	**556,757**	-

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 2017						
Secured						
Term loans	1.89% - 10.50%	**2,077,373**	**516,004**	**405,412**	**724,104**	**431,853**
Unsecured						
Sukuk Murabahah	4.62%	**997,699**	**-**	**-**	**-**	**997,699**
Trade financing	4.64% - 4.76%	**109,308**	**109,308**	**-**	**-**	**-**
		3,184,380	**625,312**	**405,412**	**724,104**	**1,429,552**
Company						
At 31 December 2017						
Secured						
Term loans	1.89% - 2.05%	**556,757**	**320,117**	**236,640**	**-**	**-**
Group						
At 31 December 2016						
Secured						
Term loans	1.78% - 4.87%	1,347,415	29,097	39,960	797,708	480,650
Unsecured						
Sukuk Murabahah	4.62%	997,390	-	-	-	997,390
		2,344,805	29,097	39,960	797,708	1,478,040

The term loans are secured over the plantation lands of certain subsidiaries in Indonesia, land and refinery in Lahad Datu, Sabah and money market instruments as disclosed in Notes 14, 18 and 30.

The carrying amounts of the Group's borrowings approximate their fair values.

37. BORROWINGS (cont'd)

b) Undrawn committed borrowing facilities

	Group	
	2017	2016
Floating rate:		
- expiring within one year	**95,858**	-
- expiring more than one year and not more two years	**-**	102,720
- expiring more than two years and not more than five years	**353,652**	409,711
- expiring more than five years	**9,775**	-
	459,285	512,431

The facilities have been arranged to finance the expansion of the Group's plantation activities in Indonesia.

38. DEFERRED INCOME

	Group	
	2017	2016
Non-current		
Government grant		
At 1 January/31 December	**8,493**	8,493

This refers to the 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.

39. CAPITAL COMMITMENTS

	Group		Company	
	2017	2016	**2017**	2016
Authorised capital expenditure not provided for in the financial statements:				
- contracted	**98,414**	109,875	**2,691**	990
- not contracted	**1,475,503**	1,506,837	**33,710**	16,742
	1,573,917	1,616,712	**36,401**	17,732
Analysed as follows:				
- Property, plant and equipment	**1,531,455**	1,580,279	**36,401**	17,732
- Intellectual property development	**13,487**	13,487	**-**	-
- Leasehold land use rights	**28,975**	22,946	**-**	-
	1,573,917	1,616,712	**36,401**	17,732

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

A) Acquisition of 100% equity interest in Knowledge One Investment Pte Ltd ("KOI") from Lee Rubber Company Pte Ltd ("Lee Rubber") for a cash consideration of USD94,970,000 ("Acquisition")

AsianIndo Holdings Pte Ltd ("AsianIndo"), a 100% indirect subsidiary of the Company, had on 18 August 2017 entered into a sale and purchase agreement with Lee Rubber for the purpose of acquiring 20,000,000 ordinary shares representing 100% equity interest in KOI from Lee Rubber for a cash consideration of USD94,970,000. KOI holds, through its 85.0% owned subsidiary in Indonesia, PT Kharisma Inti Usaha ("PT KIU") the Hak Guna Usaha or rights to cultivate approximately 14,661 hectares of land in Kabupaten Tapin, Provinsi Kalimantan Selatan, Republic of Indonesia into an oil palm plantation. The Acquisition was completed on 10 October 2017.

Consequently, KOI has become an indirect wholly-owned subsidiary of the Company and hence, PT KIU has become an effective 85%-owned subsidiary of the Company.

B) Disposal of subsidiaries

(i) Disposal of 100% equity interest in South East Asia Agri Investment Pte Ltd ("SEAAI"), an indirect 63.2% owned subsidiary of the Company

GlobalIndo Holdings Pte Ltd, an indirect 63.2% owned subsidiary of the Company, had on 25 January 2017 disposed its 100% equity interest in SEAAI comprising one ordinary share to Seven Perfect International Investments Co Ltd for a cash consideration of SGD1. SEAAI holds 95% equity interest in PT GlobalIndo Investama Lestari which had not commenced operations in Indonesia.

The disposal did not have any material impact on the Group's earnings or net assets for the current financial year.

(ii) Disposal of 95% equity interest in PT Permata Sawit Mandiri ("PT PSM") to PT Suryaborneo Mandiri ("PT SBM") for a total cash consideration of USD3,190,000 ("The Disposal")

Palma Citra Investama Pte Ltd ("PCitra"), a 73.685% indirect subsidiary of the Company, had on 25 January 2017 entered into a conditional sale and purchase agreement with PT SBM, a related party, for the purpose of disposing 950 Series A shares and 34,100 Series B shares of IDR1,000,000 each in PT PSM representing 95% equity interest in PT PSM for a cash consideration of USD3,190,000.

The Disposal was completed on 16 March 2017 and following the completion of the Disposal, PT PSM had ceased to be an effective 70% owned subsidiary of the Company. The Disposal did not have any material impact on the Group's earnings or net assets for the current financial year.

C) Subscription of new shares in an existing subsidiary

During the financial year, the Company had subscribed 17.5 million ordinary shares in Genting Agtech Sdn Bhd ("GAT") *(2016: 4.9 million ordinary shares in ACGT Sdn Bhd, 6.0 million shares in GAT and 99,998 ordinary shares in Genting Biodiesel Sdn Bhd)* for a cash consideration of RM17.5 million *(2016: RM11 million)*. There is no change in percentage of ownership in GAT after the subscription of additional shares.

41. 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:

41. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

	Group 2017	Group 2016	Company 2017	Company 2016
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.	**2,210**	1,985	**823**	1,195
b) Transactions with subsidiaries				
i) Fees receivable from subsidiaries for the provision of management services.	**-**	-	**35,979**	34,563
ii) Dividend income from subsidiaries.	**-**	-	**578,340**	284,940
iii) Sales of fresh fruits bunches to a subsidiary.	**-**	-	**127,826**	115,747
iv) Provision of plant screening services by a subsidiary.	**-**	-	**-**	333
v) Purchase of crude palm oil from a subsidiary.	**-**	-	**-**	12,474
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.	**529**	461	**-**	-
d) Transactions with other related parties				
i) Provision of information technology and system implementation services and rental of equipment by Genting Information Knowledge Enterprise Sdn Bhd and Genting Malaysia Berhad, both are subsidiaries of Genting Berhad, the Company's immediate and ultimate holding company; and by eGenting Sdn Bhd, which became an indirect wholly-owned subsidiary of Resorts World Inc Pte Ltd, which is a 50% joint venture of Genting Berhad during the financial year.	**4,245**	4,313	**2,891**	2,947
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.	**2,670**	2,725	**2,315**	2,366
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.	**836**	955	**836**	955

41. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

	Group		Company	
	2017	2016	**2017**	2016
d) Transactions with other related parties (cont'd)				
iv) Letting of office space and provision of related services by PT Lestari Properti Investama ("PT LPI"), an indirect subsidiary of Genting Berhad, the Company's immediate and ultimate holding company.	**2,953**	2,918	**-**	-
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 ("GLS"), 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	**-**	-
ix) Sale of refined palm oil products to Inter-Continental Oils & Fats Pte Ltd, a wholly-owned subsidiary of Musim Mas Holdings Pte Ltd, the holding company of Musim Mas International (South Asia) Pte Ltd, which in turn holds 28% equity interest in Genting MusimMas Refinery Sdn Bhd.	**481,795**	-	**-**	-
x) Sale of fresh fruit bunches by PT Agro Abadi Cemerlang ("PT AAC") to Sepanjang Group, which vide PalmIndo Holdings Pte Ltd and PT Bintang Harapan Desa, holds an effective 30% equity interest in PT AAC.	**10,278**	-	**-**	-
xi) Purchase of 1,923 square metres of office space at DBS Bank Tower 15th Floor, Ciputra World 1 Jakarta from PT LPI by PT Genting Plantations Nusantara.	**29,686**	-	**-**	-
xii) Provision of sequencing and bioinformatic services by GLS to ACGT Sdn Bhd.	**517**	-	**-**	-

	Group		Company	
	2017	2016	**2017**	2016
d) Transactions with other related parties (cont'd)				
xiii) Disposal of PT Permata Sawit Mandiri to PT Suryaborneo Mandiri, which is owned by a major shareholder in PalmIndo Holdings Pte Ltd, a 73.685% indirect subsidiary of the Company.	**14,117**	-	**-**	-
e) Directors and key management personnel				
The remuneration of Directors and other key management personnel is as follows:				
Fees, salaries and bonuses	**5,831**	6,145	**5,831**	5,997
Defined contribution plans	**789**	824	**789**	802
Provision for retirement gratuities	**5,132**	1,318	**5,132**	1,318
Other short term employee benefits	**55**	7	**55**	7
Benefits-in-kind	**167**	92	**167**	92
	11,974	8,386	**11,974**	8,216

f) The significant outstanding balances with subsidiaries, joint ventures, associates and other related parties are shown in Note 20, Note 21, Note 22, Note 24 and Note 29 respectively.

42. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

		Effective Percentage of Ownership 2017	2016	Country of Incorporation	Principal Activities
	Direct Subsidiaries				
	ACGT Sdn Bhd	**96**	96	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

42. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (cont'd)

		Effective Percentage of Ownership 2017	2016	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**	96	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**	74	Singapore	Investment holding
#	Degan Limited	**96**	96	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
@+	Knowledge One Investment Pte Ltd	**100**	-	Singapore	Investment holding

42. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (cont'd)

		Effective Percentage of Ownership 2017	2016	Country of Incorporation	Principal Activities
	Indirect Subsidiaries (cont'd)				
+	Palm Capital Investment Pte Ltd	**74**	74	Singapore	Investment holding
+	Palma Citra Investama Pte Ltd	**74**	74	Singapore	Investment holding
+	PalmIndo Holdings Pte Ltd	**74**	74	Singapore	Investment holding
+	PT Agro Abadi Cemerlang	**70**	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 Kapuas Maju Jaya	**95**	95	Indonesia	Oil palm plantation
@+	PT Kharisma Inti Usaha	**85**	-	Indonesia	Oil palm plantation and processing of fresh fruit bunches
+	PT Palma Agro Lestari Jaya	**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
	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	**-**	100	Malaysia	Dissolved

42. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (cont'd)

		Effective Percentage of Ownership 2017	2016	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
+	PT GlobalIndo Investama Lestari	**-**	70	Indonesia	Disposed
+	PT Permata Sawit Mandiri	**-**	70	Indonesia	Disposed
+	South East Asia Agri Investment Pte Ltd	**-**	63	Singapore	Disposed
	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
*	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 40 (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 PLT, Malaysia.*

\# *These entities are either exempted or have no statutory audit requirement.*

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 2016 ("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 financial position of the Group and of the Company as at 31 December 2017 and of the financial performance 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 26 February 2018.

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, **LEE SER WOR**, 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 82 to 161, 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)
LEE SER WOR, at KUALA LUMPUR in the State of FEDERAL TERRITORY)
on 26 February 2018)

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 2017, 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 2016 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 2017, and the income statements, statements of comprehensive income, changes in equity and 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 82 to 161.

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 PLT (LLP0014401-LCA & AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

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 financial 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
Accounting for pre-cropping costs (plantation development expenditure)	

The Group and the Company elected to change its accounting policy for the accounting of pre-cropping costs incurred ("bearer plant"), from the capital maintenance method adopted currently to the amortisation method, commencing from 1 January 2017 onwards.
 	
The change in accounting policy results in the Group being more aligned to the underlying principle set out in the revised standard, Agriculture: Bearer Plants (Amendments to Malaysian Financial Reporting Standards ("MFRS") 116 "Property, plant and equipment" and MFRS 141 "Agriculture") issued under the MFRS framework.
 	
Under the capital maintenance method, all new planting expenditure incurred from the stage of land clearing up to the state of maturity was capitalised and not depreciated. Replanting expenditure incurred was recognised in income statements in the financial year in which the expenditure was incurred.
 	
Under the revised accounting policy, bearer plants are classified as property, plant and equipment. Plantation development expenditure and replanting expenditures are capitalised at cost and depreciated on a straight-line basis over a useful life of 22 years, from the date of maturity.
 	
The change in accounting policy has been applied retrospectively and comparatives were restated accordingly.
 	
We focused on this area as the restatement amounts on the comparatives are material.
 	
Refer to Note 2 (d) to the financial statements.
	We have performed the following procedures:
	
	• Obtained management's assessment of the impact arising from the change in accounting policy;
	• Compared the requirements under the existing accounting policy and the revised accounting policy;
	• Checked the reasonableness of management's key assumptions and judgements exercised in performing the impact assessment:
	  - Economic life and useful life of the bearer plants;
	  - Reliability of data collated;
	  - Appropriateness of the cost components which are eligible for capitalisation as bearer plants; and
	• Checked that the disclosures in the financial statements are in accordance with the requirements as set out in FRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors".
	
	Based on the procedures performed, we noted no significant exceptions.

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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 2017 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 2016 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.

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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 of 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 on 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 2016 in Malaysia, we report that, the subsidiaries of which we have not acted as auditors, are disclosed in Note 42 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

HEW CHOOI YOKE
03203/07/2019 J
Chartered Accountant

Kuala Lumpur
26 February 2018

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 13 March 2018

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares *	% of Shares
Less than 100	263	3.617	1,415	0.000
100 - 1,000	3,040	41.810	2,417,746	0.301
1,001 - 10,000	3,081	42.374	11,609,539	1.445
10,001 - 100,000	639	8.788	21,098,090	2.626
100,001 to less than 5% of issued shares	242	3.328	247,368,574	30.793
5% and above of issued shares	6	0.083	520,838,000	64.835
Total	**7,271**	**100.000**	**803,333,364**	**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 13 MARCH 2018
(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*	115,667,000	14.398
2.	Genting Berhad	85,171,000	10.602
3.	Genting Berhad	80,000,000	9.959
4.	Genting Berhad	80,000,000	9.959
5.	Genting Berhad	80,000,000	9.959
6.	Genting Berhad	80,000,000	9.959
7.	Kumpulan Wang Persaraan (Diperbadankan)	29,617,300	3.687
8.	Malaysia Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)*	13,014,200	1.620
9.	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt AN for AIA Bhd*	12,743,900	1.586
10.	Pertubuhan Keselamatan Sosial	9,929,700	1.236
11.	Cartaban Nominees (Asing) Sdn Bhd *Exempt AN for State Street Bank & Trust Company (WEST CLT OD67)*	9,206,500	1.146
12.	AmanahRaya Trustees Berhad *Amanah Saham Wawasan 2020*	9,000,000	1.120
13.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)*	8,000,000	0.996
14.	Cartaban Nominees (Tempatan) Sdn Bhd *PAMB for Prulink Equity Fund*	7,776,700	0.968

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS AS AT 13 MARCH 2018 (cont'd)
(Without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Shares	% of Shares
15. Genting Equities (Hong Kong) Limited	7,139,000	0.889
16. AmanahRaya Trustees Berhad *Public Ittikal Sequel Fund*	6,412,600	0.798
17. HSBC Nominees (Asing) Sdn Bhd *BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund*	5,612,800	0.699
18. Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (AFFIN-HWG)*	5,392,200	0.671
19. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Total International Stock Index Fund*	4,565,400	0.568
20. AmanahRaya Trustees Berhad *Public Islamic Dividend Fund*	4,455,840	0.555
21. Malaysia Nominees (Tempatan) Sendirian Berhad *Great Eastern Life Assurance (Malaysia) Berhad (PAR3)*	4,158,900	0.518
22. Cartaban Nominees (Asing) Sdn Bhd *GIC Private Limited for Government of Singapore (C)*	3,575,080	0.445
23. AMSEC Nominees (Tempatan) Sdn Bhd *MTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)*	3,145,600	0.392
24. AmanahRaya Trustees Berhad *Public Islamic Select Enterprises Fund*	2,912,000	0.362
25. AmanahRaya Trustees Berhad *PB Growth Fund*	2,815,600	0.350
26. Mah Hon Choon	2,705,000	0.337
27. AmanahRaya Trustees Berhad *Public Islamic Sector Select Fund*	2,500,000	0.311
28. AmanahRaya Trustees Berhad *Public Islamic Equity Fund*	2,378,000	0.296
29. Genting Berhad	1,834,000	0.228
30. Cartaban Nominees (Tempatan) Sdn Bhd *PBTB for Takafulink Dana Ekuiti*	1,680,000	0.209
Total	**681,408,320**	**84.823**

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 13 March 2018

Size of Holdings	No. of Warrantholders	% of Warrantholders	No. of Warrants	% of Outstanding Warrants
Less than 100	86	3.139	3,219	0.003
100 - 1,000	2,020	73.723	846,011	0.895
1,001 - 10,000	518	18.905	1,732,500	1.832
10,001 - 100,000	90	3.285	2,651,550	2.804
100,001 to less than 5% of outstanding Warrants	21	0.766	8,280,520	8.758
5% and above of outstanding Warrants	5	0.182	81,034,200	85.707
Total	**2,740**	**100.000**	**94,548,000**	**100.000**

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS AS AT 13 MARCH 2018
(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	18.016
2.	Genting Berhad	16,000,000	16.923
3.	Genting Berhad	16,000,000	16.923
4.	Genting Berhad	16,000,000	16.923
5.	Genting Berhad	16,000,000	16.923
6.	Genting Equities (Hong Kong) Limited	1,427,800	1.510
7.	AmanahRaya Trustees Berhad *Public Far-East Property & Resorts Fund*	926,920	0.980
8.	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt AN for AIA Bhd*	863,540	0.913
9.	Maybank Nominees (Tempatan) Sdn Bhd *Etiqa Life Insurance Berhad (Balance)*	711,500	0.753
10.	Mah Hon Choon	541,000	0.572
11.	AmanahRaya Trustees Berhad *Public Savings Fund*	510,160	0.540
12.	AmanahRaya Trustees Berhad *Public Far-East Consumer Themes Fund*	436,000	0.461

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS AS AT 13 MARCH 2018 (cont'd)
(Without aggregating the securities from different securities accounts belonging to the same depositor)

	Name	No. of Warrants	% of Outstanding Warrants
13.	AmanahRaya Trustees Berhad *Public Dividend Select Fund*	377,620	0.399
14.	Genting Berhad	366,800	0.388
15.	Tong Siew Khey @ Tong Siew Kheng	300,000	0.317
16.	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for UBS Switzerland AG (Clients Assets)*	300,000	0.317
17.	Daud Mah Bin Abdullah @ Mah Siew Whye	200,000	0.212
18.	TMF Trustees Malaysia Berhad *Tan Sri Mohd Amin Bin Osman*	193,800	0.205
19.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for Credit Suisse (Switzerland) Ltd*	184,400	0.195
20.	Tokio Marine Life Insurance Malaysia Bhd *As Beneficial Owner (PF)*	173,800	0.184
21.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for AMB Value Trust Fund (4249)*	163,380	0.173
22.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for Singular Value Fund*	142,100	0.150
23.	Chinchoo Investment Sdn Bhd	136,400	0.144
24.	Chinchoo Investment Sdn Bhd	113,800	0.120
25.	Key Development Sdn Bhd	110,000	0.116
26.	Maybank Nominees (Tempatan) Sdn Bhd *Chan Yuk Min*	101,500	0.107
27.	Ee Soon Leong	87,500	0.093
28.	Maybank Nominees (Tempatan) Sdn Bhd *Hamzah Bin Mohd Noor*	83,400	0.088
29.	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for JPT Realty Sdn Bhd*	77,400	0.082
30.	Aliran Insaf (M) Sdn Bhd	73,080	0.077
	Total	**89,636,100**	**94.805**

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 13 MARCH 2018

Name	No. of Shares			
	Direct Interest	% of Shares	Deemed Interest	% of Shares
Genting Berhad ("GENT")	407,005,000	50.66	7,139,000*	0.89
Employees Provident Fund Board	124,959,800	15.56	-	-
Kien Huat Realty Sdn Berhad ("KHR")	-	-	407,005,000^	50.66
Kien Huat International Limited ("KHI")	-	-	407,005,000^	50.66
Parkview Management Sdn Bhd ("PMSB") as trustee of a discretionary trust	-	-	407,005,000^	50.66
Tan Sri Lim Kok Thay	369,000	0.05	407,005,000#	50.66
Mr Lim Keong Hui	-	-	407,005,000#	50.66

Notes:

* *Deemed interest through a direct subsidiary of Genting Berhad.*

^ *Deemed interest through Genting Berhad.*

\# *Deemed interest by virtue 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 owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares in KHR. KHR owns more than 20% of the voting shares of GENT which owns these Genting Plantations Berhad ("GENP") ordinary shares. As such, PMSB as trustee of the discretionary trust is deemed interested in the GENP ordinary shares held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT.*

DIRECTORS' SHAREHOLDINGS, WARRANTHOLDINGS AND PERFORMANCE SHARES AS PER THE REGISTERS PURSUANT TO THE COMPANIES ACT 2016 AS AT 13 MARCH 2018

INTEREST IN THE COMPANY

Name	No. of Shares				No. of Warrants			
	Direct Interest	% of Shares	Deemed Interest	% of Shares	Direct Interest	% of Outstanding Warrants	Deemed Interest	% of Outstanding Warrants
Tan Sri Lim Kok Thay	369,000	0.0459	407,005,000(1)	50.6642	73,800	0.0781	81,401,000(1)	86.0949
Mr Lim Keong Hui	-	-	407,005,000(1)	50.6642	-	-	81,401,000(1)	86.0949
Mr Yong Chee Kong(5c)	1,000	0.0001	-	-	200	0.0002	-	-

INTEREST IN GENTING BERHAD ("GENT"), A COMPANY WHICH OWNS 51.6% INTEREST IN THE COMPANY

Name	No. of Shares				No. of Warrants			
	Direct Interest	% of Shares	Deemed Interest	% of Shares	Direct Interest	% of Outstanding Warrants	Deemed Interest	% of Outstanding Warrants
Tan Sri Lim Kok Thay	68,119,980	1.7779	1,630,411,110(2)	42.5528	17,029,995	2.7210	407,602,777(2)	65.1267
Mr Lim Keong Hui	-	-	1,630,411,110(2)	42.5528	-	-	407,602,777(2)	65.1267
Mr Quah Chek Tin(5a)	5,000	0.0001	-	-	1,250	0.0002	-	-
Mr Yong Chee Kong(5d)	-	-	-	-	-	-	-	-

INTEREST IN GENTING MALAYSIA BERHAD ("GENM"), A COMPANY WHICH IS 49.4% 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 DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	10,000	0.0002	-	-	-	-
Tan Sri Lim Kok Thay	8,127,900	0.1437	2,796,992,189(3)	49.4541	4,203,425	7,213,987
Mr Quah Chek Tin	5,000	0.0001	-	-	-	-
Mr Lim Keong Hui	186,800	0.0033	2,796,992,189(3)	49.4541	183,400	378,924
Mr Ching Yew Chye(5b)	-	-	-	-	-	-
Mr Yong Chee Kong(5e)	-	-	-	-	-	-

INTEREST IN GENTING SINGAPORE PLC ("GENS"), AN INDIRECT 52.7% OWNED SUBSIDIARY OF GENT

Name	No. of Shares				No. of Performance Shares granted
	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	0.1116	6,353,828,069(4)	52.7508	750,000
Mr Quah Chek Tin	1,190,438	0.0099	-	-	-
Mr Lim Keong Hui	-	-	6,353,828,069(4)	52.7508	-

Notes:

(1) Deemed interest by virtue of Tan Sri Lim Kok Thay ("TSLKT") and Mr Lim Keong Hui ("LKH") being beneficiaries of a discretionary trust of which Parkview Management Sdn Bhd ("PMSB") is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of Kien Huat International Limited ("KHI") which in turn owns 100% of the voting shares in Kien Huat Realty Sdn Berhad ("KHR"). KHR owns more than 20% of the voting shares of Genting Berhad ("GENT") which owns these Genting Plantations Berhad ("GENP") ordinary shares and warrants. As such, PMSB as trustee of the discretionary trust is deemed interested in the GENP ordinary shares and warrants held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT.

(2) Deemed interest by virtue of TSLKT and LKH being:

(i) beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares in KHR. As such, PMSB as trustee of the discretionary trust is deemed interested in the GENT shares and warrants held by KHR and Inverway Sdn Bhd ("Inverway"), a wholly-owned subsidiary of KHR, by virtue of its controlling interest in KHR and Inverway; and

(ii) beneficiaries of a discretionary trust of which First Names Trust Company (Isle of Man) Limited ("FNTC") is the trustee. Golden Hope Limited ("GHL") acts as trustee of the Golden Hope Unit Trust ("GHUT"), a private unit trust whose voting units are ultimately owned by FNTC as trustee of the discretionary trust. GHL as trustee of the GHUT ordinary shares and warrants in GENT.

(3) Deemed interest by virtue of TSLKT and LKH being:

(i) beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares in KHR. KHR owns more than 20% of the voting shares of GENT which owns these Genting Malaysia Berhad ("GENM") ordinary shares. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares of GENM held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT. PMSB as trustee of the discretionary trust is also deemed interested in the ordinary shares of GENM held by KHR by virtue of its controlling interest in KHR; and

(ii) beneficiaries of a discretionary trust of which FNTC is the trustee. GHL acts as trustee of the GHUT, a private unit trust whose voting units are ultimately owned by FNTC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares in GENM.

(4) Deemed interest in accordance with the Singapore Securities and Futures Act (Cap. 289) on account of TSLKT and LKH being beneficiaries of a discretionary trust of which PMSB is the trustee.

PMSB as trustee of the discretionary trust is deemed interested in Genting Singapore PLC ("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.

(5) The following disclosures are made pursuant to Section 59(11)(c) of the Companies Act 2016:

(a) Mr Quah's spouse holds 1,000,000 ordinary shares (0.0261%) and 250,000 warrants (0.0399%) in GENT.
(b) Mr Ching's spouse holds 60,000 ordinary shares (0.0011%) in GENM.
(c) Mr Yong's spouse holds 40,000 ordinary shares (0.0050%) and 70,000 warrants (0.0740%) in the Company.
(d) Mr Yong's spouse holds 1,000 ordinary shares (negligible) and 250 warrants (negligible) in GENT.
(e) Mr Yong's spouse and children collectively hold 9,000 ordinary shares (0.0002%) in GENM.

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 2017, or entered into since the end of the previous financial year are disclosed in Note 41 to the financial statements under "Significant Related Party Transactions and Balances" on pages 154 to 157 of this Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting of Genting Plantations Berhad ("the Company") will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 4 June 2018 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 2017 and the Directors' and Auditors' Reports thereon. *(Please see Explanatory Note A)*

2. To approve the declaration of a final single-tier dividend of 9.5 sen per ordinary share for the financial year ended 31 December 2017 to be paid on 26 June 2018 to members registered in the Record of Depositors on 7 June 2018. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' fees of RM719,732 and benefits-in-kind of RM59,132 for the financial year ended 31 December 2017. *(Please see Explanatory Note B on benefits-in-kind)* **(Ordinary Resolution 2)**

4. To approve the payment of Directors' benefits-in-kind for the period from 1 January 2018 until the next annual general meeting of the Company in 2019. *(Please see Explanatory Note B)* **(Ordinary Resolution 3)**

5. To re-elect the following persons as Directors of the Company pursuant to Paragraph 99 of the Company's Constitution:
   (i) Mr Quah Chek Tin *(Please see Explanatory Note C)* **(Ordinary Resolution 4)**
   (ii) Mr Lim Keong Hui **(Ordinary Resolution 5)**

6. To re-elect the following persons as Directors of the Company pursuant to Paragraph 104 of the Company's Constitution:
   (i) Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) *(Please see Explanatory Note C)* **(Ordinary Resolution 6)**
   (ii) Mr Yong Chee Kong **(Ordinary Resolution 7)**
   (iii) Tan Sri Dato' Sri Zaleha binti Zahari **(Ordinary Resolution 8)**

7. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 9)**

AS SPECIAL BUSINESSES

To consider and, if thought fit, pass the following Ordinary Resolutions:

8. **Authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016**

   "That, subject always to the Companies Act 2016, the Company's Constitution, 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 Sections 75 and 76 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 10)**

9. **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 Constitution, 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 2017, the balance of the Company's retained earnings was approximately RM3.97 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 such shares;
(B) to retain such shares as treasury shares;
(C) to retain part of such shares as treasury shares and cancel the remainder of such 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 11)**

10. **Proposed renewal of shareholders' mandate for 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 12)**

11. 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 7 June 2018 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
5 April 2018

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 shareholding 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 48 hours before the time appointed for holding the meeting or at any adjournment thereof.*

7. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of Fortieth Annual General Meeting will be put to vote by poll.*

8. *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 28 May 2018. Only depositors whose names appear on the Record of Depositors as at 28 May 2018 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

Pursuant to Section 230(1) of the Companies Act 2016:-

(i) *Resolution 2 on the payment of Directors' benefits-in-kind of RM59,132 for the financial year ended 31 December 2017 comprised tele-communication facilities and gratuities; and*
(ii) *Resolution 3 on the payment of Directors' benefits-in-kind for the period from 1 January 2018 until the next annual general meeting of the Company in 2019 in the manner set out below:-*

(A)	***Meeting Allowance (per meeting)***	***Chairman***	***Member***
	• Audit and Risk Management Committee	*RM5,775*	*RM3,850*
	• Nomination Committee	*RM4,125*	*RM2,750*
	• Remuneration Committee	*RM4,125*	*RM2,750*
(B)	***Other Benefits***	***Non-Executive Directors***	
	Tele-communication facilities and other reimbursable/claimable benefits-in-kind	*Up to RM40,000*	

In the event that the Directors' benefits-in-kind payable to the Non-Executive Directors of the Company during the above period exceed the estimated amount sought at the forthcoming Fortieth Annual General Meeting ("40th AGM") of the Company, shareholders' approval will be sought at the next annual general meeting for the additional amount to meet the shortfall.

Explanatory Note C

The Board has undertaken an annual assessment on the independence of all its Independent Directors including Mr Quah Chek Tin and Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) who are seeking for re-election pursuant to the Company's Constitution at the forthcoming 40th AGM. The annual assessment has been disclosed in the Corporate Governance Report which is made available at the Company's website at www.gentingplantations.com.

Explanatory Notes on Special Businesses

(1) *Ordinary Resolution 10, if passed, will give a renewed mandate to the Directors of the Company, pursuant to Sections 75 and 76 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 30 May 2017 and the said mandate will lapse at the conclusion of the 40th AGM.

    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 11, 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 in a general meeting, whichever occurs first.*

    Further information on the Proposed Share Buy-Back Renewal is set out in the Document to Shareholders dated 5 April 2018 which is despatched together with the Company's 2017 Annual Report.

(3) *Ordinary Resolution 12, 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 Renewal"). 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 is earlier.*

    Further information on the Proposed Shareholders' Mandate Renewal is set out in the Document to Shareholders dated 5 April 2018 which is despatched together with the Company's 2017 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 Fortieth Annual General Meeting of the Company ("40th 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 Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note (1) of the Notice of 40th AGM.

GENTING PLANTATIONS

GENTING PLANTATIONS BERHAD (34993-X)

(Incorporated in Malaysia)

FORM OF PROXY

(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 *(Full Name)*	**NRIC No./Passport No.**	**% of shareholding to be represented** *(Refer to Note 1)*
Address		

*and/or failing him/her,

Name of Proxy *(Full Name)*	**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 (ies) to attend and vote for me/us on my/our behalf at the Fortieth Annual General Meeting of the Company to be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Monday, 4 June 2018 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 9.5 sen per ordinary share.	**Ordinary Resolution 1**		
To approve the payment of Directors' fees and benefits-in-kind for the financial year ended 31 December 2017.	**Ordinary Resolution 2**		
To approve the payment of Directors' benefits-in-kind for the period from 1 January 2018 until the next annual general meeting in 2019.	**Ordinary Resolution 3**		
To re-elect the following Directors pursuant to Paragraph 99 of the Company's Constitution: (i) Mr Quah Chek Tin	**Ordinary Resolution 4**		
(ii) Mr Lim Keong Hui	**Ordinary Resolution 5**		
To re-elect the following Directors pursuant to Paragraph 104 of the Company's Constitution: (i) Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	**Ordinary Resolution 6**		
(ii) Mr Yong Chee Kong	**Ordinary Resolution 7**		
(iii) Tan Sri Dato' Sri Zaleha binti Zahari	**Ordinary Resolution 8**		
To re-appoint Auditors	**Ordinary Resolution 9**		
SPECIAL BUSINESS			
To approve the authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016	**Ordinary Resolution 10**		
To renew the authority for the Company to purchase its own shares	**Ordinary Resolution 11**		
To approve the proposed shareholders' mandate renewal for recurrent related party transactions of a revenue or trading nature	**Ordinary Resolution 12**		

(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 _________________ 2018

No. of Shares held	**CDS Account No.**	**Shareholder's Contact No.**

*Delete if inapplicable

____

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 shareholding 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 48 hours before the time appointed for holding the meeting or at any adjournment thereof.*

7. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of Fortieth Annual General Meeting will be put to vote by poll.*

8. *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 28 May 2018. Only depositors whose names appear on the Record of Depositors as at 28 May 2018 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

Johor Premium Outlets®
Jalan Premium Outlets
Indahpura, 81000 Kulaijaya,
Johor, Malaysia
Tel : +607 6618888
Fax : +607 6618810

Genting Highlands Premium Outlets®
KM13, Genting Highlands Resort
69000 Genting Highlands
Pahang Darul Makmur
Tel : +603 6433 8888
Fax : +603 6433 8810

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