CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Board of Directors ("Board") of Rimbunan Sawit Berhad ("RSB" or "the Company") recognises Corporate Governance as being vital and important to the success of RSB and its Group of Companies ("Group") business. They are unreservedly committed to applying the principles necessary to ensure that the principles of good governance are practised in all of its business dealings in respect of its shareholders and relevant stakeholders.

This Corporate Governance Statement sets out how the Company has applied the eight (8) Principles as outlined in the Malaysian Code of Corporate Governance 2012 ("Code") and observed the 26 Recommendations supporting the Principles in respect of the financial year ended 31 December 2015. Where a specific Recommendation of the Code has not been observed during the financial year under review, the non-observation, including the reasons thereof and, where appropriate, the alternative practice, if any, is mentioned in this Statement.

1. Establish clear roles and responsibilities of the Board and Management

All Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of the Company.

The Board has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

(a) reviewing and adopting a strategic plan for the Company, including the sustainability of the Group's businesses;

(b) overseeing the conduct of the Group's businesses and assessing whether the businesses are being properly managed;

(c) identifying principal business risks of all aspects of the Group's business and ensure the implementation of appropriate internal controls system and mitigating measures to effectively monitor and manage the risks;

(d) ensuring that all candidates appointed to senior management positions are of sufficient caliber and there are programmes in place to provide for the orderly succession of senior management;

(e) overseeing the development and implementation of a shareholder communications policy; and

(f) reviewing the adequacy and the integrity of the management information and internal control systems of the Group.

It has put in place an annual strategy planning process, whereby Management presents to the Board its recommended strategy and proposed business and regulatory plans together with the annual budget for the following year during the Board meeting. At the meeting, the Board reviews and deliberates upon both Management's and its own perspectives, as well as challenges Management's views and assumptions, to deliver the best outcomes.

The Group Managing Director/Chief Executive Officer ("CEO") is responsible for the day-to-day management of the business and operations of the Group with respect to both its regulatory and commercial functions. He is supported by the Management Committee and senior management team. The Group Managing Director/CEO reports to the Board on the Group performance and operational matters at each quarterly Board meeting. The Board is also kept informed of key strategic initiatives, significant operational issues and the Group's performance.

Through the Risk Management Committee ("RMC"), the Board oversees the management framework of the Group. The RMC advises the Board on areas of high risk and the adequacy of compliance and control procedures throughout the organisation.

In discharging the Board responsibilities on succession planning, the Nomination Committee is responsible for reviewing candidate for key management position. The Board has adopted a succession plan and will review the said plan from time to time.

The Company has put in place electronic forum to enable communication with shareholders via its website and carry out its investor relations activities.

The Board is ultimately responsible for the adequacy and integrity of the Company's internal control system. Details of the Company's internal control system and its effectiveness are available in the Statement on Risk Management and Internal Control as outlined on page 34 to 35 of this annual report.

To assist in the discharge of its responsibilities and facilitating its ongoing oversight of the Group, the Board has established Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee, to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

(i) Board Charter

To enhance accountability, the Board has established clear functions reserved for the Board and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Generally, key matters reserved for the Board include, inter-alia, the approval of annual budgets and strategic plan, quarterly and annual financial statements for announcement, major investment and divestiture, monitoring of the Group's financial and operating performance, including internal control systems, risk management and overseeing of policies. Such delineation of roles is clearly set out in the Board Charter ("the Charter"), which serves as a reference point for Board activities. The Charter provides guidance for Directors and Management regarding the roles and responsibilities of the Board, Chairman, its Committees and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities. The Charter is made available on the Company's website www.rsb.com.my to be in line with Recommendation 1.7 of the Code and will be periodically reviewed and updated to ensure it remains consistent with the Board's objective and responsibilities.

The Board is committed to conducting its business in accordance with the upmost standards of business ethics and complying with the law, rules and regulations. The Directors are mindful that a strong business ethics and effective and efficient monitoring system will promote an ethical corporate climate in fostering an excellent culture of corporate governance. The Board is guided by the Directors' Code of Conduct in discharging its oversight role effectively. The Code of Conduct requires all Directors to observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders. This Code of Conduct is also made available on the Company's website.

The Board also encourages its employees and associates to raise genuine concerns about possible improprieties in matters of financial reporting, compliance, suspected violations of the Group's Code of Conduct and to disclose any improper conduct or other malpractices within the Group in an appropriate way.

The Whistleblowing Policy adopted by the Company provides and facilitates a mechanism for any employee and associate to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse. Whistleblower may also approach the Senior Independent Director for any issue of their concerned.

The Group Managing Director ("GMD")/CEO are the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions. The GMD/CEO implements the policies, strategies and decisions adopted by the Board. The GMD/CEO reports to the Board on the Group performance and operational matters at the Board meeting. All Board authorities conferred on the Management is delegated through the GMD/CEO and the Executive Director and this will be considered as their authorities and accountabilities as far as the Board is concerned.

(ii) Sustainability of Business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social and governance aspects is taken into consideration. The Group also embraces sustainability in its operations and supply chain, through its own actions as well as in partnership with its stakeholders, including suppliers, customers and other organizations. Company's strategies on promoting sustainability has been formulated and documented.

The Group's activities to promote sustainability during the financial year under review are also disclosed on page 15 to 19 of this annual report.

(iii) Access to Information and Advice

Procedures to allow Directors to access to information and advice is in place. Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis and effective discharge of the Board's responsibilities.

All Directors are provided with the performance and progress reports on a timely basis prior to the scheduled Board and Board Committee meetings, to facilitate decision making by the Board and to deal with matters arising from such meetings. Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in accordance with established procedures as set out in the Board Charter in furtherance of their duties.

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities.

(iv) Company Secretaries

The Company Secretaries are qualified secretaries as required pursuant to the Malaysian Companies Act 1965. The Company Secretaries are the members of the Malaysian Association of Institute of Chartered Secretaries and Administrators (MAICSA). They are competent in carrying out their work and plays supporting and advisory roles to the Board and the Group on issue relating to compliance with laws and requirements as well as the Code of Corporate Governance. They ensure adherence and compliance to the procedures and regulatory requirements from time to time. They also ensure that meetings are properly convened and deliberations at meetings are accurately and sufficiently captured and minuted, minutes and statutory records are properly kept and updated. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging their duties and functions.

2. Strengthen Composition of the Board

During the financial year ended 31 December 2015, the Board has seven (7) members, comprising two (2) Independent Directors, three (3) Non-Independent Non-Executive Directors, one (1) Executive Director and one (1) Director/CEO.

Together, the Directors have a wide range of experience in relevant fields required to successfully direct and supervise the RSB Group's business activities. The current mix of skills and experiences are vital for the effectiveness of the Board and the success of the Group. The profiles of each Director are presented on pages 11 to 14 of this annual report.

The following Board Committees have been established to assist the Board in discharging its duties:

i) Audit Committee

The Audit Committee, formed on 2 March 2006, reviews issues of accounting policy and presentation for external financial reporting, assess the suitability and independence of external auditors, monitors the work of the in-house internal auditors, ensures that an objective and professional relationship is maintained with the external auditors, and that conflicts of interests are avoided.

Further details can be found in the Report of the Audit Committee as set out on pages 36 to 41 of this annual report.

ii) Nomination Committee

The Board has on 7 April 2006 set up a Nomination Committee. The members of the Nomination Committee, all of whom are non-executive Directors and a majority of whom are independent, are as follows:

Chairman	:	Bong Wei Leong (Senior Independent Director)
Members	:	Tiong Kiong King (Non-Independent Non-Executive Vice Chairman)
		Tiong Ing Ming (Independent Director)

The Board has adopted terms of reference for the Nomination Committee, which cover, inter-alia, selecting, assessing and recommending to the Board the candidature of Directors, appointment of Directors to Board Committees, review annually the required mix of skills, integrity, time commitment, experience and other qualities of the Board, including core-competencies which the Directors should bring to the Board, annual assessment of the independent directors, reviewing of succession plans for the Board and senior management, formalising the policies for Board and workforce diversity and reviewing the training needs for Directors.

The Board has yet to adopt gender and workforce diversity policies and targets. Nevertheless, the Board will continue to monitor and review the Board size and composition from time to time and ensure that women candidates are sought in the recruitment exercise. The evaluation of candidates' suitability is solely based on their competency, character, time commitment, integrity, contribution and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Directors, as the case may be. The Board is still considering to adopt a workforce diversity policy taking into considerations the merits and practicalities of having such policy in place at this moment.

The Nomination Committee will recommend candidates for all directorships to be filled to the Board which involves selection and assessment of candidates for directorships proposed by the GMD/CEO and within the bounds of practicality, by any other senior executive or any director or shareholder, interviewing or meeting up with candidates, deliberation by the Nomination Committee and recommendations by the Nomination Committee to the Board.

The Nomination Committee has developed criteria for use in the recruitment and annual assessment of Directors. In reviewing and recommending to the Board any new Director appointments, the Nomination Committee considers:

(a) the candidate's independence, in the case of the appointment of an Independent Director;
(b) the composition requirements for the Board and Committees (if the candidate is proposed to be appointed to any of the Board Committees);
(c) the candidate's age, credentials, skills, knowledge, expertise, experience, professionalism, integrity, capabilities and such other relevant factors as may be determined by the Nomination Committee which would contribute to the Board's collective skills; and
(d) any competing time commitments, if the candidate has multiple board representations.

The new Directors will undergo an induction programme, which includes vision and mission of the Company, corporate strategy, visits to the RSB Group's business, and meetings with Senior Management, as appropriate, to facilitate the new Directors' understanding of the RSB Group. The Company Secretaries will ensure that all appointments of new Director are properly carried out and all legal and regulatory obligations are met.

The Board through the Nomination Committee conducted an annual assessment of the performance of the Board, as a whole, Board Committees and individual Directors, based on a self-assessment and peer approach. From the results of the assessment, including the mix of skills, experience and other qualities possessed by Directors, the Board considered and approved the recommendations made by the Nomination Committee on the re-election and re-appointment of Directors at the Company's forthcoming Annual General Meeting. The Nomination Committee shall assess the independence of all Independent Directors annually and report to the Board. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions shall be properly documented.

In evaluating the suitability of candidates, the Nomination Committee considers, inter-alia, the competency, experience, commitment (including time commitment), contribution and integrity of the candidates, and additionally in the case of candidates proposed for appointment as Independent Directors, the candidates' independence.

During the financial year ended 31 December 2015, the Nomination Committee upon its annual review carried out, is satisfied that the size and composition of the Board is optimum and conducive to effective discussion and decision making. There is appropriate mix of skills, experience and core competencies in the composition of the Board and that the Board has an appropriate number of Independent Directors. The Nomination Committee is also satisfied that all the members of the Board are suitably qualified to hold their positions as Directors of the Company in view of their respective academic and professional qualifications, good character, experience, integrity, core competencies and qualities as well as their time devoted and committed to discharge their roles.

The Nomination Committee recognizes the importance of the roles the Nomination Committee plays not only in the selection and assessment of Directors but also in other aspects of corporate governance which the Nomination Committee can assist the Board to discharge its fiduciary and leadership functions.

During the financial year ended 31 December 2015, the Nomination Committee has met twice.

iii) Remuneration Committee

The Remuneration Committee was established on 7 April 2006 and is principally responsible for setting the remuneration structure and policy for Executive Directors and recommending to the Board the remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully. The components of Directors' remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Independent Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Independent Director concerned.

The members of the Remuneration Committee, the majority of whom are non-executive, are as follows:

Chairman : Tiong Kiong King (Non-Independent Non-Executive Vice Chairman)
Members : Tiong Chiong Ie (Non-Independent Non-Executive Director)
Bong Wei Leong (Independent Director)

The Board has adopted the Directors' Remuneration Policies and Procedures, summarised as follows:

(a) The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.
(b) The level of remuneration for the GMD, CEO and Executive Directors are determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.
(c) No Director other than the GMD, CEO and Executive Directors shall have a service contract with the Company.

The Remuneration Committee has met once during the financial year ended 31 December 2015.

RSB recognises the need to ensure that remuneration of Directors is appreciative and reflective of the responsibility and commitment that goes with Board membership. The Remuneration Committee recommends to the Board the remuneration package of the Directors. The fees for Non-Executive Directors are determined by the Board as a whole. Each individual Director abstained from the Board discussion and decision on his own remuneration. The remuneration package is determined in accordance to fair and equitable criteria based on the performance of the Directors and the Directors' Remuneration Policies and Procedures.

The Board is of the opinion that matters pertaining to Directors' remuneration are of a personal nature. However, in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirement"), the remuneration of RSB's Directors for the financial year ended 31 December 2015, in aggregate and analysed into bands of RM50,000, were as follows:

	Executive Directors (RM)	**Non-Executive Directors (RM)**
Fee	33,500	309,200
Salary	1,950,000	-
Bonus	155,000	-
Defined contribution retirement plan	157,000	-
Other Emoluments	3,056	6,800
Benefit in kind	30,036	5,987

	Executive Directors (No.)	Non-Executive Directors (No.)
RM1,100,001 to RM1,150,000	1	-
RM900,001 to RM950,000	1	-
RM250,001 to RM300,000	1	-
RM100,001 to RM150,000	-	1
RM50,001 to RM100,000	-	1
RM50,000 and below	-	3

iv) Risk Management Committee

The Risk Management Committee assists the Board in fulfilling its corporate governance responsibilities by monitoring, managing and mitigating the risks associated with the RSB Group's business with a view to the long term viability of the RSB Group.

The composition of the Risk Management Committee is as follows:

Chairman	:	Dato' Jin Kee Mou
Members	:	Ling Tong Ung
		Chiong Chung Hiang
		Tiong Hock Yiok
		Sia Chik Foo

The main features of the risk management framework are as follows:

(a) To identify and manage the principal risks relating to the objectives. Risks are defined as any event that can impede RSB's ability to achieve its objectives;
(b) To decide on how to deal with the risks identified, whether to accept, reduce, avoid or transfer the risk;
(c) To enforce and monitor closely all the control measures to ensure compliance by the respective estate management;
(d) To conduct periodic review of the progress and communicate material risks to the Board via the Audit and Risk Management Committees;
(e) To maximize yield per hectare;
(f) To improve production cost efficiencies;
(g) To ensure that human resource are trained, disciplined and dedicated;
(h) To ensure compliance of provisions under Occupational, Health & Safety Act/Pesticide Acts as well as Department of Environment requirements; and
(i) To manage fraud risk.

3. Reinforce Independence of the Board

The Board recognises the importance of ensuring a balance of power and authority between the Chairman and the GMD/CEO with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of Chairman (i.e. Non-Executive Chairman) and GMD/CEO are separated and clearly defined. This ensure a balance of power and authority, such that no one individual has unfettered decision-making powers.

The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.

For the financial year ended 31 December 2015, the positions of Chairman and CEO of the Company are held by an Independent Director and Managing Director for first nine (9) months period and held by Non-Independent Non-Executive Chairman and CEO respectively for the remaining three (3) months. Their roles and responsibilities are set out in the Board Charter. Currently, the Chairman is a Non-Independent Non-Executive Director while majority of the Board members are not independent directors. However, the Board believes that the interests of shareholders are best served by the Chairman who is sanctioned by shareholders and who will act in the best interests of shareholders as a whole.

The Chairman leads the Board and is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. As to the Managing Director/Chief Executive Officer, supported by Executive Director, he implements the Group's strategies, policies and decision adopted by the Board, oversees the operations and business development of the Group, provides effective leadership and ensure high management competency.

The Independent Directors bring to bear objective and independent views, advice and judgment on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Independent Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

All the Independent Directors fulfil the criterias of independence as defined in the Listing Requirements and the Board Charter. The Board through the Nomination Committee has assessed the Independent Director and is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company. The Board therefore believes that balance of power and authority exists within its current structure to sufficiently enable it to discharge its duties objectively.

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. In the event the Director is to retain as an Independent Director, the Board shall first justify and obtain shareholders' approval. Our Independent Directors, Mr. Bong Wei Leong and Mr. Tiong Ing Ming have served as Independent Directors of the Company for a consecutive term of more than nine (9) years. However, the Board concurred that their independence as Independent Directors have not been compromised in any way based on the following justifications and recommendation from the Nomination Committee:

(a) They fulfilled the criterias as Independent Director as stipulated in the Listing Requirements and therefore are able to offer impartial judgement and advice to the Board;
(b) They remain independent and vocal, actively participated in deliberations and exercised independent judgement at Board and Board Committee meetings without compromising operational consideration. Hence, provide a check and balance to operational management; and
(c) They continue to exercise independent and objective judgement in carrying out their duties as Independent Directors and they provide guidance, unbiased and independent views to many aspects of the Company and the Group's strategy so as to safeguard the interests of minority shareholders. Their long tenure as Independent Directors have no conflict of interest or undue influence from management and interested parties.

Having considered the above, the Board had recommended both Mr. Bong Wei Leong and Mr. Tiong Ing Ming to be retained as Independent Directors of the Company and such proposal shall be tabled for shareholders' approval at the forthcoming Annual General Meeting.

4. Foster Commitment of Directors

i) Time commitment and meetings

The Directors shall devote sufficient time and efforts to carry out their responsibilities. The Board shall obtain this commitment from Directors at the time of their appointment. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees.

The Board acknowledges that its Directors may be invited to become directors of other companies and that exposure to other organisation can broaden the experience and knowledge of its Directors which may bring benefits the Group. Directors are therefore at liberty to accept other board appointments so long as such appointments are not in conflict with the business of the Group and do not adversely affect the Directors' performance and contributions as a member of the Board.

Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.

Any Director shall notify the Chairman before accepting any new directorship and the notification shall include the indication of time that will be spent on the new appointment.

Thus far, the Board is satisfied with the level of time commitment given by all the Directors in fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by their attendance at the meetings of the Board and the Board Committees. All the Directors hold less than five (5) directorships in the listed issuers.

The Board ordinarily meets at least four (4) times a year, scheduled well in advance to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. Board and Board Committees papers, which are prepared by Management, provide the relevant facts and analysis for the convenience of Directors. The meeting agenda, the relevant reports and Board papers are furnished to Directors and Board Committees members at least seven (7) days before the meeting to allow the Directors sufficient time to peruse for effective discussion and decision making during meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues.

During the financial year under review, the Board convened six (6) scheduled Board meetings and the details of attendance of each Director are set out below:

	Numbers of meetings attended
Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	5 out of 6
Tiong Kiong King	4 out of 6
Tiong Chiong Ong	5 out of 6
Tiong Chiong Ie	4 out of 6
Bong Wei Leong	6 out of 6
Tiong Ing Ming	6 out of 6
Dato' Jin Kee Mou (appointed on 1 July 2015)	2 out of 2

All proceedings, matters arising, deliberations in terms of the issue discussed, and recommendations made by the Board Committees at the committees' meetings are recorded in the minutes by the Company Secretaries, confirmed by the Board Committees and signed by the Chairmen of the said committees. All committees' meetings were attended by the Company Secretaries. Upon invitation, Management representatives were present at the Board Committees' meetings to provide additional insight into matters to be discussed during the said committee meetings, if so required.

ii) Directors' Training

All the Directors have attended the Mandatory Accreditation Programme as required by Bursa Securities after the Company is listed on the Main Market of Bursa Securities on 28 June 2006.

The Board acknowledges that continuous training and education are vital for the Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies. Directors are encouraged to attend continuous education programmes to further enhance their skills and knowledge, where relevant. A budget for Directors' continuing education is therefore provided each year by the Company.

There were also technical briefings/updates on statutory and regulatory requirements from time to time at the Board meetings by the Company Secretaries. All Directors will continue to attend relevant training as may be required from time to time to equip themselves with the knowledge to discharge their duties more effectively and to keep abreast with regulatory and corporate governance developments in the marketplace.

The Board has assessed the training needs of the Directors. Generally, all Directors must attend at least one (1) training/seminar each year. During the financial year ended 31 December 2015, the Directors have attended appropriate training programmes conducted by external experts and the descriptions of the training/seminar are set out below:

Title of training/seminar	Number of day(s) spent
Impact of GST on accounting and income tax	2
Accounting for GST – A complete guide to accounting for GST in Malaysia	2
Budget 2016	2
Stakeholders Management	2
Seminar on Business Sustainability	1
Securities Law & Corporate Governance Programme	2
Corporate Finance	2
The 13th Global Views Forum	2
MSPO Awareness Training	2
Water Management - Engineering	1
Advocacy Sessions on Management Discussion & Analysis for CEO & CFO of Listed Issuers	1
Mandatory of Accreditation Program (MAP) for Directors of Public Listed Company	2
Sustainability Symposium	1
IConCESS Workshop 2015: Construction on Peat	2
Company Valuation, Restructuring & Funding - Exit and Sensitivity Analysis	1
Issues In Construction Contract	1

The Company Secretaries circulate the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board on these updates, where applicable. The Financial Controller and External Auditors also briefed the Board members on any changes to the Financial Reporting Standards that affect the Group's financial statements during the financial year under review.

5. Uphold integrity in financial reporting by the Company

It is the Board's commitment to present a clear and balanced assessment of the Group's financial performance and future prospects at the end of each reporting period and financial year, primarily through announcement of the Group's quarterly results to Bursa Securities, the annual financial statements of the Group and of the Company as well as the review of the Group's operations and performance in the Annual Report, where relevant.

The Board is responsible for ensuring that the financial statements are prepared in accordance with the approved accounting standards to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the reporting period and of their results and cash flows for the period then ended.

To assist in its discharge of its duties on financial reporting, the Board has established an Audit Committee, comprising exclusively Non-Executive Directors, the majority of whom are independent, with Mr. Bong Wei Leong as the Audit Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report on pages 36 to 41 of this annual report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and of the Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act, 1965. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual audited financial statements.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Board in overseeing the financial reporting process of the Company, has adopted a policy that the provision of non-audit services permitted to be provided by the external auditors, does not impair the auditors' objective, judgment and independence.

The Board has also adopted an External Auditors Policy for the Audit Committee to assess the suitability and independence of external auditors. The External Auditors Policy has outlined the criteria and procedures for the engagement, assessment and monitoring of external auditors. The Audit Committee is responsible for reviewing, assessing and monitoring the performance, suitability and independence of the external auditors, on an annual basis.

The external auditors have confirmed and assured in writing of their independence to the Audit Committee. The Audit Committee had assessed the suitability and independence of the external auditors based on the External Auditors Policy and considered several factors including adequacy of experience, resources of the firm, independence of the external auditors and level of non-audit services provided to the Group in respect of the financial year ending 31 December 2016. AC is satisfied with the external auditors' performance, technical competency, independence and fulfillment of criteria as outlined in the External Auditors Policy. The Audit Committee recommended the re-appointment of Messrs. Crowe Horwath as external auditors for the ensuing year. The Board approved the recommendation made by Audit Committee for shareholders' approval at the forthcoming annual general meeting.

During the financial year under review, the Audit Committee met with the External Auditor twice (2) without the presence of the other Directors and employees of the Group.

6. Recognise and manage risks of the Group

The Board acknowledges its responsibility for the RSB Group's system of risk management and internal control, which is designed to identify, evaluate and manage the risks of the businesses of the RSB Group, in pursuit of its objectives. In addition, the system of internal control practised by the RSB Group spans over financial, operational and compliance aspects, particularly to safeguard the RSB Group's assets and hence shareholders' investments. The system of internal control, by its nature, can only provide reasonable but not absolute assurance against misstatement or loss.

The main features of risk management framework are disclosed on page 26 of this annual report.

In executing the responsibility for the internal control system, the Board via the internal auditors and Risk Management Committee, has adopted procedures to monitor the ongoing adequacy and integrity of the system of risk management and internal control. The effectiveness of the RSB Group's system of risk management and internal control is reviewed on a regular basis by the Internal Auditors and Risk Management Committee.

Further details on the state of the risk management and system of internal control of the RSB Group are presented on pages 34 to 35 of this annual report.

RSB has its in-house internal audit function which is independent of the activities its audit. The Internal Audit Manager report directly to the Audit Committee. Further details of the internal audit function are outlined on page 41 of this annual report.

7. Ensure timely and high quality disclosure

i) Corporate Disclosure Policy and Procedures

The Board is committed to ensuring that communications to the investing public regarding the business, operations and financial performance of the Company are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulator is in accordance with applicable legal and regulatory requirements.

The Company announces its quarterly and full year results within the mandatory period. The financial statements and, where necessary other presentation materials presented at the Company's general meetings, including material and price-sensitive information, are disseminated and publicly released via Bursa LINK on a timely basis to ensure effective dissemination of information relating to the Group.

The Board places importance in ensuring disclosures made to shareholders and investors are comprehensive, accurate and on a timely and even basis as they are critical towards building and maintaining corporate credibility and investor confidence. As such, the Company has adopted a Corporate Disclosure Policy and Procedures to set out the policies and procedures for disclosure of material information of the Group to ensure compliance with the Listing Requirements. The Corporate Disclosure Policy and Procedures are applicable to all employees and Directors of the Group as well as those authorised to speak on their behalf.

ii) Leverage on Information Technology

In addition, the Company also put in place electronic facility to enable communication with shareholders via its website www.rsb.com.my. Shareholders can access to and obtain all information on RSB Group by accessing this website. All announcements made by the Company and information that are relevant to the shareholders and investors are available in this website.

8. **Strengthen relationship between the Company and its shareholders**

i) **Shareholder participation at general meeting**

The general meeting, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the general meeting, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. The Chairman of the general meeting invited shareholders to raise questions with responses from the Board, Senior Management and external auditors. The notice of general meeting is circulated within the prescribed period before the date of the meeting to enable shareholders to go through the Annual Report, circular and papers supporting the resolutions proposed. Special business transacted at the general meeting are accompanying with the explanatory notes to facilitate full understanding of the matters involved. Except for those required under the Listing Requirements, all the resolutions set out in the notice of the general meeting was put to vote by show of hands and the outcome of the general meeting will be announced to Bursa Securities immediately.

ii) **Poll voting**

The shareholders were informed of their rights to demand a poll vote at the commencement of the general meetings. Shareholders are encouraged to participate through proxy voting should they be unable to attend in person.

The Chairman will declare the outcome of each resolution after proposal and secondment are done by the shareholders. The Board is of the view that with the current level of shareholders' attendance at general meetings, voting by show of hands continues to be efficient. The Board will evaluate the feasibility of carrying out electronic polling at its general meetings if need to.

iii) **Communication and proactive engagement with shareholders and prospective investors**

The Board recognises the importance of being transparent and accountable to the Company's shareholders and prospective investors. The various channels of communications are through meetings with institutional shareholders and investment communities, quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website at www.rsb.com.my where shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. rsb@rsb.com.my to which stakeholders can direct their queries or concerns.

Mr. Bong Wei Leong is the Senior Independent Director duly identified by the Board to whom concerns or queries concerning the RSB Group may be conveyed to.

The Company's responses to queries raised by the Minority Shareholder Watchdog Group were also shared and read out during the last annual general meeting. The Company will consider to put in place a proactive investment relations programme later.

COMPLIANCE STATEMENT

With the introduction of the new Code, the Board remains committed to inculcating good corporate governance for the Group. The Group has complied with the Code except for those disclosed in this statement. The Group will continue to endeavour to comply with all the key principles and recommendations of the Code in its effort to observe high standards of transparency, accountability and integrity.

STATEMENT ON NOMINATION COMMITTEE ACTIVITIES

During the financial year ended 31 December 2015, the Nomination Committee has met twice and the activities carried out by the Nomination Committee during the financial year ended 31 December 2015 are as follows:

i) Assessed and recommended the new candidate for appointment as Director/CEO and change of Board structure.
ii) Reviewed the mix of skills, character, experience, integrity, core competencies and other qualities required for the Board as well as their time commitment and Board balance.
iii) Evaluated the performance and effectiveness of the board including contributions of each individual director as well as the financial controller and the independence of the Independent Directors.
iv) Assessed and recommended to the Board, Directors who are due for retirement by rotation pursuant to the Company's Articles of Association, for continuation in service as Directors.
v) Assessed and recommended the re-appointment of the Director pursuant to Section 129 of the Companies Act, 1965.
vi) Discussed to formalise a policy on the board and workforce diversity (including gender, age and ethnicity) and discussed the assessment of independent directors who have served for more than nine (9) years for continuaan in office as independent directors of the Company.
vii) Assessed the Financial Controller or person primarily responsible for the management of the financial affairs of RSB Group.
viii) Evaluated the performance and effectiveness of the Board Committees.
ix) Assessed and recommended to the Board the training needs and continuing education programme for Directors.
x) Assessed and recommended the re-designation of the Managing Director.

This statement is made in accordance with the resolution of the Board of Directors dated 31 March 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board remains committed to maintaining a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. This statement is in line with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") on the Group's compliance with the Principles and Best Practices relating to internal control as stipulated in the Malaysian Code on Corporate Governance.

ROLES AND RESPONSIBILITIES

Board of Directors

The Board of Directors (the "Board") affirms its overall responsibility for the Group's system of risk management and internal control and for monitoring its adequacy and effectiveness except for the associated company which is not under the control of the Board. In view of the inherent limitations in any system of risk management and internal control (the "System"), it should be noted that the Group's System can provide only reasonable, and not absolute, assurance that material financial irregularities will be detected or that the risks of failure to achieve business objectives are eliminated.

The Board's objective is to ensure that the Group has an appropriate system in place for the identification and management of risks, including the deployment of internal controls to address the risks identified. The system has been in place for the year under review and up to the date of approval of this statement.

Risk Management Function

The Risk Management Committee carried out its duties in accordance with its term of reference during the financial year. The Risk Management Committee principally develops, executes and maintains the risk management system to ensure that the Group's corporate objectives and strategies are achieved within the acceptable risk appetite of the Group. Its reviews cover responses to significant risks identified including non-compliance with applicable laws, rules, regulations and guidelines, changes to internal controls and management information systems, and output from monitoring processes.

The principal responsibilities of the Risk Management Committee includes:-

- Establish the Group Risk Management Framework;
- Develop processes to identify, assess, treat, monitor and report on all material business risks;
- Providing guidance and strategic direction to the Business Units on the adequacy and effectiveness of internal control system for the identification of and compliance with relevant laws, licensing and regulatory requirements.

Internal Audit Function

The Board has established the Audit Committee to evaluate the internal audit function and accessing its effectiveness in the discharge of its responsibilities.

The Internal Audit Department is responsible for undertaking regular and systematic review of the Group's operations and system of internal controls based on annual audit plans approved by the Audit Committee. The Internal Audit findings are discussed at management level and actions are agreed in response to the Internal Audit Function's recommendations. The progress of implementation of the agreed actions is reviewed and verified by the Internal Audit Function through its follow-up reviews. The Audit Committee reviews all internal audit findings, management responses and the adequacy and effectiveness of the internal controls. The Audit Committee reports to the Board on a quarterly basis of its deliberations and recommendations.

Internal Control and Risk Management

During the year under review and up to the date of this Statement, the Group has been proactive in its management of risks and control issues as demonstrated by the existence of policies, procedures and strategies as illustrated below:

- The Group has established an organizational structure with clear operating and reporting procedures, lines of responsibility and delegated authority;
- Relevant executive directors and senior management have been delegated with specific accountability for monitoring the performance of designated business operating units;
- Annual business plans and budgets of the Group are reviewed and approved by the Board. The Group senior management meets on a monthly basis with operating management to review their business and financial performance against the business plans and approved budgets. Significant business risks relevant to each operating are reviewed in these meetings;
- Each operating management is responsible for its own identification and evaluation of key business risks applicable to their parts of business and for managing how these risks are reduced, transferred to third parties or insured;
- The Internal Audit Function conducts a systematic review of financial and business processes in order to provide independent assurance to management on the adequacy and effectiveness of internal controls. Where weaknesses are identified in the system of internal controls, management will take necessary measures to ensure that improvements are implemented;
- The Group maintains an appropriate insurance programme in order to provide sufficient insurance coverage on major assets that could result in material loss.

The group will continue to monitor all major risks affecting the Group and take the necessary measures to mitigate them and enhance the adequacy and effectiveness of the risk management and internal control system of the Group.

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. The Board has received assurance from the CEO and Corporate's GM of that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively. For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 31 March 2016.

REPORT OF THE AUDIT COMMITTEE

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee ("the Committee") of Rimbunan Sawit Berhad ("RSB" or "the Company") was established on 2 March 2006 and comprises the following members:

Chairman : Bong Wei Leong (Independent Director)
Members : Tiong Kiong King (Non-Independent Non-Executive Director)
Tiong Ing Ming (Independent Director)

Mr. Bong Wei Leong is a member of the Malaysian Institute of Accountants, one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967. All members of the Audit Committee are financially literate.

SUMMARY OF THE TERMS OF REFERENCE

(1) Membership

The Committee shall be appointed by the Board of Directors from amongst their number and shall consist of not less than three (3) members. All members of the Committee must be non-executive directors, with a majority of them being independent directors. No alternate director shall be appointed as a member of the Audit Committee.

At least one (1) member of the Committee:

- must be a member of the Malaysian Institute of Accountants ("MIA"); or
- must have at least three (3) years' working experience if he is not a member of MIA and :-
  - must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
  - must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

If membership of the Committee for any reason falls below three (3) members, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.

The term of office and performance of the Audit Committee and each of the members shall be reviewed by the Board of Directors at least once every three (3) years to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

(2) Chairman

The Chairman of the Committee shall be elected from amongst their number who shall be an independent director appointed by the Board of Directors. In the absence of the Chairman of the Committee, members present at the meeting shall elect one (1) of them to chair the meeting.

(3) Secretary

The Secretary to the Committee shall be any one (1) of the joint company secretaries. In the absence of the Secretary at the meeting, the members present at the meeting shall elect any other person as the secretary of the meeting.

(4) Quorum

A quorum shall consist of a majority of independent directors and shall not less than two (2) independent directors. For the purpose of determining whether the quorum for the transaction of the business of the Committee exists in the case of a meeting of committee, in addition to the members present at the meeting, any member in telephonic communication with such meeting shall be counted in the quorum.

(5) Meetings and Minutes

The Committee shall hold at least four (4) meetings a year. Additional meeting may be held as and when necessary, upon request by any Committee member, the Management, Internal or External Auditors. The Internal Audit Manager, Financial Controller are normally invited to attend the meetings. Other members of the Board of Directors, employees and representative of External Auditors shall attend the meetings upon the invitation of the Committee.

Notice of any meeting of the Committee may be given by telephone or facsimile. Notice of meeting and board papers shall be given to all members of the Committee at least 14 days and seven (7) days respectively before the date of meeting.

The decision of the Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote, provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

Minutes of each meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and shall be accepted as prima facie evidence without further proof of the facts stated therein. Such minutes of meetings shall be kept by the secretary and distributed to each member of the Committee.

A resolution in writing signed by all Committee members shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member.

(6) Authority

The Committee is authorised by the Board of Directors to:

(a) investigate any activity/matter within its terms of reference and shall have unrestricted access to all employees of the Company and the Group;

(b) have the resources in order to perform its duties as set out in its terms of reference;

(c) have full and unrestricted access to any information pertaining to the Company and the Group;

(d) have direct communication channels with the external auditors and internal auditors or person(s) carrying out the internal audit function or activity;

(e) obtain external legal or other independent professional advice as necessary; and

(f) convene meetings with the external auditors and internal auditors or person(s) carrying out the internal audit function or activity or both, excluding the attendance of other Directors and employees of the Company and the Group at least twice (2) a year.

Notwithstanding anything to the contrary herein before stated, the Committee does not have executive powers and shall report to the Board of Directors on matters considered and its recommendations thereon, pertaining to the Company and the Group.

(7) Responsibility

Where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements"), the Committee has the responsibility to promptly report such matter to Bursa Securities.

(8) Functions and Duties

The duties of the Committee are to:

(a) consider the nomination, appointment, re-appointment, resignation and dismissal of External Auditors, the auditors' remuneration and any questions of resignation or dismissal;

(b) review the nature and scope of audit plans prepared by External Auditors and Internal Auditors or person(s) carrying out the internal audit function or activity before the audit commence, and ensure co-ordination where more than one (1) audit firm is involved;

(c) review the audit reports prepared by the External Auditors, the major findings and the Management's responses thereto;

(d) discuss problems and reservations arising from the interim and final audits, and any matter the External Auditors may wish to bring up;

(e) review the quarterly and annual financial statements of the Company and the Group primarily focusing on the matters set out below, before submission to the Board of Directors for approval:

- changes in or implementation of major accounting policy changes;
- significant and unusual events; and
- compliance with accounting and financial reporting standards and legal requirements.

(f) Review the internal audit programme, processes, the results of the internal audit programme and to consider the internal audit reports, major findings and the Management's responses thereto on any internal investigations carried out by the internal auditors and ensure that appropriate action is taken by the Management in respect of the audit observations and the Committee's recommendations;

(g) review the auditors' evaluation of the systems of internal controls;

(h) review the adequacy of the scope, functions, competency and resources of the internal audit functions and whether it has the necessary authority to carry out its work;

(i) review any appraisal or assessment of the performance of the members of the internal audit function;

(j) approve any appointment or termination of senior staff members of the internal audit function;

(k) be informed of any resignation of the internal audit staff members and to provide the resigning staff member an opportunity to submit his or her reasons for resigning;

(l) review the assistance given by the Company's and the Group's employees to the External Auditors and Internal Auditors or person(s) carrying out the internal audit function or activity;

(m) review any related party transaction and conflict of interests situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of the Management integrity;

(n) review whether there is reason (supported by grounds) to believe that the Group's External Auditors is not suitable for re-appointment;

(o) to establish and review policies and procedures to assess the suitability and independence of External Auditors; and

(p) perform such other functions as may be agreed to by the Committee and the Board of Directors.

MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2015, five (5) Audit Committee meetings were held. The details of attendance of each of the Committee members are outlined as follows:

	Numbers of meetings attended
Bong Wei Leong	5 out of 5
Tiong Kiong King	3 out of 5
Tiong Ing Ming	5 out of 5

All proceedings, matters arising, deliberations, in terms of the issue discussed, and resolutions at the Committee meetings are recorded in the minutes by the Company Secretaries, confirmed by the Committee, signed by the Chairman of the Committee or Chairman of the meeting and reported to the Board of Directors at the Board meetings. All Committee meetings were attended by the Company Secretaries. Upon invitation, the Internal Audit Manager, Financial Contoller and Senior Operation Manager were present at the Committee meetings to provide additional insight into matters to be discussed during the Committee meetings.

TRAINING

The details of training/seminar attended by the members of the Committee during the financial year are as follows:

Title of training/seminar	**Number of day(s) spent**
Impact of GST on accounting and income tax	2
Accounting for GST – A complete guide to accounting for GST in Malaysia	2
Budget 2016	2
Corporate Finance	2
Securities Law & Corporate Governance Programme	2
Company Valuation, Restructuring & Funding - Exit and Sensitivity Analysis	1
Issues In Construction Contract	1

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

The following activities were carried out by the Committee during the financial year ended 31 December 2015 in the discharge of its functions and duties:

(a) reviewed and approved the audit plans including scope and coverage of audit of the RSB Group with the internal and external auditors;

(b) reviewed and deliberated the audit reports for the RSB Group and consideration of the major findings and recommendations made by the internal and external auditors, and Management's responses thereof;

(c) reviewed and deliberated the unaudited quarterly results and audited financial statements for the year ended 31 December 2014 of the Company and RSB Group focusing on the accounting policy and financial reporting standards as well as the Group's performance, prior to submission to the Board of Directors for consideration and approval;

(d) review of any related party transactions and conflict of interests situation that may arise in the Company and the RSB Group including any transaction, procedure or course of conduct that raises questions of management integrity, prior to submission to the Board of Directors for consideration and approval;

(e) reviewed adequacy of the disclosure on related party transactions entered into by the Company and the RSB Group in the quarterly and annual reports of the Company;

(f) met with the internal and external auditors twice without the presence of the other Directors and employees of RSB Group;

(g) assessed the independence and suitability of external auditors based on the External Auditors Policy adopted by the Board of Directors and recommended to the Board of Directors their re-appointment as external auditors and their fees;

(h) reviewed the draft Statement on Risk Management and Internal Control and draft Report of the Audit Committee prior to recommending to the Board of Directors for approval;

(i) reviewed the adequacy of the scope, functions, competency and resources of the internal audit function;

(j) reviewed the report on the recurrent related party transactions of a revenue or trading nature ("RRPTs") entered into by the RSB Group pursuant to the shareholder mandate obtained at the general meetings; and

(k) reviewed the draft Circular to Shareholders in relations to the proposed shareholders mandate for the RRPTs and recommended to the Board of Directors for approval.

INTERNAL AUDIT FUNCTION

RSB Group has an in-house internal audit function to assist the Audit Committee in the discharge of its duties and responsibilities and is principally responsible for the independent assessment of the adequacy, effectiveness and efficiency of the internal control systems in place, through a systematic and regular reviews of management, control and governance processes so as to provide reasonable independent assurance that such systems continue to operate satisfactorily and effectively.

The Group internal audit function adopts a risk-based auditing approach in planning and conducting audits by focusing on key risk areas. The internal audit function is independent of the activities it audits, and is responsible for the regular review and/or appraisal of the internal control, management and governance processes within the RSB Group. It operates and performs in accordance to the principles of the Internal Audit Charter.

The internal audit reports were deliberated by the Audit Committee and recommendations were duly acted upon by the Management. Currently, the Internal Audit Manager reports directly to the Audit Committee on the activities carried out by the internal audit department based on the annual audit plan duly approved by the Audit Committee.

During the financial year ended 31 December 2015, the internal audit department had undertaken the following activities:

- prepare the annual audit plan for approval by the Audit Committee;
- conducted follow-up visits on the recommendations and action plans agreed by the Management and report to the Audit Committee on the status of its implementation;
- reviewing and appraising the soundness, adequacy and application of the system of internal control for areas covering operational, inventories, fixed assets and human resource of the RSB Group and recommend improvement thereon; and
- identifying ways and opportunities to improve the effectiveness and efficiency of the operations and processes within the RSB Group.

The total costs incurred for the internal audit functions in respect of the financial year ended 31 December 2015 were RM403,103.24.

This Report is made in accordance with the resolution of the Board of Directors dated 31 March 2016.

Financial Statements

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Loss after taxation for the financial year	(67,174,571)	(14,094,962)
Attributable to:-		
Owners of the Company	(59,944,850)	(14,094,962)
Non-controlling interests	(7,229,721)	-
	(67,174,571)	(14,091,962)

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the authorised share capital of the Company;

(b) the Company increased its issued and paid-up share capital from RM751,238,901 to RM791,682,240 by way of the issuance of 80,886,679 ordinary shares of RM0.50 each arising from the conversion of 29,095,928 irredeemable convertible preference shares ("ICPSs) of RM0.50 each by the ICPS holders at a conversion ratio of 3.78. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company; and

(c) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been 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 which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 36 to the financial statements. At the date of this report, there does not exist:-

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

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

No contingent or other liability of the Group and 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 and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Diong Hiew King @ Tiong Hiew King
Tiong Kiong King
Tiong Chiong Ong
Tiong Chiong Ie
Dato' Jin Kee Mou (Appointed on 1.7.2015)
Bong Wei Leong
Tiong Ing Ming

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM0.50 Each			
	At 1.1.2015/ Date of Appointment	**Bought**	**Sold**	**At 31.12.2015**
Direct Interests in the Company				
Diong Hiew King @ Tiong Hiew King	2,400,000	-	-	2,400,000
Tiong Kiong King	13,803,800	10,000,000	-	23,803,800
Tiong Chiong Ong	7,031,608	-	-	7,031,608
Tiong Chiong Ie	1,600,000	-	-	1,600,000
Dato' Jin Kee Mou	16,000	-	-	16,000
Tiong Ing Ming	200,000	-	-	200,000
Indirect Interests in the Company				
Diong Hiew King @ Tiong Hiew King	684,216,672	302,982,607	(212,000,000)	775,199,279
Tiong Kiong King	16,218,400	-	(10,000,000)	6,218,400
Tiong Chiong Ong	329,214	-	-	329,214
Tiong Chiong Ie	3,872,000	-	-	3,872,000

	Number of Irredeemable Convertible Preference Shares of RM0.50 Each			
	At 1.1.2015	**Bought**	**Sold**	**At 31.12.2015**
Indirect Interests in the Company				
Diong Hiew King @ Tiong Hiew King	193,972,857	-	(29,095,928)	164,876,929

DIRECTORS' INTERESTS (cont'd)

By virtue of his shareholdings in the Company, Diong Hiew King @ Tiong Hiew King is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 33 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements 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.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 31 March 2016.

Diong Hiew King @ Tiong Hiew King

Tiong Kiong King

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

We, Diong Hiew King @ Tiong Hiew King and Tiong Kiong King, being two of the directors of Rimbunan Sawit Berhad, state that, in the opinion of the directors, the financial statements set out on pages 50 to 128 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 39, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 31 March 2016.

Diong Hiew King @ Tiong Hiew King **Tiong Kiong King**

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

I, Ling Tong Ung, being the officer primarily responsible for the financial management of Rimbunan Sawit Berhad, do solemnly and sincerely declare that the financial statements set out on pages 50 to 128 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
Ling Tong Ung, at Sibu
on this 31 March 2016.

Ling Tong Ung

Before me

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RIMBUNAN SAWIT BERHAD (691393 - U)

Report on the Financial Statements

We have audited the financial statements of Rimbunan Sawit Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 128.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

(ii) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

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

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

Other Reporting Requirements

The supplementary information set out in Note 39 on page 129 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Hudson Chua Jain
Approval No: 2538/05/16 (J)
Chartered Accountant

Sibu, Sarawak
31 March 2016.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

		The Group		The Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	626,888,960	440,149,962
Investment in an associate	6	4,397,296	24,088,950	4,397,296	25,137,296
Property, plant and equipment	7	685,634,463	658,639,787	9,256,883	5,957,994
Intangible assets	8	23,683,528	24,569,397	2,279,285	2,739,048
Biological assets	9	786,003,637	778,348,973	-	-
Other investment	10	5,000,000	-	5,000,000	-
Goodwill	11	64,746,109	64,746,109	-	-
Deposits with licensed banks	12	102,381	100,000	-	-
Deferred tax assets	13	5,157,794	4,928,946	-	-
		1,574,725,208	1,555,422,162	647,822,424	473,984,300
CURRENT ASSETS					
Inventories	14	31,119,571	28,142,224	-	-
Trade receivables	15	9,012,177	11,115,123	-	-
Other receivables, deposits and prepayments	16	28,251,974	32,245,514	13,026,218	13,430,481
Amount owing by subsidiaries	17	-	-	439,503,534	553,132,489
Current tax assets		5,323,693	3,507,196	82,786	-
Deposits with licensed banks	12	-	1,050,000	-	-
Cash and bank balances		4,381,875	11,055,196	30,845	139,507
		78,089,290	87,115,253	452,643,383	566,702,477
TOTAL ASSETS		1,652,814,498	1,642,537,415	1,100,465,807	1,040,686,777

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 DECEMBER 2015

		The Group		The Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	791,682,240	751,238,901	791,682,240	751,238,901
Reserves	19	22,683,633	123,071,822	53,085,162	107,623,463
Equity attributable to owners of the Company		814,365,873	874,310,723	844,767,402	858,862,364
Non-controlling interests	5	54,591,220	68,584,097	-	-
TOTAL EQUITY		868,957,093	942,894,820	844,767,402	858,862,364
NON-CURRENT LIABILITIES					
Borrowings	20	333,084,023	311,298,509	170,560	-
Deferred tax liabilities	13	140,037,644	148,404,717	777,367	593,950
		473,121,667	459,703,226	947,927	593,950
CURRENT LIABILITIES					
Trade payables	22	49,523,455	28,757,034	-	-
Other payables, deposits and accruals	23	35,928,956	37,582,869	11,241,697	4,503,442
Amount owing to subsidiaries	17	-	-	183,139,356	115,773,220
Borrowings:-	20				
- bank overdrafts		10,100,877	21,701,042	2,256,755	2,734,876
- other borrowings		214,144,681	150,218,026	58,112,670	58,000,000
Current tax liabilities		1,037,769	1,680,398	-	218,925
		310,735,738	239,939,369	254,750,478	181,230,463
TOTAL LIABILITIES		783,857,405	699,642,595	255,698,405	181,824,413
TOTAL EQUITY AND LIABILITIES		1,652,814,498	1,642,537,415	1,100,465,807	1,040,686,777

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		The Group		The Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
REVENUE	24	184,208,943	239,684,128	16,696,734	9,636,133
COST OF SALES		(189,064,947)	(194,235,518)	-	-
GROSS (LOSS)/PROFIT		(4,856,004)	45,448,610	16,696,734	9,636,133
OTHER INCOME		2,854,695	3,765,194	3,292,229	1,194,347
DISTRIBUTION COSTS		(6,135,289)	(7,578,988)	-	-
ADMINISTRATIVE AND OTHER EXPENSES		(51,411,008)	(23,317,556)	(30,644,379)	(5,268,020)
SHARE OF RESULTS IN AN ASSOCIATE, NET OF TAX		(574,168)	(766,330)	-	-
FINANCE COSTS	25	(14,110,175)	(10,609,260)	(3,188,949)	(1,244,785)
(LOSS)/PROFIT BEFORE TAXATION	26	(74,231,949)	6,941,670	(13,844,365)	4,317,675
INCOME TAX EXPENSE	27	7,057,378	(4,188,692)	(250,597)	(694,035)
(LOSS)/PROFIT AFTER TAXATION		(67,174,571)	2,752,978	(14,094,962)	3,623,640
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHESIVE INCOME FOR THE FINANCIAL YEAR		(67,174,571)	2,752,978	(14,094,962)	3,623,640
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(59,944,850)	4,769,823	(14,094,962)	3,623,640
Non-controlling interests		(7,229,721)	(2,016,845)	-	-
		(67,174,571)	2,752,978	(14,094,962)	3,623,640
TOTAL COMPREHESIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(59,944,850)	4,769,823	(14,094,962)	3,623,640
Non-controlling interests		(7,229,721)	(2,016,845)	-	-
		(67,174,571)	2,752,978	(14,094,962)	3,623,640
(LOSS)/EARNINGS PER SHARE (SEN)	28				
Basic		(2.94)	0.23		
Diluted		Not applicable	Not applicable		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Group	Non-distributable: Share Capital: Ordinary Shares RM	Non-distributable: Share Capital: Preference Shares RM	Non-distributable: Share Premium RM	Non-distributable: Merger Reserve RM	Distributable Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
Balance at 1.1.2014	654,252,472	96,986,429	15,446,950	(53,065,553)	155,920,602	869,540,900	73,001,030	942,541,930
Profit after taxation/Total comprehensive income for the financial year	-	-	-	-	4,769,823	4,769,823	(2,016,845)	2,752,978
Distributions to owners of the Company:-								
- dividends:-								
- by subsidiaries to non-controlling interests	-	-	-	-	-	-	(2,400,088)	(2,400,088)
Balance at 31.12.2014	654,252,472	96,986,429	15,446,950	(53,065,553)	160,690,425	874,310,723	68,584,097	942,894,820

The annexed notes form an integral part of these financial statements.

The Group	Note	Non-distributable: Ordinary Shares RM	Non-distributable: Share Capital Preference Shares RM	Non-distributable: Share Premium RM	Non-distributable: Merger Reserve RM	Distributable Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
Balance at 31.12.2014/ 1.1.2015		654,252,472	96,986,429	15,446,950	(53,065,553)	160,690,425	874,310,723	68,584,097	942,894,820
Loss after taxation/ Total comprehensive income for the financial year		-	-	-	-	(59,944,850)	(59,944,850)	(7,229,721)	(67,174,571)
Contributions by and distributions to owners of the Company:-									
- conversion of ICPSs to ordinary shares	18	54,991,303	(14,547,964)	-	-	(40,443,339)	-	-	-
- dividends:-									
- by subsidiaries to non-controlling interests		-	-	-	-	-	-	(6,763,156)	(6,763,156)
Balance at 31.12.2015		709,243,775	82,438,465	15,446,950	(53,065,553)	60,302,236	814,365,873	54,591,220	868,957,093

The annexed notes form an integral part of these financial statements.

		Non-distributable			Distributable	
		Share Capital				
The Company	Note	Ordinary Shares RM	Preference Shares RM	Share Premium RM	Retained Profits RM	Total Equity RM
Balance at 1.1.2014		654,252,472	96,986,429	15,446,950	88,552,873	855,238,724
Profit after taxation/Total comprehensive income for the financial year		-	-	-	3,623,640	3,623,640
Balance at 31.12.2014/ 1.1.2015		654,252,472	96,986,429	15,446,950	92,176,513	858,862,364
Loss after taxation/Total comprehensive income for the financial year		-	-	-	(14,094,962)	(14,094,962)
Contributions by owners of the Company:-						
- conversion of ICPSs to ordinary shares	18	54,991,303	(14,547,964)	-	(40,443,339)	-
Balance at 31.12.2015		709,243,775	82,438,465	15,446,950	37,638,212	844,767,402

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
(Loss)/profit before taxation	(74,231,949)	6,941,670	(13,844,365)	4,317,675
Adjustments for:-				
Allowance for stock obsolescence	239,503	-	-	-
Amortisation of biological assets	35,361,369	29,783,338	-	-
Amortisation of intangible assets	955,765	438,937	529,659	324,834
Bad debts written off	1,500	-	-	
Biological assets written off	3,801,213	181,641	-	-
Depreciation of property, plant and equipment	34,192,410	29,813,365	1,207,702	552,388
Dividend income	-	-	(10,144,734)	(3,600,133)
Impairment losses on investment in an associate	19,117,486	-	20,740,000	-
Interest expense	14,110,175	10,609,260	3,188,949	1,244,785
Interest income	(20,884)	(82,703)	(2,938,695)	(1,190,308)
Loss/(gain) on disposal of property, plant and equipment	15,034	(1,344,416)	(253,814)	(3,279)
Share of results in an associate	574,168	766,330	-	-
Operating profit/(loss) before working capital changes	34,115,790	77,107,422	(1,515,298)	1,645,962
(Increase)/decrease in inventories	(3,216,850)	8,364,885	-	-
Decrease/(increase) in trade and other receivables	6,094,986	(5,937,304)	404,263	(5,575,747)
Increase/(decrease) in trade and other payables	19,112,508	5,477,303	6,738,255	(2,451,178)
CASH FROM/(FOR) OPERATIONS	56,106,434	85,012,306	5,627,220	(6,380,963)
Income tax paid	(4,122,783)	(4,844,428)	(459,801)	(122,135)
Income tax refunded	125,114	-	90,910	-
Interest paid	(8,333,449)	(5,821,952)	(3,178,688)	(1,244,527)
Interest received	20,884	82,703	2,938,695	1,190,308
NET CASH FROM/(FOR) OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD	43,796,200	74,428,629	5,018,336	(6,557,317)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	The Group 2015 RM	The Group 2014 RM	The Company 2015 RM	The Company 2014 RM
NET CASH FROM/(FOR) OPERATING ACTIVITIES/ BALANCE BROUGHT FORWARD		43,796,200	74,428,629	5,018,336	(6,557,317)
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash and cash equivalents acquired	29	-	414	-	(316)
Costs incurred on biological assets		(29,583,708)	(28,589,229)	-	-
Dividend received		-	-	10,144,734	3,600,133
Proceeds from disposal of property, plant and equipment		4,171,621	2,131,425	600,009	60,000
Purchase of intangible assets		(17,214)	(958,656)	(17,214)	(958,656)
Purchase of other investment		(5,000,000)	-	(5,000,000)	-
Purchase of property, plant and equipment	30	(62,026,841)	(39,934,032)	(4,559,468)	(3,956,264)
Subscription of shares in subsidiaries		-	-	(186,738,998)	(4,900,000)
NET CASH FOR INVESTING ACTIVITIES		(92,456,142)	(67,350,078)	(185,570,937)	(6,155,103)
BALANCE CARRIED FORWARD		(48,659,942)	7,078,551	(180,552,601)	(12,712,420)

The annexed notes form an integral part of these financial statements.

		The Group		The Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
BALANCE BROUGHT FORWARD		(48,659,942)	7,078,551	(180,552,601)	(12,712,420)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net decrease/(increase) in amount owing by subsidiaries		-	-	180,995,091	(41,850,145)
Deposits with licensed banks held as security value		(2,381)	(100,000)	-	-
Dividend paid by subsidiaries to non-controlling interests		(6,763,156)	(2,400,088)	-	-
Drawdown of term loans		63,967,721	49,700,245	-	-
Net of drawdown/(repayment) of bankers' acceptance		9,768,849	(828,000)	-	-
Net of drawdown/(repayment) of revolving credit		33,000,000	49,509,612	-	53,000,000
Net of drawdown/(repayment) of unsecured loans		-	(19,500,000)	-	-
Payment of interests on long-term borrowings		(19,332,532)	(16,869,861)	(10,261)	(258)
Repayment of advances from related parties		-	(5,100,000)	-	-
Repayment of hire purchase obligations		(1,720,772)	(1,990,739)	(62,770)	(33,724)
Repayment of Islamic securities and obligations under Ijarah arrangements		-	(7,650,000)	-	-
Repayment of term loans		(26,380,943)	(21,158,751)	-	-
NET CASH FROM FINANCING ACTIVITIES		52,536,786	23,612,418	180,922,060	11,115,873
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS/ BALANCE CARRIED FORWARD		3,876,844	30,690,969	369,459	(1,596,547)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		(9,595,846)	(40,286,815)	(2,595,369)	(998,822)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	31	(5,719,002)	(9,595,846)	(2,225,910)	(2,595,369)

The annexed notes form an integral part of these financial statements.

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office, which is also the principal place of business, is North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

FRSs and IC Interpretations (Including the Consequential Amendments)
Amendments to FRS 119: Defined Benefit Plans – Employee Contributions
Annual Improvements to FRSs 2010 – 2012 Cycle
Annual Improvements to FRSs 2011 – 2013 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

FRSs and IC Interpretations (Including the Consequential Amendments)	Effective Date
FRS 9 Financial Instruments (IFRS 9 Issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10 and FRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	) Deferred until) further notice
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to FRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016

3.2 The above accounting standards and interpretations (including the consequential amendments, if any) are not relevant to the Group's operations except as follows:-

(a) FRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in FRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking "expected loss" impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this FRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Group's investments in unquoted shares that are currently stated at cost will be measured at fair value through other comprehensive income upon the adoption of FRS 9. The Group is currently assessing the financial impact of adopting FRS 9.

(b) The amendments to FRS 116 and FRS 138 prohibit revenue-based depreciation/amortisation because revenue does not, as a matter of principle, reflect the way in which an item of property, plant and equipment/intangible assets is used or consumed. There will be no impact on the financial statements of the Group upon its initial application.

(c) The amendments to FRS 127 allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Company has no intention to change its accounting policies on investments in subsidiaries and associates to the equity method when the amendments become effective.

3. BASIS OF PREPARATION (CONT'D)

3.3 MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "transitioning entities").

As announced by MASB on 28 October 2015, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 December 2018. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

(c) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(d) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(e) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(f) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. 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 over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

<u>Business Combinations from 1 January 2011 Onwards</u>

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

Business Combinations before 1 January 2011

The acquisitions of Baram Trading Sdn Bhd and Nescaya Palma Sdn Bhd by the Company have been accounted for as a business combination among entities under common control. Accordingly, the financial statements of the Group have been consolidated using the merger method of accounting.

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted based on the carrying amounts from the perspective of common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit or credit difference is classified as a non-distributable reserve.

All other subsidiaries are consolidated using the purchase method. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree at the date of acquisition.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Business Combinations from 1 January 2011 Onwards

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

Business Combinations before 1 January 2011

Under the purchase method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised as income immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 GOODWILL (CONT'D)

Interests in Associates

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

4.4 FUNCTIONAL AND PRESENTATION CURRENCY

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

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

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (cont'd)

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. Fair value through profit or loss category also comprises contingent consideration in a business combination.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current assets whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets based on the settlement date.

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (cont'd)

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial Liabilities

All financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. Fair value through profit or loss category also comprises contingent consideration in a business combination.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary Shares and Irredeemable Convertible Preference Shares ("ICPSs")

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments (cont'd)

Dividends on ordinary shares and ICPSs are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) 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 specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Company designates corporate guarantees given to financial institutions for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 4 *Insurance Contracts*. The Company recognises these corporate guarantees as liabilities when there is a present obligation, legal or constructive, 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 a reliable estimate can be made of the amount of the obligation.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Company has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 December 2015. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with FRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate into profit or loss when the equity method is discontinued.

4.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Land and buildings	Over the lease period of 60 years and 5%
Leasehold land	Over the lease periods of 43 to 87 years
Buildings, drainage and roads	4% - 20%
Nursery irrigation systems	7½% - 10%
Motor vehicles, plant and machinery	7½% - 25%
Equipment and furniture	10%% - 100%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the acquisition of the assets to the date that the assets are completed and put into use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 INTANGIBLE ASSETS

(a) Computer Software

Computer software is initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is recognised as capital improvement and added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense as incurred.

Capitalised computer software is subsequently carried at cost less accumulated amortisation and impairment losses, if any. These costs are amortised on a straight-line basis over their estimated useful lives of 5 to 10 years.

Gains or losses arising from derecognition of computer software are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss when the assets are derecognised.

(b) Commercial Rights on Licence for Planted Forest ("LPF")

Commercial rights on LPF represents rights granted to the Group to plant trees on licensed area, which will expire in March 2064.

The rights acquired by the Group are stated at cost less accumulated amortisation and impairment losses, if any. The cost is amortised on a straight-line basis over the remaining term of the licence of 55 years at the date of acquisition.

4.10 BIOLOGICAL ASSETS

Biological assets are stated at cost less accumulated amortisation and impairment losses, if any.

Planting expenditure incurred on land clearing, upkeep of immature trees, administrative expenses directly attributable to tree planting and interest incurred during the pre-cropping period is capitalised at cost as biological assets. Upon maturity, all subsequent maintenance expenditure is recognised in profit or loss. Pre-cropping cost is accounted for as follows:-

(a) Oil palm and rubber plantation – amortised on a straight-line basis over 25 years, the expected useful life of oil palm and rubber trees, upon maturity.

(b) Gaharu plantation – recognised in profit or loss upon harvesting of gaharu trees.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be an objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity into profit or loss.

With the exception of available-for-sale debt instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent period.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which FRS 136 Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets (cont'd)

An impairment loss is recognised in profit or loss immediately. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then to reduce the carrying amounts of the other assets in the cash-generating units on a pro rate basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.12 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements as property, plant and equipment and the corresponding obligations are treated as hire purchase payables. The assets capitalised are measured at the lower of the fair value of the leased assets and the present value of the minimum lease payments and are depreciated on the same basis as owned assets. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of charge on the hire purchase outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4.13 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:-

(a) Processed inventories – cost of raw materials, direct labour, and an appropriate proportion of production overheads, determined on a first-in first-out basis.

(b) Nursery inventories – all costs that are directly attributable to the nursery development activities.

(c) Sundry stores and consumables – original cost of purchase, determined on a weighted average basis.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

4.16 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss and included in the biological assets, where appropriate, in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the biological assets, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.17 INCOME TAXES

Income tax for the reporting period comprises current tax and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 INCOME TAXES (CONT'D)

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 taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.18 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including its director (whether executive or otherwise) of that entity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.20 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.21 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4.22 BORROWING COSTS

Borrowing costs that directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.24 REVENUE AND OTHER INCOME

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of goods and services tax, returns, cash and trade discounts.

(b) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(c) Interest Income

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

(d) Dividend Income

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

(e) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2015 RM	The Company 2014 RM
Unquoted shares, at cost	626,888,960	440,149,962

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %	Principal Activities
Baram Trading Sdn Bhd	Malaysia	85	85	Cultivation of oil palm
Burung Tiong Helicopter Sdn Bhd	Malaysia	85	85	Aircraft operations and services
Formasi Abadi Sdn Bhd^	Malaysia	100	100	Cultivation of oil palm
Jayamax Plantation Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Lumiera Enterprise Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Midas Plantation Sdn Bhd*	Malaysia	100	100	Dormant
Nescaya Palma Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Novelpac-Puncakdana Plantation Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Pelita-Splendid Plantation Sdn Bhd#	Malaysia	70	70	Cultivation of oil palm
PJP Pelita Biawak Plantation Sdn Bhd#	Malaysia	85	85	Cultivation of oil palm
PJP Pelita Ekang-Banyok Plantation Sdn Bhd	Malaysia	60	60	Cultivation of oil palm
PJP Pelita Lundu Plantation Sdn Bhd	Malaysia	60	60	Cultivation of oil palm
PJP Pelita Selangau Plantation Sdn Bhd#	Malaysia	60	60	Cultivation of oil palm
PJP Pelita Ulu Teru Plantation Sdn Bhd#	Malaysia	60	60	Cultivation of oil palm
R.H. Plantation Sdn Bhd	Malaysia	100	100	Cultivation of oil palm and operation of palm oil mill
Rajang Agrisupplies Sdn Bhd	Malaysia	100	100	Wholesaling and retailing of agricultural fertilisers

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (cont'd) :-

Name of Subsidiary	Principal Place of Business	Effective Equity 2015 %	Interest 2014 %	Principal Activities
Rajang Builders Sdn Bhd	Malaysia	100	100	Plantation contract work and provision of transportation services
Rimbunan Sawit Management Services Sdn. Bhd. (Formerly Known as Rimbunan Sawit Holdings Sdn Bhd)	Malaysia	100	100	Investment holding and provision of management services
RSB Palm Oil Mill Sdn Bhd	Malaysia	100	100	Operation of palm oil mill
Timrest Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Woodijaya Sdn Bhd	Malaysia	100	100	Cultivation of oil palm

^ This subsidiary is held through Nescaya Palma Sdn Bhd.

* This subsidiary is held through Rimbunan Sawit Management Services Sdn Bhd. (Formely known as Rimbunan Sawit Holdings Sdn Bhd.)

These subsidiaries were audited by other firms of chartered accountants.

(a) In the previous financial year, the Company had acquired equity interests in Rajang Agrisupplies Sdn Bhd and Rajang Builders Sdn Bhd. Following the completion of the acquisitions, both Rajang Agrisupplies Sdn Bhd and Rajang Builders Sdn Bhd become 100%-owned subsidiaries of the Company. The details of the acquisitions are disclosed in Note 29 to the financial statements.

(b) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %	The Group 2015 RM	The Group 2014 RM
PJP Pelita Biawak Plantation Sdn Bhd ("Biawak")	15	15	9,195,149	9,810,538
PJP Pelita Lundu Plantation Sdn Bhd ("Lundu")	40	40	34,668,656	43,349,468
PJP Pelita Selangau Plantation Sdn Bhd ("Selangau")	40	40	1,920,726	3,770,974
PJP Pelita Ulu Teru Plantation Sdn Bhd ("Ulu Teru")	40	40	5,990,599	7,703,376
Other individually immaterial subsidiaries			2,816,090	3,949,741
			54,591,220	68,584,097

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Biawak	
	2015	**2014**
	RM	**RM**
<u>At 31 December</u>		
Non-current assets	86,181,658	93,122,659
Current assets	2,095,920	2,127,389
Non-current liabilities	(18,626,897)	(19,861,372)
Current liabilities	(8,349,690)	(9,985,089)
Net assets	61,300,991	65,403,587
<u>Financial year ended 31 December</u>		
Revenue	9,503,731	13,148,543
Loss for the financial year	(4,102,596)	(208,619)
Total comprehensive income	(4,102,596)	(208,619)
Total comprehensive income attributable to non-controlling interests	(615,389)	(31,293)
Dividends paid to non-controlling interests	-	-
Net cash flows from operating activities	746,684	5,004,801
Net cash flows from/(for) investing activities	314,965	(204,302)
Net cash flows for financing activities	(1,146,743)	(4,730,558)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows (cont'd):-

	Lundu	
	2015	**2014**
	RM	**RM**
At 31 December		
Non-current assets	125,684,807	138,106,339
Current assets	2,902,355	10,448,746
Non-current liabilities	(29,387,360)	(32,140,363)
Current liabilities	(12,528,168)	(8,041,057)
Net assets	86,671,634	108,373,665
Financial year ended 31 December		
Revenue	21,932,680	28,466,055
(Loss)/profit for the financial year	(4,794,141)	2,187,554
Total comprehensive income	(4,794,141)	2,187,554
Total comprehensive income attributable to non-controlling interests	(1,917,656)	875,022
Dividends paid to non-controlling interests	(6,763,156)	(2,400,088)
Net cash flows from operating activities	11,181,725	11,118,083
Net cash flows from/(for) investing activities	114,210	(139,000)
Net cash flows for financing activities	(12,516,394)	(9,571,864)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows (cont'd):-

	Selangau 2015 RM	Selangau 2014 RM
At 31 December		
Non-current assets	80,952,927	82,832,423
Current assets	2,084,240	5,534,374
Non-current liabilities	(488,709)	(1,638,828)
Current liabilities	(77,746,643)	(77,300,535)
Net assets	4,801,815	9,427,434
Financial year ended 31 December		
Revenue	6,806,951	7,436,574
Loss for the financial year	(4,625,619)	(4,488,530)
Total comprehensive income	(4,625,619)	(4,488,530)
Total comprehensive income attributable to non- controlling interests	(1,850,248)	(1,795,412)
Dividends paid to non-controlling interests	-	-
Net cash flows from/(for) operating activities	1,935,815	(2,219,912)
Net cash flows for investing activities	(3,688,794)	(2,631,151)
Net cash flows from financing activities	1,223,163	5,299,723

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows (cont'd):-

	Ulu Teru	
	2015	2014
	RM	RM
At 31 December		
Non-current assets	131,373,524	129,418,926
Current assets	4,972,763	4,806,435
Non-current liabilities	(49,803,092)	(46,840,405)
Current liabilities	(71,566,698)	(68,126,517)
Net assets	14,976,497	19,258,439
Financial year ended 31 December		
Revenue	5,030,858	5,611,898
Loss for the financial year	(4,281,942)	(1,408,268)
Total comprehensive income	(4,281,942)	(1,408,268)
Total comprehensive income attributable to non-controlling interests	(1,712,777)	(563,307)
Dividends paid to non-controlling interests	-	-
Net cash flows from operating activities	153,045	626,508
Net cash flows for investing activities	(3,765,138)	(7,353,121)
Net cash flows from financing activities	3,443,518	11,441,970

6. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Unquoted shares, at cost	25,137,296	25,137,296	25,137,296	25,137,296
Share of post-acquisition reserves	(1,622,514)	(1,048,346)	-	-
	23,514,782	24,088,950	25,137,296	25,137,296
Less: Accumulated impairment losses	(19,117,486)	-	(20,740,000)	-
	4,397,296	24,088,950	4,397,296	25,137,296

6. INVESTMENT IN AN ASSOCIATE (CONT'D)

The details of the associate are as follows:-

Name of Subsidiary	Principal Place of Business	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %	Principal Activities
Lubuk Tiara Sdn Bhd#	Malaysia	44	44	Cultivation of oil palm

\# The associate was audited by other firms of chartered accountants.

(a) The Group recognised its share of results in the associate based on the unaudited financial statements drawn up to 31 December 2015.

(b) The summarised unaudited financial information (after any fair value adjustment at acquisition date) for the associate is as follows:-

	Lubuk Tiara Sdn Bhd 2015 RM	Lubuk Tiara Sdn Bhd 2014 RM
At 31 December		
Non-current assets	103,020,900	122,093,345
Current assets	15,743,920	5,523,549
Non-current liabilities	(69,770,000)	(74,559,491)
Current liabilities	(38,999,295)	(36,078,004)
Net assets	9,995,525	16,979,399
Financial year ended 31 December		
Revenue	16,575,322	18,004,919
Loss for the financial year	(1,304,927)	(1,741,660)
Total comprehensive income	(1,304,927)	(1,741,660)
Group's share of loss for the financial year	(574,168)	(766,330)
Group's share of other comprehensive income	-	-
Dividend received	-	-
Reconciliation of net assets to carrying amount		
Group's share of net assets	4,397,296	7,470,936
Goodwill	-	16,618,014
Carrying amount of the Group's interests in the associate	4,397,296	24,088,950

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2015 RM	Additions RM	Disposals RM	Reclassifi-cations RM	Depreciation Charge RM	At 31.12.2015 RM
2015						
Net Book Value						
Land and buildings	2,505,457	-	-	-	(194,547)	2,310,910
Leasehold land	198,861,592	-	-	-	(4,207,986)	194,653,606
Buildings, drainage and roads	393,170,077	2,610,397	(4,995)	11,103,347	(22,677,232)	384,201,594
Nursery irrigation systems	157,858	-	-	-	(17,703)	140,155
Motor vehicles, plant and machinery	18,984,912	17,131,522	(3,269,804)	(1,083)	(9,676,555)	23,168,992
Equipment and furniture	8,537,720	3,399,474	(123,979)	63,048	(2,058,087)	9,818,176
Capital work-in-progress	36,422,171	47,398,668	(787,877)	(11,691,932)	-	71,341,030
	658,639,787	70,540,061	(4,186,655)	(526,620)	(38,832,110)	685,634,463

	At 1.1.2014 RM	Additions RM	Disposals RM	Reclassifi-cations RM	Depreciation Charge RM	At 31.12.2014 RM
2014						
Net Book Value						
Land and buildings	2,700,004	-	-	-	(194,547)	2,505,457
Leasehold land	203,093,324	-	(23,275)	-	(4,208,457)	198,861,592
Buildings, drainage and roads	392,702,870	8,929,173	(69,733)	12,395,960	(20,788,193)	393,170,077
Nursery irrigation systems	178,111	-	-	-	(20,253)	157,858
Motor vehicles, plant and machinery	22,484,072	4,893,482	(117,997)	178,425	(8,453,070)	18,984,912
Equipment and furniture	5,273,190	3,223,981	-	1,453,868	(1,413,319)	8,537,720
Capital work-in-progress	27,590,714	23,435,714	(576,004)	(14,028,253)	-	36,422,171
	654,022,285	40,482,350	(787,009)	-	(35,077,839)	658,639,787

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

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
2015			
Land and buildings	3,406,273	(1,095,363)	2,310,910
Leasehold land	220,968,512	(26,314,906)	194,653,606
Buildings, drainage and roads	535,784,409	(151,582,815)	384,201,594
Nursery irrigation systems	661,340	(521,185)	140,155
Motor vehicles, plant and machinery	105,331,795	(82,162,803)	23,168,992
Equipment and furniture	22,465,203	(12,647,027)	9,818,176
Capital work-in-progress	71,341,030	-	71,341,030
	959,958,562	(274,324,099)	685,634,463
2014			
Land and buildings	3,406,273	(900,816)	2,505,457
Leasehold land	220,968,512	(22,106,920)	198,861,592
Buildings, drainage and roads	522,873,009	(129,702,932)	393,170,077
Nursery irrigation systems	661,340	(503,482)	157,858
Motor vehicles, plant and machinery	96,159,145	(77,174,233)	18,984,912
Equipment and furniture	19,145,125	(10,607,405)	8,537,720
Capital work-in-progress	36,422,171	-	36,422,171
	899,635,575	(240,995,788)	658,639,787

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

The Company	At 1.1.2015 RM	Additions RM	Disposals RM	Reclassifi-cations RM	Depreciation Charge RM	At 31.12.2015 RM
2015						
Net Book Value						
Buildings	2,052,505	-	-	2,963,265	(240,021)	4,775,749
Motor vehicles	577,091	385,000	(223,286)	-	(204,355)	534,450
Equipment and furniture	2,791,732	2,041,187	(122,909)	-	(763,326)	3,946,684
Capital work-in-progress	536,666	2,479,281	-	(3,015,947)	-	-
	5,957,994	4,905,468	(346,195)	(52,682)	(1,207,702)	9,256,883

	At 1.1.2014 RM	Additions RM	Disposals RM	Reclassifi-cations RM	Depreciation Charge RM	At 31.12.2014 RM
2014						
Net Book Value						
Buildings	42,897	2,080,000	-	-	(70,392)	2,052,505
Motor vehicles	512,001	314,179	(56,721)	-	(192,368)	577,091
Equipment and furniture	1,256,049	1,435,811	-	389,500	(289,628)	2,791,732
Capital work-in-progress	799,892	126,274	-	(389,500)	-	536,666
	2,610,839	3,956,264	(56,721)	-	(552,388)	5,957,994

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

The Company	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
2015			
Buildings	5,094,232	(318,483)	4,775,749
Motor vehicles	1,287,783	(753,333)	534,450
Equipment and furniture	5,426,179	(1,479,495)	3,946,684
	11,808,194	(2,551,311)	9,256,883
2014			
Buildings	2,130,967	(78,462)	2,052,505
Motor vehicles	1,782,236	(1,205,145)	577,091
Equipment and furniture	3,525,053	(733,321)	2,791,732
Capital work-in-progress	536,666	-	536,666
	7,974,922	(2,016,928)	5,957,994

(a) Included in the depreciation charge of the Group for the financial year is an amount of RM4,639,700 (2014: RM5,264,474), which is capitalised under biological assets.

(b) Included in the property, plant and equipment of the Group and of the Company at the end of the reporting period are motor vehicles, plant and machinery with a total net book value of RM7,540,127 (2014: RM2,248,237) and RM327,250 (2014: Nil) respectively, which are acquired under hire purchase terms.

(c) The net book value of property, plant and equipment pledged to licensed banks as security for banking facilities granted to the Group (Note 20) is as follows:-

	The Group	
	2015 RM	2014 RM
Leasehold land	150,866,108	154,168,338
Buildings, drainage and roads	256,331,372	259,318,373
Nursery irrigation systems	4	4
Capital work-in-progress	70,669,300	30,414,819
	477,866,784	443,901,534

(d) Interest expense capitalised during the financial year under capital work-in-progress of the Group amounted to RM1,435,906 (2014: RM183,878).

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

(e) The leasehold land of the Group at the end of the reporting period is analysed as follows:-

	The Group	
	2015 RM	2014 RM
Unexpired period of less than 50 years	127,551,379	134,220,260
Unexpired period of more than 50 years	67,102,227	64,641,332
	194,653,606	198,861,592

8. INTANGIBLE ASSETS

The Group	At 1.1.2015 RM	Additions RM	Reclassifi-cations RM	Amortisation Charge RM	At 31.12.2015 RM
2015					
Net Book Value					
Computer software	2,579,700	17,214	235,682	(543,669)	2,288,927
Commercial rights on LPF	21,806,697	-	-	(412,096)	21,394,601
Capital work-in-progress	183,000	-	(183,000)	-	-
	24,569,397	17,214	52,682	(955,765)	23,683,528

	At 1.1.2014 RM	Additions RM	Reclassifi-cations RM	Amortisation Charge RM	At 31.12.2014 RM
2014					
Net Book Value					
Computer software	1,596,676	315,370	1,008,859	(341,205)	2,579,700
Commercial rights on LPF	22,218,792	-	-	(412,095)	21,806,697
Capital work-in-progress	548,573	643,286	(1,008,859)	-	183,000
	24,364,041	958,656	-	(753,300)	24,569,397

8. INTANGIBLE ASSETS (CONT'D)

The Group	At Cost RM	Accumulated Amortisation RM	Net Book Value RM
2015			
Computer software	3,894,148	(1,605,221)	2,288,927
Commercial rights on LPF	23,592,442	(2,197,841)	21,394,601
	27,486,590	(3,803,062)	23,683,528
2014			
Computer software	3,641,252	(1,061,552)	2,579,700
Commercial rights on LPF	23,592,442	(1,785,745)	21,806,697
Capital work-in-progress	183,000	-	183,000
	27,416,694	(2,847,297)	24,569,397

The Company	At 1.1.2015 RM	Additions RM	Reclassifi-cations RM	Amortisation Charge RM	At 31.12.2015 RM
2015					
Net Book Value					
Computer software	2,556,048	17,214	235,682	(529,659)	2,279,285
Capital work-in- progress	183,000	-	(183,000)	-	-
	2,739,048	17,214	52,682	(529,659)	2,279,285

	At 1.1.2014 RM	Additions RM	Reclassifi-cations RM	Amortisation Charge RM	At 31.12.2014 RM
2014					
Net Book Value					
Computer software	1,556,653	315,370	1,008,859	(324,834)	2,556,048
Capital work-in-progress	548,573	643,286	(1,008,859)	-	183,000
	2,105,226	958,656	-	(324,834)	2,739,048

8. INTANGIBLE ASSETS (CONT'D)

The Company	At Cost RM	Accumulated Amortisation RM	Net Book Value RM
2015			
Computer software	3,293,592	(1,014,307)	2,279,285
2014			
Computer software	3,040,696	(484,648)	2,556,048
Capital work-in-progress	183,000	-	183,000
	3,223,696	(484,648)	2,739,048

(a) Included in the amortisation charge of the Group for the financial year is an amount of Nil (2014: RM314,363), which is capitalised under biological assets.

(b) Commercial rights on LPF are rights conferred upon the Group to plant trees under the Tree Planting Plan. The licence will expire in March 2064.

The Tree Planting Plan has been approved and incorporated the planting of oil palm for a maximum period of 25 years (with 15 years remaining at the end of the reporting period). Upon expiry of the said period of 25 years, the licensed area where oil palm is permitted to be cultivated shall be planted with trees other than oil palm.

9. BIOLOGICAL ASSETS

The Group	At 1.1.2015 RM	Additions RM	Write-offs RM	Reclassifi-cations RM	Amortisation Charge RM	At 31.12.2015 RM
2015						
Net Book Value						
Oil palm plantation	768,918,976	42,685,281	(3,801,213)	457,426	(35,361,369)	772,899,101
Gaharu plantation	4,842,167	1,383,196	-	16,512	-	6,241,875
Rubber plantation	4,587,830	2,274,831	-	-	-	6,862,661
	778,348,973	46,343,308	(3,801,213)	473,938	(35,361,369)	786,003,637

9. BIOLOGICAL ASSETS (CONT'D)

The Group	At 1.1.2014 RM	Additions RM	Write-offs RM	Amortisation Charge RM	At 31.12.2014 RM
2014					
Net Book Value					
Oil palm plantation	754,244,342	44,639,613	(181,641)	(29,783,338)	768,918,976
Gaharu plantation	4,346,280	495,887	-	-	4,842,167
Rubber plantation	3,656,589	931,241	-	-	4,587,830
	762,247,211	46,066,741	(181,641)	(29,783,338)	778,348,973

The Group	At Cost RM	Accumulated Amortisation RM	Net Book Value RM
2015			
Oil palm plantation	985,184,185	(212,285,084)	772,899,101
Gaharu plantation	6,241,875	-	6,241,875
Rubber plantation	6,862,661	-	6,862,661
	998,288,721	(212,285,084)	786,003,637
2014			
Oil palm plantation	948,004,005	(179,085,029)	768,918,976
Gaharu plantation	4,842,167	-	4,842,167
Rubber plantation	4,587,830	-	4,587,830
	957,434,002	(179,085,029)	778,348,973

9. BIOLOGICAL ASSETS (CONT'D)

(a) The biological assets include the following expenses:-

	The Group	
	2015	2014
	RM	RM
Amortisation of intangible assets	-	314,363
Depreciation of property, plant and equipment	4,639,700	5,264,474
Finance costs:-		
- bank overdrafts	353,063	633,437
- hire purchase obligations	20,508	29,861
- revolving credit	2,245,848	1,455,081
- term loans	9,349,481	8,845,536
- unsecured loans	151,000	536,548
- others	-	398,212
Hiring of equipment and machinery	53,178	12,310
Rental of premises	110,939	73,025
Staff costs:-		
- short-term employee benefits	3,489,287	3,622,754
- defined contribution plan	574,651	551,215

(b) The net book value of biological assets pledged to licensed banks as security for banking facilities granted to the Group (Note 20) is RM545,629,476 (2014: RM523,672,094).

10. OTHER INVESTMENT

	The Group/The Company	
	2015	2014
	RM	RM
Unquoted shares, at cost	5,000,000	-

Investments in unquoted shares of the Group and of the Company are designated as available-for-sale financial assets but are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the shares.

11. GOODWILL

	The Group	
	2015	2014
	RM	RM
At 1 January	64,746,109	64,740,461
Acquisition of subsidiaries (Note 29)	-	5,648
At 31 December	64,746,109	64,746,109

Goodwill acquired through business combination has been allocated to the Group's oil palm plantation cash-generating unit.

The Group has assessed the recoverable amount of goodwill allocated and determined that no impairment is required. The recoverable amount of the cash-generating unit is determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the cash-generating unit computed based on the projections of financial budgets approved by the management covering a period of 5 years. Cash flows beyond the 5th year are extrapolated to the remaining life cycles of the plantation estates, which range from 7 to 24 years. The key assumptions used in the determination of the recoverable amount are as follows:-

(i) Discount rate (pre-tax) – an estimate of pre-tax rate that reflects specific risks relating to oil palm plantation, which is 10.00% (2014: 9.00%) per annum.

(ii) Growth rate – management's estimate of commodity prices, oil palm yields and oil extraction rates.

(iii) Selling prices of fresh fruit bunches – an estimate based on expectations of future changes in the market.

(iv) Development and direct costs – an estimate based on past practices and experience.

12. DEPOSITS WITH LICENSED BANKS

(a) The deposits with licensed banks of the Group at the end of the reporting period bore effective interest at rate of 3.45% (2014: 2.70% to 3.45%) per annum. The deposits have maturity periods ranging from 5 days to 4 years (2014: 5 days to 5 years).

(b) Included in the deposits with licensed banks of the Group at the end of the reporting period was an amount of RM102,381 (2014: 100,000), which has been pledged to a licensed bank as security for banking facilities granted to the Group (Note 20).

13. DEFERRED TAX

The Group	At 1.1.2015 RM	Recognised in Profit or Loss (Note 27) RM	At 31.12.2015 RM
2015			
Deferred Tax Liabilities			
Property, plant and equipment, intangible and biological assets	275,324,719	(60,793)	275,263,926
Deferred Tax Assets			
Unused tax losses	(43,993,343)	(4,482,278)	(48,475,621)
Unabsorbed agriculture/capital allowance	(87,855,605)	(4,052,850)	(91,908,455)
	(131,848,948)	(8,535,128)	(140,384,076)
	143,475,771	(8,595,921)	134,879,850

The Group	At 1.1.2014 RM	Recognised in Profit or Loss (Note 27) RM	At 31.12.2014 RM
2014			
Deferred Tax Liabilities			
Property, plant and equipment, intangible and biological assets	269,174,832	6,149,887	275,324,719
Deferred Tax Assets			
Unused tax losses	(42,602,635)	(1,390,708)	(43,993,343)
Unabsorbed agriculture/capital allowance	(82,279,081)	(5,576,524)	(87,855,605)
	(124,881,716)	(6,967,232)	(131,848,948)
	144,293,116	(817,345)	143,475,771

13. DEFERRED TAX (CONT'D)

The Company	At 1.1.2015 RM	Recognised in Profit or Loss (Note 27) RM	At 31.12.2015 RM
2015			
Deferred Tax Liabilities			
Property, plant and equipment, and intangible assets	593,950	183,417	777,367

	At 1.1.2014 RM	Recognised in Profit or Loss (Note 27) RM	At 31.12.2014 RM
2014			
Deferred Tax Liabilities			
Property, plant and equipment, and intangible assets	332,218	261,732	593,950

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax relates to the same taxation authority. The amounts determined after appropriate offsetting are included in the statements of financial position as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Deferred tax liabilities	140,037,644	148,404,717	777,367	593,950
Deferred tax assets	(5,157,794)	(4,928,946)	-	-
	134,879,850	143,475,771	777,367	593,950

13. DEFERRED TAX (CONT'D)

No deferred tax assets are recognised in respect of the following items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences, the carryforward tax losses and tax credits can be utilised:-

	The Group	
	2015 RM	2014 RM
Deductible temporary differences	103,598	-
Unused tax losses	34,851	73,161
Unabsorbed capital allowance	421,655	239,257
	560,104	312,418

The unused tax losses and unabsorbed capital allowance do not expire under the current tax legislation. However, the availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act 1967 and guidelines issued by the tax authority.

14. INVENTORIES

	The Group	
	2015 RM	2014 RM
At cost:-		
Processed inventories	3,940,344	1,943,928
Nursery inventories	12,920,810	17,081,781
Sundry stores and consumables	14,497,920	9,116,515
	31,359,074	28,142,224
Less: Allowance for stock obsolescence	(239,503)	-
	31,119,571	28,142,224

15. TRADE RECEIVABLES

	The Group	
	2015 RM	2014 RM
Trade receivables:-		
- third parties	5,637,901	7,948,979
- related parties	3,374,276	3,166,144
	9,012,177	11,115,123

The Group's normal trade credit terms range from 30 to 60 (2014: 45) days.

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Other receivables:-				
- third parties	3,804,059	2,708,594	114,079	152,624
- related parties	18,839,376	22,166,265	12,385,645	12,943,423
	22,643,435	24,874,859	12,499,724	13,096,047
Deposits	769,982	679,009	257,028	93,320
Prepayments	4,838,557	6,691,646	269,466	241,114
	28,251,974	32,245,514	13,026,218	13,430,481

The amount owing by related parties is unsecured, interest-free and repayable on demand.

17. AMOUNT OWING BY/(TO) SUBSIDIARIES

The amounts owing represent unsecured advances and payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

The amount owing by subsidiaries earns interest at rates ranging from 0.53% to 0.61% (2014: 0.22%) per annum.

18. SHARE CAPITAL

The movements in the authorised and paid-up share capital of the Company are as follows:-

	The Group/The Company			
	2015	2014	2015	2014
	Number of Shares		RM	RM
Authorised				
Ordinary shares of RM0.50 each	2,200,000,000	2,200,000,000	1,100,000,000	1,100,000,000
ICPS of RM0.50 each	300,000,000	300,000,000	150,000,000	150,000,000
Total	2,500,000,000	2,500,000,000	1,250,000,000	1,250,000,000

18. SHARE CAPITAL (CONT'D)

The movements in the authorised and paid-up share capital of the Company are as follows:-

	The Group/The Company			
	2015	2014	2015	2014
	Number of Shares		RM	RM
Issued and Fully Paid-up				
(i) Ordinary shares of RM0.50 each				
At 1 January	1,308,504,944	1,308,504,944	654,252,472	654,252,472
Conversion from ICPSs	109,982,607	-	54,991,303	-
At 31 December	1,418,487,551	1,308,504,944	709,243,775	654,252,472
(ii) ICPS of RM0.50 each				
At 1 January	193,972,857	193,972,857	96,986,429	96,986,429
Conversion to ordinary shares	(29,095,928)	-	(14,547,964)	-
At 31 December	164,876,929	193,972,857	82,438,465	96,986,429
Total	1,583,364,480	1,502,477,801	791,682,240	751,238,901

(a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company.

(b) The salient features of the ICPSs are as follows:-

(i)	Dividend	The ICPS holders are entitled to any dividend declared or paid ranking pari passu with ordinary shares, payable on the date dividends are paid on the ordinary shares. The ICPS holders shall not be entitled to any other rights, allotments, and/or other distributions that may be declared by the Company.
(ii)	Maturity	The maturity date is the tenth anniversary date of the issue date of the ICPSs. The ICPSs were issued on 1 October 2010.
(iii)	Conversion	The ICPSs shall be converted at the option of the ICPS holders into ordinary shares of the Company at any time up to the maturity date. The ICPSs are not redeemable for cash. All outstanding ICPSs are mandatorily converted into new ordinary shares upon maturity. One ICPS shall be converted into 3.78 new ordinary shares.
(iv)	Ranking	All new ordinary shares issued upon conversion of the ICPSs shall rank pari passu with all existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, the entitlement date of which is prior to the date of allotment of the said new ordinary shares.

18. SHARE CAPITAL (CONT'D)

(b) The salient features of the ICPSs are as follows:- (cont'd)

(v)	Voting right	The ICPS holders shall have no right to vote at any general meeting of the Company except on resolutions to amend the ICPS holders' rights, to commence dissolution of the Company, or when dividend on the ICPSs is in arrears for more than six months.
(vi)	Further participation	The ICPS holders shall not be entitled to participate in the profit or surplus assets of the Company.

19. RESERVES

	The Group		The Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Non-distributable reserves:-				
- share premium	15,446,950	15,446,950	15,446,950	15,446,950
- merger reserve	(53,065,553)	(53,065,553)	-	-
	(37,618,603)	(37,618,603)	15,446,950	15,446,950
Distributable reserves:-				
- retained profits	60,302,236	160,690,425	37,638,212	92,176,513
	22,683,633	123,071,822	53,085,162	107,623,463

(a) The share premium reserve represents the premium paid on subscription of shares in the Company over and above the par value of the shares issued, net of transaction costs (if any). The share premium reserve is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

(b) The merger reserve arose from the difference between the fair value of the consideration paid for the purchase of subsidiaries under common control and the nominal value of shares of the subsidiaries upon consolidation using merger accounting principles.

20. BORROWINGS

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Long-term borrowings:-				
- hire purchase obligations (Note 21)	3,641,125	221,234	170,560	-
- term loans, secured	329,442,898	311,077,275	-	-
	333,084,023	311,298,509	170,560	-
Short-term borrowings:-				
- bank overdrafts, secured	9,921,119	5,678,289	-	-
- bank overdrafts, unsecured	179,758	16,022,753	2,256,755	2,734,876
- bankers' acceptance, unsecured	21,169,849	11,401,000	-	-
- hire purchase obligations (Note 21)	2,545,940	609,289	112,670	-
- revolving credit, secured	65,991,000	47,991,000	-	-
- revolving credit, unsecured	73,000,000	58,000,000	58,000,000	58,000,000
- term loans, secured	48,417,892	29,196,737	-	-
- unsecured loans	3,020,000	3,020,000	-	-
	224,245,558	171,919,068	60,369,425	60,734,876
Total borrowings	557,329,581	483,217,577	60,539,985	60,734,876

The term loans are repayable as follows:-

	The Group	
	2015	2014
	RM	RM
Current		
- not later than 1 year	48,417,892	29,196,737
Non-current		
- later than 1 year and not later than 2 years	56,596,322	45,408,497
- later than 2 years and not later than 5 years	176,936,977	189,984,290
- later than 5 years	95,909,599	75,684,488
	329,442,898	311,077,275
	377,860,790	340,274,012

20. BORROWINGS (CONT'D)

The unsecured bank overdrafts, bankers' acceptance and revolving credit of the Group are supported by the corporate guarantee provided by the Company.

The secured bank overdrafts, revolving credit and term loans of the Group are supported by:-

(a) fixed charges over certain subsidiaries' landed properties;

(b) debenture over certain subsidiaries' fixed and floating assets, both present and in the future;

(c) corporate guarantee provided by the Company; and

(d) joint and several guarantee provided by certain directors of the Company.

The repayment terms of the term loans are as follows:-

Term loan 1 at COF + 0.50% per annum	Repayable in 96 monthly instalments, effective from January 2012, as follows:- 2012 – 12 monthly instalments of RM324,583 each 2013 onwards – 83 monthly instalments of RM1,302,914 each with a final payment of RM1,302,925
Term loan 2 at COF + 1.25% per annum	Repayable in 20 quarterly instalments, effective from March 2014, as follows:- 2014/2015 – 4 quarterly instalments of RM2.25 million each 2015/2016 – 4 quarterly instalments of RM3.375 million each 2016/2017 – 4 quarterly instalments of RM4.50 million each 2017/2018 – 4 quarterly instalments of RM5.625 million each 2018/2019 – 4 quarterly instalments of RM6.75 million each
Term loan 3 at COF + 1.25% per annum	Repayable in 24 quarterly instalments, effective from June 2014, as follows:- 2014/2015 – 4 quarterly instalments of RM0.50 million each 2015/2016 – 4 quarterly instalments of RM1.00 million each 2016/2017 – 4 quarterly instalments of RM1.50 million each 2017/2018 – 4 quarterly instalments of RM2.00 million each 2018/2019 – 4 quarterly instalments of RM2.00 million each 2019/2020 – 4 quarterly instalments of RM2.50 million each

20. BORROWINGS (CONT'D)

The repayment terms of the term loans are as follows (cont'd):-

Term loan 4 at COF + 1.25% per annum	Repayable in 24 quarterly instalments, effective from June 2015, as follows:- 2015/2016 – 4 quarterly instalments of RM0.20 million each 2016/2017 – 4 quarterly instalments of RM0.40 million each 2017/2018 – 4 quarterly instalments of RM0.60 million each 2018/2019 – 4 quarterly instalments of RM0.65 million each 2019/2020 – 4 quarterly instalments of RM0.70 million each 2020/2021 – 4 quarterly instalments of RM0.95 million each
Term loan 5 at COF + 1.00% per annum	Repayable in 35 monthly instalments of RM555,000 each with a final payment of RM575,000, effective from January 2016
Term loan 6 at COF + 1.25% per annum	Repayable in 24 quarterly instalments, effective from January 2016, as follows:- 2016 to 2020 – 20 quarterly instalments of RM0.375 million each 2021 – 4 quarterly instalments of RM0.625 million each
Term loan 7 at COF + 1.25% per annum	Repayable in 23 quarterly instalments of RM833,000 each with a final payment of RM841,000, effective from June 2016
Term loan 8 at COF + 1.25% per annum	Repayable in 60 monthly instalments, effective from July 2016, as follows:- 2016/2017 – 12 monthly instalments of RM0.15 million each 2017/2018 – 12 monthly instalments of RM0.40 million each 2018/2019 – 12 monthly instalments of RM0.70 million each 2019/2020 – 12 monthly instalments of RM1.10 million each 2020/2021 – 12 monthly instalments of RM1.65 million each
Term loan 9 at COF + 0.50% per annum	Repayable in 48 quarterly instalments, effective from January 2017, as follows:- 2017 to 2019 – 12 quarterly instalments of RM884,000 each 2012 onwards – 35 quarterly instalments of RM2,834,671 each with a final payment of RM2,834,655
Term loan 10 at COF + 1.00% per annum	Repayable in 60 monthly instalments, effective from August 2017, as follows:- 2017/2018 – 12 monthly instalments of RM0.10 million each 2018/2019 – 12 monthly instalments of RM0.15 million each 2019/2020 – 12 monthly instalments of RM0.40 million each 2020/2021 – 12 monthly instalments of RM0.55 million each 2021/2022 – 12 monthly instalments of RM0.675 million each

20. BORROWINGS (CONT'D)

The repayment terms of the term loans are as follows (cont'd):-

Term loan 11 at COF + 1.25% per annum	Repayable in 24 quarterly instalments, effective from December 2017, as follows:- 2017/2018 – 4 quarterly instalments of RM0.20 million each 2018/2019 – 4 quarterly instalments of RM0.40 million each 2019/2020 – 4 quarterly instalments of RM0.60 million each 2020/2021 – 4 quarterly instalments of RM0.65 million each 2021/2022 – 4 quarterly instalments of RM0.70 million each 2022/2023 – 4 quarterly instalments of RM0.95 million each
Term loan 12 at COF + 1.25% per annum	Repayable in 24 quarterly instalments, effective from December 2018, as follows:- 2018/2019 – 4 quarterly instalments of RM0.20 million each 2019/2020 – 4 quarterly instalments of RM0.40 million each 2020/2021 – 4 quarterly instalments of RM0.60 million each 2021/2022 – 4 quarterly instalments of RM0.65 million each 2022/2023 – 4 quarterly instalments of RM0.70 million each 2023/2024 – 4 quarterly instalments of RM0.95 million each
Term loan 13 at COF + 1.00% per annum	Repayable in 32 quarterly instalments, effective from January 2019, as follows:- 2019 - 2021 – 12 quarterly instalments of RM468,000 each 2022 – 4 quarterly instalments of RM972,000 each 2023 – 4 quarterly instalments of RM1,458,000 each 2024 – 4 quarterly instalments of RM1,458,000 each 2025 – 4 quarterly instalments of RM1,944,000 each 2026 – 4 quarterly instalments of RM2,430,000 each
Term loan 14 at COF + 1.25% per annum	Repayable in 24 quarterly instalments, effective from December 2020, as follows:- 2020/2021 – 4 quarterly instalments of RM0.20 million each 2021/2022 – 4 quarterly instalments of RM0.40 million each 2022/2023 – 4 quarterly instalments of RM0.60 million each 2023/2024 – 4 quarterly instalments of RM0.65 million each 2024/2025 – 4 quarterly instalments of RM0.70 million each 2025/2026 – 4 quarterly instalments of RM0.95 million each

The unsecured loans are granted by a company in which certain directors of the Company have substantial financial interests. The loans bear interest at rate of 5.00% (2014: 5.00%) per annum and are repayable on demand.

21. HIRE PURCHASE OBLIGATIONS

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Minimum hire purchase payments:-				
- not later than 1 year	2,817,952	633,436	125,196	-
- later than 1 year and not later than 2 years	2,954,887	178,445	126,196	-
- later than 2 years and not later than 5 years	834,327	51,107	52,160	-
	6,607,166	862,988	302,552	-
Less: future finance charges	(420,101)	(32,465)	(19,322)	-
Present value of hire purchase obligations	6,187,065	830,523	283,230	-
Current				
- not later than 1 year	2,545,940	609,289	112,670	-
Non-current				
- later than 1 year and not later than 2 years	2,822,255	170,786	119,066	-
- later than 2 years and not later than 5 years	818,870	50,448	51,494	-
	3,641,125	221,234	170,560	-
	6,187,065	830,523	283,230	-

(a) The hire purchase obligations of the Group and of the Company are secured by the motor vehicles, plant and machinery under hire purchase.

(b) The hire purchase obligations of the Group and of the Company at the end of the reporting period bore effective interest at rates ranging from 5.40% to 5.50% (2014: 4.87% to 5.51%) and 5.40% (2014: Nil) respectively. The interest rates are fixed at the inception of the hire purchase arrangements.

22. TRADE PAYABLES

	The Group	
	2015	2014
	RM	RM
Trade payables:-		
- third parties	31,702,668	14,858,400
- related parties	17,820,787	13,898,634
	49,523,455	28,757,034

The normal trade credit terms granted to the Group range from 30 to 120 (2014: 30 to 120) days.

23. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Other payables:-				
- third parties	5,320,785	12,114,229	194,920	231,904
- related parties	16,927,869	10,461,039	6,913,504	593,768
	22,248,654	22,575,268	7,108,424	825,672
Deposits	137,000	277,200	-	-
Accruals	13,543,302	14,730,401	4,133,273	3,677,770
	35,928,956	37,582,869	11,241,697	4,503,442

The amount owing to related parties represents unsecured interest-free advances granted to the Group by companies in which certain directors of the Company have controlling interests. The amount is repayable on demand. The amount owing is to be settled in cash.

24. REVENUE

	The Group 2015 RM	The Group 2014 RM	The Company 2015 RM	The Company 2014 RM
Dividend income	-	-	10,144,734	3,600,133
Contract income	23,301	15,160	-	-
Management fee	-	193,200	6,552,000	6,036,000
Sale of – crude palm oil	81,262,453	105,599,467	-	-
– fresh fruit bunches	86,691,627	112,643,118	-	-
– palm kernel	13,834,252	17,136,305	-	-
– palm kernel shell	348,291	112,426	-	-
– empty bunch ash	-	98,528	-	-
– sludge oil	188,825	1,554,544	-	-
– fertilisers	30,550	239,794	-	-
Transportation income	1,829,644	2,091,586	-	-
	184,208,943	239,684,128	16,696,734	9,636,133

25. FINANCE COSTS

	The Group 2015 RM	The Group 2014 RM	The Company 2015 RM	The Company 2014 RM
Interest expense on financial liabilities not at fair value through profit or loss:-				
- bank overdrafts	1,727,746	1,872,842	240,026	56,513
- bankers' acceptance	546,162	193,515	-	-
- hire purchase obligations	197,235	77,679	10,261	258
- Islamic securities and obligations under Ijarah arrangements	-	512,550	-	-
- revolving credit	6,059,541	3,755,595	2,938,662	1,188,014
- term loans	18,984,297	15,368,967	-	-
- unsecured loans	151,000	536,548	-	-
- others	-	374,117	-	-
	27,665,981	22,691,813	3,188,949	1,244,785
Less:-				
- amount capitalised under biological assets (Note 9)	(12,119,900)	(11,898,675)	-	-
- amount included within property, plant andequipment (Note 7)	(1,435,906)	(183,878)	-	-
	14,110,175	10,609,260	3,188,949	1,244,785

26. (LOSS)/PROFIT BEFORE TAXATION

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
(Loss)/profit before taxation is arrived at after charging/(crediting):-				
Allowance for stock obsolescence	239,503	-	-	-
Amortisation of biological assets	35,361,369	29,783,338	-	-
Amortisation of intangible assets	955,765	438,937	529,659	324,834
Audit fee:-				
- current financial year	332,000	329,000	50,000	50,000
- over provision in the previous financial year	-	(1,500)	-	-
Bad debts written off	1,500	-	-	-
Biological assets written off	3,801,213	181,641	-	-
Depreciation of property, plant and equipment	34,192,410	29,813,365	1,207,702	552,388
Directors' remuneration (Note 32)	3,360,779	2,839,858	3,086,379	2,567,370
Finance costs (Note 25)	14,110,175	10,609,260	3,188,949	1,244,785
Hiring of equipment and machinery	109,250	29,036	-	-
Impairment losses on investment in an associate	19,117,486	-	20,740,000	-
Interest income on financial assets not at fair value through profit or loss and not impaired	(20,884)	(82,703)	(2,938,695)	(1,190,308)
Loss/(gain) on disposal of property, plant and equipment	15,034	(1,344,416)	(253,814)	(3,279)
Management fee	5,197,500	2,791,500	-	-
Rental income	(468,178)	(259,293)	(6,000)	-
Rental of premises	1,634,312	219,137	842,900	760
Share of results in an associate	574,168	766,330	-	-
Staff costs (including other key management personnel as disclosed in Note 32):-				
- short-term employee benefits	21,898,451	21,764,068	2,570,868	-
- defined contribution plan	2,759,977	2,743,781	298,822	-

27. INCOME TAX EXPENSE

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Current tax:-				
- current financial year	1,404,191	4,792,625	-	500,000
- under/(over) provision in the previous financial year	134,352	213,412	67,180	(67,697)
	1,538,543	5,006,037	67,180	432,303
Deferred tax (Note 13):-				
- origination and reversal of temporary differences	(9,703,583)	(116,098)	(58,611)	75,089
- under/(over) provision in the previous financial year	1,107,662	(701,247)	242,028	186,643
	(8,595,921)	(817,345)	183,417	261,732
	(7,057,378)	4,188,692	250,597	694,035

A reconciliation of income tax expense applicable to the (loss)/profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
(Loss)/profit before taxation	(74,231,949)	6,941,670	(13,844,365)	4,317,675
Tax at the statutory tax rate of 25%	(18,557,987)	1,735,418	(3,461,091)	1,079,419
Tax effects of:-				
Deferred tax recognised at different tax rates	404,316	4,838	2,442	(3,129)
Non-taxable income	(4,500)	(498,267)	(2,007,788)	(900,033)
Non-deductible expenses	9,070,023	3,090,669	5,407,826	459,221
Control transfers	(193,651)	-	-	-
Deferred tax assets not recognised during the financial year	248,005	173,532	-	-
Utilisation of deferred tax assets previously not recognised	(319)	-	-	-
Under/(over) provision in the previous financial year:-				
- income tax	134,352	213,412	67,180	(67,697)
- deferred tax	1,107,662	(701,247)	242,028	186,643
Others	734,721	170,337	-	(60,389)

27. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the (loss)/profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows (cont'd):-

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Income tax expense for the financial year	(7,057,378)	4,188,692	250,597	694,035

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

28. (LOSS)/EARNINGS PER SHARE

	The Group	
	2015	2014
(Loss)/profit attributable to owners of the Company (RM)	(59,944,850)	4,769,823
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1 January	1,308,504,944	1,308,504,944
Effect of conversion of ICPSs	733,217,399	733,217,399
Weighted average number of ordinary shares at 31 December	2,041,722,343	2,041,722,343
Basic (loss)/earnings per share (sen)	(2.94)	0.23

No disclosure on diluted earnings per share as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

29. ACQUISITION OF SUBSIDIARIES

On 23 January 2014, the Company acquired 100% equity interests in both Rajang Agrisupplies Sdn Bhd and Rajang Builders Sdn Bhd.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	The Group 2014 At Date of Acquisition	
	Carrying Amount RM	**Fair Value Recognised RM**
Cash and bank balances	740	740
Other payables	(6,062)	(6,062)
Bank overdraft	(10)	(10)
Net identifiable assets and liabilities	(5,332)	(5,332)
Add: Goodwill on acquisition (Note 11)		5,648
Total purchase consideration		316
Less: Cash and cash equivalents of subsidiaries acquired		(730)
Net cash inflows for acquisition of subsidiaries		(414)

The acquired subsidiaries had contributed the following results to the Group:-

	The Group 2014 RM
Revenue	254,954
Loss after taxation	(247,330)

30. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cost of property, plant and equipment purchased (Note 7)	70,540,061	40,482,350	4,905,468	3,956,264
Less:-				
- amount financed through hire purchase	(7,077,314)	(364,440)	(346,000)	-
- interest expense included within property, plant and equipment (Note 7)	(1,435,906)	(183,878)	-	-
Cash disbursed for purchase of property, plant and equipment	62,026,841	39,934,032	4,559,468	3,956,264

31. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	4,381,875	11,055,196	30,845	139,507
Deposits with licensed banks	102,381	1,150,000	-	-
Bank overdrafts	(10,100,877)	(21,701,042)	(2,256,755)	(2,734,876)
	(5,616,621)	(9,495,846)	(2,225,910)	(2,595,369)
Less: Deposits pledged to licensed banks (Note 12)	(102,381)	(100,000)	-	-
	(5,719,002)	(9,595,846)	(2,225,910)	(2,595,369)

32. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

(a) The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Directors				
Directors of the Company				
Executive Directors				
Short-term employee benefits:-				
- fees	33,500	57,688	27,500	-
- salaries, bonuses and other benefits	2,648,256	2,221,600	2,648,256	2,221,600
	2,681,756	2,279,288	2,675,756	2,221,600
Defined contribution plan	157,000	133,820	157,000	133,820
Benefits-in-kind	36,023	23,950	36,023	23,950
	2,874,779	2,437,058	2,868,779	2,379,370
Non-executive directors:-				
Short-term employee benefits:-				
- fees	309,200	225,600	211,000	181,000
- other benefits	6,600	7,000	6,600	7,000
	315,800	232,600	217,600	188,000
	3,190,579	2,669,658	3,086,379	2,567,370
Directors of the Subsidiaries				
Non-executive Directors				
Short-term employee benefits:-				
- fees	170,200	170,200	-	-
Total directors' remuneration	3,360,779	2,839,858	3,086,379	2,567,370
Other Key Management Personnel				
Short-term employee benefits:-	4,475,951	3,294,615	2,492,329	-
Defined contribution plan	553,830	407,156	292,667	-
Total compensation for other key management personnel	5,029,781	3,701,771	2,784,996	-

32. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

(b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Group	
	2015 RM	2014 RM
	Number of Directors	
Executive Directors		
RM250,001 to RM300,000	1	-
RM1,150,001 to RM1,200,000	-	1
RM1,200,001 to RM1,300,000	1	1
RM1,400,001 to RM1,450,000	1	-
Non-executive Directors		
RM50,000 and below	3	3
RM50,001 to RM100,000	1	-
RM100,001 to RM150,000	1	1

33. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, associate, key management personnel and entities within the same group of companies.

33. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Subsidiaries:-				
- dividend income	-	-	10,144,734	3,600,133
- interest income	-	-	2,938,319	1,188,014
- management fee	-	-	6,552,000	6,036,000
- rental received	-	-	6,000	-
- sale of property, plant and equipment	-	-	340,637	60,000
Companies in which the directors and their close family members have substantial financial interests:-				
- computer software, printing and stationery	194,815	167,009	93,720	56,227
- consultancy fee	476,453	198,400	-	18,000
- contract charges	12,164,656	6,265,149	-	-
- contract income	-	15,160	-	-
- environmental testing charges	147,646	-	-	-
- fertiliser testing charges	260,309	297,578	-	-
- insurance paid	954,953	1,290,498	25,003	29,900
- interest paid	151,000	1,456,275	-	-
- management fee	5,197,500	2,759,500	-	-
- management income	-	193,200	-	-
- purchase of fertilisers and chemicals	819,442	2,713,095	-	-
- purchase of fresh fruit bunches	3,309,501	4,834,763	-	-
- purchase of property, plant and equipment	7,214,763	6,563,811	2,434,021	3,322,132

33. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances (cont'd)

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year (cont'd):-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Companies in which the directors and their close family members have substantial financial interests (cont'd):-				
- purchase of seedlings	416,520	124,500	-	-
- purchase of sundry stores and consumables	1,602,943	4,631,576	-	-
- recreational charges	24,002	26,264	780	-
- recruitment charges	-	78,520	-	-
- rental paid	1,640,440	94,705	842,900	760
- rental received	54,000	24,000	-	-
- repairs and maintenance	578,032	667,501	-	26,573
- sale of fertilisers and chemicals	30,550	239,794	-	-
- sale of fresh fruit bunches	56,451,449	69,020,849	-	-
- sale of property, plant and equipment	248,712	-	55,712	-
- sale of seedlings	11,100	131,367	-	-
- secretarial services	3,950	4,255	-	-
- staff training expenses	75,031	54,400	25,031	-
- staff welfare	544	1,440	-	1,440
- store issues	263,588	601,564	-	-
- transportation and accommodation charges	1,335,248	2,817,109	2,579	-
- utilities charges	95,969	-	29,229	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements. No expense was recognised during the financial year for bad or doubtful debts in respect of the amounts owned by the related parties.

34. OPERATING SEGMENTS

(a) Business Segment and Geographical Information

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

(b) Major Customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue 2015 RM	2014 RM
Customer #1	50,499,737	71,195,705
Customer #2	34,782,867	23,500,210
Customer #3	28,128,017	33,557,043
Customer #4	25,746,676	28,872,714
Customer #5	20,679,936	26,531,484

35. CAPITAL COMMITMENTS

	The Group 2015 RM	2014 RM	The Company 2015 RM	2014 RM
Property, plant and equipment:-				
- contracted but not provided for	24,244,824	45,493,413	-	94,706

36. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Company 2015 RM	2014 RM
Unsecured:-		
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	687,586,000	681,047,090

37. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

37.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from its long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio of mix of fixed and floating rate borrowings.

The Group's deposits with licensed banks and hire purchase obligations are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in FRS 7 since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Effects on Profit after Taxation				
Increase of 50 basis points	- 744,000	- 747,000	- 8,000	- 10,000
Decrease of 50 basis points	+ 744,000	+ 747,000	+8,000	+10,000
Effects on Equity				
Increase of 50 basis points	- 744,000	- 747,000	- 8,000	- 10,000
Decrease of 50 basis points	+ 744,000	+ 747,000	+8,000	+10,000

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from its trade and other receivables. The Group manages its exposure to credit risk by the application of monitoring procedures on an ongoing basis. For other financial assets (including deposits with licensed banks and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company provides financial guarantee to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by three (3) customers which constituted approximately 74% of its trade receivables (including related parties) at the end of the reporting period, due to the Group's limited number of customers. Based on the Group's historical collection of these receivables, management believes that they are fully recoverable.

(ii) Exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company.

(iii) Ageing analysis

The ageing analysis of trade receivables (including amount owing by related parties) is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Value RM
2015				
Not past due	9,006,147	-	-	9,006,147
Past due:-				
- less than 3 months	6,030	-	-	6,030
	9,012,177	-	-	9,012,177

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (cont'd)

(iii) Ageing analysis (cont'd)

The ageing analysis of trade receivables (including amount owing by related parties) is as follows(cont'd):-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Value RM
2014				
Not past due	11,111,231	-	-	11,111,231
Past due:-				
- less than 3 months	3,892	-	-	3,892
	11,115,123	-	-	11,115,123

The Group believes that no impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	Within 1 – 2 Years RM	Within 2 – 5 Years RM	More Than 5 Years RM
2015							
Trade and other payables	-	85,452,411	85,452,411	85,452,411	-	-	-
Borrowings:-							
- bank overdrafts	7.85	10,100,877	10,100,877	10,100,877	-	-	-
- bankers' acceptance	4.52	21,169,849	21,169,849	21,169,849	-	-	-
- hire purchase obligations	5.41	6,187,065	6,607,166	2,817,952	2,954,887	834,327	-
- revolving credit	5.16	138,991,000	138,991,000	138,991,000	-	-	-
- term loans	5.05	377,860,790	451,463,000	66,658,000	75,641,000	197,528,000	111,636,000
- unsecured loans	5.00	3,020,000	3,020,000	3,020,000	-	-	-
		642,781,992	716,804,303	328,210,089	78,595,887	198,362,327	111,636,000

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

Maturity Analysis (cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (cont'd)

The Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	Within 1 – 2 Years RM	Within 2 – 5 Years RM	More Than 5 Years RM
2014							
Trade and other payables	-	66,339,903	66,339,903	66,339,903	-	-	-
Borrowings:-							
- bank overdrafts	7.95	21,701,042	21,701,042	21,701,042	-	-	-
- bankers' acceptance	4.48	11,401,000	11,401,000	11,401,000	-	-	-
- hire purchase obligations	5.36	830,523	862,988	633,436	178,822	50,730	-
- revolving credit	5.02	105,991,000	105,991,000	105,991,000	-	-	-
- term loans	5.40	340,274,012	429,044,000	47,658,000	63,736,000	236,552,000	81,098,000
- unsecured loans	5.00	3,020,000	3,020,000	3,020,000	-	-	-
		549,557,480	638,359,933	256,744,381	63,914,822	236,602,730	81,098,000

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

Maturity Analysis (cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (cont'd)

The Company	**Weighted Average Effective Rate %**	**Carrying Amount RM**	**Contractual Undiscounted Cash Flows RM**	**On Demand or Within 1 Year RM**	**Within 1 – 2 Years RM**	**Within 2 – 5 Years RM**
2015						
Trade and other payables	-	194,381,053	194,381,053	194,381,053	-	-
Borrowings:-						
- bank overdrafts	7.85	2,256,755	2,256,755	2,256,755	-	-
- hire purchase obligations	5.40	283,230	302,552	125,196	125,196	52,160
- revolving credit	5.15	58,000,000	58,000,000	58,000,000	-	-
		254,921,038	254,940,360	254,763,004	125,196	52,160

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

Maturity Analysis (cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (cont'd)

The Company	Weighted Average Effective Rate RM	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM
2014				
Trade and other payables	-	120,276,662	120,276,662	120,276,662
Borrowings:-				
- bank overdrafts	7.85	2,734,876	2,734,876	2,734,876
- revolving credit	5.01	58,000,000	58,000,000	58,000,000
		181,011,538	181,011,538	181,011,538

37.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.2 CAPITAL RISK MANAGEMENT (CONT'D)

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interests. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2015 RM	2014 RM
Borrowings (Note 20):-		
- bank overdrafts	10,100,877	21,701,042
- other borrowings	547,228,704	461,516,535
	557,329,581	483,217,577
Less: Deposits with licensed banks (Note 12)	(102,381)	(1,150,000)
Less: Cash and bank balances	(4,381,875)	(11,055,196)
Net debts	552,845,325	471,012,381
Total equity	868,957,093	942,894,820
Debt-to-equity ratio	0.64	0.50

There was no change in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) more than 25% of the issued and paid-up share capital and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Financial Assets				
Loans and receivables financial assets				
Trade receivables	9,012,177	11,115,123	-	-
Other receivables and deposits	23,413,417	25,553,868	12,756,752	13,189,367
Amount owing by subsidiaries	-	-	439,503,534	553,132,489
Deposits with licensed banks	102,381	1,150,000	-	-
Cash and bank balances	4,381,875	11,055,196	30,845	139,507
	36,909,850	48,874,187	452,291,131	566,461,363
Financial Liabilities				
Other financial liabilities				
Trade payables	49,523,455	28,757,034	-	-
Other payables, deposits and accruals	35,928,956	37,582,869	11,241,697	4,503,442
Amount owing to subsidiaries	-	-	183,139,356	115,773,220
Borrowings:-				
- bank overdrafts	10,100,877	21,701,042	2,256,755	2,734,876
- other borrowings	547,228,704	461,516,535	58,283,230	58,000,000
	642,781,992	549,557,480	254,921,038	181,011,538

37. FINANCIAL INSTRUMENTS (CONT'D)

37.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

As the Group does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
The Group	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**RM**	**RM**
2015					
Financial Liabilities					
Hire purchase obligations	-	6,180,000	-	6,180,000	6,187,065
2014					
Financial Liabilities					
Hire purchase obligations	-	829,000	-	829,000	830,523
The Company					
2015					
Financial Assets					
Hire purchase obligations	-	283,000	-	283,000	283,230
2014					
Financial Liabilities					
Hire purchase obligations	-	-	-	-	-

37. FINANCIAL INSTRUMENTS (CONT'D)

37.4 FAIR VALUE INFORMATION (CONT'D)

The fair values above are for disclosure purposes and have been determined using the following basis:-

(a) The fair values of hire purchase obligations are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rate used to discount the estimated cash flows is as follows:-

	The Group		The Company	
	2015	2014	2015	2014
	%	%	%	%
Hire purchase obligations	5.42	5.40	5.40	-

(b) The fair values of the term loans approximated their carrying amounts as they bear interest at variable rates.

38. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 4 February 2016, the Company acquired 200,000 ordinary shares of RM1.00 each in the share capital of Rakantama Sdn Bhd ("RTSB") for a total cash consideration of RM200. Subsequent to the acquisition, RTSB became a 100%-owned subsidiary of the Company. RTSB is currently a dormant company and its intended activity is the provision of insurance agency services.

39. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group and of the Company at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained profits of the Company and its subsidiaries:-				
- realised	126,345,321	227,338,928	38,415,579	92,770,463
- unrealised	(50,223,360)	(51,620,079)	(777,367)	(593,950)
	76,121,961	175,718,849	37,638,212	92,176,513
Total share of retained profits of associate:-				
- realised	(984,478)	(410,310)	-	-
- unrealised	(638,036)	(638,036)	-	
	74,499,447	174,670,503	37,638,212	92,176,513
Less: Consolidation adjustments	(14,197,211)	(13,980,078)	-	-
At 31 December	60,302,236	160,690,425	37,638,212	92,176,513

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR PREPARING THE ANNUAL FINANCIAL STATEMENTS

The Directors are required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), to issue a statement explaining their responsibility for preparing the annual financial statements.

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

As required by the Act and the Listing Requirements, the financial statements have been prepared in accordance with the provisions of the Act, applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Main Market Listing Requirements.

In preparing these financial statements, the Directors have:

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

The Directors have responsibility to ensure the Group and the Company maintain proper accounting records which disclose with reasonable accuracy at any time, the financial position and performance of the Group and the Company, and to enable them to ensure the financial statements comply with the provisions of the Act and the Listing Requirements.

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

This Statement is made in accordance with the resolution of the Board of Directors dated 31 March 2016.

ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"):

1. Utilisation of proceeds from corporate proposal

During the financial year ended 31 December 2015, there were no proceeds raised from any corporate proposal.

2. Share buy-backs

During the financial year ended 31 December 2015, the Company did not enter into any share buy-back transaction.

3. Options and convertible securities

During the financial year ended 31 December 2015, a total of 109,982,607 new ordinary shares of RM0.50 each were issued arising from the conversion of 29,095,928 Irredeemable Convertible Preference Shares of RM0.50 each.

4. Depository receipt programme

During the financial year under review, the Company did not sponsor any depository receipt programme.

5. Sanctions and/or penalties

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

6. Non-audit fees

The total amount of non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 31 December 2015 by the Company's external auditors and a firm or corporation affiliated to them was RM136,052.00.

7. Variation in profit estimate, forecast or projection

There were no profit estimate, forecast or projection been announced by the Company during the financial year ended 31 December 2015.

8. Variation in results

There were no significant variances between the results for the financial year under review and the unaudited results previously released by the Company.

9. Profit guarantee

No profit guarantee had been received by the Company in respect of the financial year under review.

10. Material contracts

There were no material contracts of the Company or its subsidiaries involving Directors and major shareholders subsisting at the end of the financial year under review or entered into since the end of the financial year under review or entered into since the end of the previous financial year.

11. Recurrent related party transactions of a revenue or trading nature ("RRPT")

A breakdown of the aggregate value of the RRPT conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09(1)(a) of the Listing Requirements, are set out below:

Name of Related Party(ies)	Type of RRPT	Relationship with RSB Group	Actual Value as at 31 December 2015 (RM)
Sinar Tiasa Sdn. Bhd.	Maintenance, development contract & management charges	Note (A)	234,032.64
RH Lundu Palm Oil Mill Sdn. Bhd.	Sales of FFB	Note (B)	28,128,017.41
R.H. Selangau Palm Oil Mill Sdn. Bhd.	Sales of FFB	Note (C)	34,782,867.09
Rimbunan Hijau General Trading Sdn. Bhd.	Purchase of spare parts & POL	Note (D)	1,437,160.37
Helitech Aviation Services Sdn. Bhd.	Management fee paid	Note (E)	2,753,500.00
Cityvine Development Sdn. Bhd.	Development & construction contract charges	Note (F)	2,496,370.54
R.H. Agrotech Sdn. Bhd.	Management fee paid	Note (F)	1,184,134.00
Shining Star Synergy Agency Sdn. Bhd.	Management fee paid	Note (F)	866,700.00
Pelita Melor Sdn. Bhd.	Purchase of FFB	Note (G)	3,309,501.16
Inter-Link Transport Sdn. Bhd.	Transport charges	Note (H)	1,230,467.01
Rejang Green Agriculture Supplies Sdn. Bhd.	Purchase of fertiliser and chemicals	Note (G)	765,989.86
Rejang Green Agriculture Supplies Sdn. Bhd.	Purchase of tools & consumable	Note (G)	5,242.30

Notes:

(A) Connected with Tan Sri Tiong, TSL, Datuk Tiong Thai King, Tiong Kiong King, Tiong Chiong Ie and Tiong Chiong Ong

(B) Connected with Tan Sri Tiong, TTSH, TSL, TTSE, Datuk Tiong Thai King, Tiong Kiong King , Tiong Chiong Ie and Tiong Chiong Ong

(C) Connected with Tan Sri Tiong, TTSH, TSL, Datuk Tiong Thai King, Tiong Kiong King, Tiong Chiong Ie and Tiong Chiong Ong

(D) Connected with Tan Sri Tiong, TSL, RHSA, Datuk Tiong Thai King, Tiong Kiong King, Tiong Chiong Ie, Tiong Chiong Ong and PAA

(E) Connected with Dato Mohamad Arif Stephen bin Abdullah

(F) Connected with Tiong Chiong Ong

(G) Connected with Tan Sri Tiong, TSL, TTSH, Datuk Tiong Thai King, Tiong Kiong King, Tiong Chiong Ie and Tiong Chiong Ong

(H) Connected with Tan Sri Tiong, TTSH, TSL, TTSE, PAA, Tiong Kiong King , Tiong Chiong Ie and Tiong Chiong Ong

12. Disclosure of realised and unrealised profits or losses

The breakdown of the realised and unrealised profits as at 31 December 2015 are disclosed in Note 39 to the Audited Financial Statements for the year ended 31 December 2015, as outlined on page 129 of this annual report.

LIST OF PROPERTIES OWNED BY THE GROUP

Location	Tenure	Year lease expiring	Approximate Area (Hectares)	Description	Year of Acquisition	Net Book Value* (RM'000)
Lot 11 & 12, Buloh Land District	Provisional Leasehold	2059 & 2060	4,625 Ha	Oil Palm Estate	1999 & 2000	104,452
NCR Land Located at Ulu Teru Land, Miri Division, Sarawak^	JVA commencing from 2003	-	7,900 Ha	Oil Palm Estate	-	100,816
Lot 56, Sawai Land District	Provisional Leasehold	2054	4,857 Ha	Oil Palm Estate	1994	92,902
Lot 4 & 6 , Block 9, Dulit Land District, Miri Division, Sarawak	Provisional Leasehold	2059	4,959.80 Ha	Oil Palm Estate	1999	84,353
Lot 196, Teraja Land District	Provisional Leasehold	2061	6,071 Ha	Oil Palm Estate	2001	60,992
Lot 13, Buloh Land District	Provisional Leasehold	2060	4,100 Ha	Oil Palm Estate	2000	60,824
Lot 1 Blk 7, Lot 64 & 93 Sawai Land District	Leasehold & Provisional Leasehold	2058 & 2087	7,490.80 Ha	Oil Palm Estate	1988 & 1999	58,038
NCR Land Located at Long Ekang and Long Banyok, Miri Division@	JVA commencing from 2005	-	3,367 Ha	Oil Palm Estate	-	40,230
Lot 197, Teraja Land District & Lot 1200, Puyut Land District	Provisional Leasehold	2067	5,000 Ha	Oil Palm Estate	2007	44,539
NCR Land Located at Selangau, Mukah, Sibu Division^	JVA commencing from 2001	-	5,000 Ha	Oil Palm Estate	-	29,131

** Net Book Value include Land, Plantation Development Expenditures and Infrastructure.*
^ The Lease Term for JVA land is 60 years subject to finalisation of respective land title.
@ The Lease Term for JVA is subject to finalisation of land title.

ANALYSIS OF SHAREHOLDINGS
AS AT 30 MARCH 2016

Share Capital

Authorised share capital	: RM1,250,000,000 divided into 2,200,000,000 ordinary shares of RM0.50 each and 300,000,000 irredeemable convertible preference shares of RM0.50 each
Issued and fully paid-up capital	: RM791,682,240.00 divided into 1,418,487,551 ordinary shares of RM0.50 each and 164,876,929 irredeemable convertible preference shares of RM0.50 each ("ICPS")
Class of shares	: (1) Ordinary shares of RM0.50 each (2) Irredeemable convertible preference shares of RM0.50 each
Voting rights	: One (1) vote per ordinary share

Distribution Schedule of Ordinary Shares

No. of Holders	Holdings	Total Holdings	%
115	less than 100 shares	3,705	0.00 *
386	100 - 1,000 shares	310,310	0.02
5,383	1,001 - 10,000 shares	33,272,416	2.35
4,163	10,001 - 100,000 shares	140,136,394	9.88
572	100,001 - less than 5% of issued shares	633,770,735	44.68
6	5% and above of issued shares	610,993,991	43.07
10,625		1,418,487,551	100.00

Note:

* *less than 0.01%*

Distribution Schedule of ICPS

No. of Holders	Holdings	Total Holdings	%
0	less than 100 shares	0	0.00
0	100 - 1,000 shares	0	0.00
0	1,001 - 10,000 shares	0	0.00
0	10,001 - 100,000 shares	0	0.00
2	100,001 - less than 5% of issued shares	3,612,720	40.00
3	5% and above of issued shares	161,264,209	60.00
5		164,876,929	100.00

Substantial Shareholders

The substantial shareholders' interests in ordinary shares in the Company as per the Register of Substantial Shareholders as at 30 March 2016 are as follows:

Name	No. of shares held (Direct)	%	No. of shares held (Indirect)	%
1. Tiong Toh Siong Holdings Sdn Bhd	262,246,119	18.49	200,273,375 [a]	14.12
2. Rimbunan Hijau Southeast Asia Sdn Bhd	100,584,800	7.09	-	-
3. Pertumbuhan Abadi Asia Sdn Bhd	87,228,800	6.15	128,773,038 [b]	9.08
4. Teck Sing Lik Enterprise Sdn Bhd	70,279,347	4.95	577,450,613 [c]	40.71
5. Tiong Toh Siong Enterprises Sdn Bhd	10,402,400	0.73	113,086,638 [d]	7.97
6. State Financial Secretary	76,034,272	5.36	-	-
7. Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	2,400,000	0.17	759,203,079 [e]	53.52
8. Multi Greenview Sdn. Bhd.	140,000,000	9.87	-	-
9. Jaya Tiasa Holdings Berhad	-	-	140,000,000 [f]	9.87

Notes:

(a) *Deemed interested by virtue of its interest in Pemandangan Jauh Plantation Sdn Bhd, Ladang Hijau Sdn Bhd and Multi Greenview Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

(b) *Deemed interested by virtue of its interests in Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Kendaie Oil Palm Plantation Sdn Bhd and Rejang Height Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

(c) *Deemed interested by virtue of its interests in Tiong Toh Siong Holdings Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Pemandangan Jauh Plantation Sdn Bhd, Rejang Height Sdn Bhd, Subur Tiasa Holdings Berhad and Multi Greenview Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

(d) *Deemed interested by virtue of its interest in Rimbunan Hijau Southeast Asia Sdn Bhd, Kendaie Oil Palm Plantation Sdn Bhd and Rejang Height Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

(e) *Deemed interested by virtue of his interests in Tiong Toh Siong Holdings Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Kendaie Oil Palm Plantation Sdn Bhd, Pemandangan Jauh Plantation Sdn Bhd, Ladang Hijau Sdn Bhd, Rejang Height Sdn Bhd, Subur Tiasa Holdings Berhad and Multi Greenview Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

(f) *Deemed interested by virtue of its interests in Multi Greenview Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

Directors' Interests

The Directors' interests in ordinary shares in the Company as per the Register of Directors' Shareholdings as at 30 March 2016 are as follows:

Name	No. of shares held (Direct)	%	No. of shares held (Indirect)	%
1. Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	2,400,000	0.17	775,199,279 [(a)]	54.65
2. Tiong Kiong King	23,803,800	1.18	6,218,400 [(b)]	0.44
3. Tiong Chiong Ong	7,031,608	0.50	329,214 [(c)]	0.02
4. Tiong Chiong Ie	1,600,000	0.11	3,872,000 [(d)]	0.27
5. Bong Wei Leong	-	-	-	-
6. Tiong Ing Ming	200,000	0.01	-	-
7. Dato' Jin Kee Mou	16,000	0.00 *	-	-

** *less than 0.01%*

Notes:

(a) Deemed interested by virtue of his interests in Tiong Toh Siong Holdings Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Kendaie Oil Palm Plantation Sdn Bhd, Pemandangan Jauh Plantation Sdn Bhd, Ladang Hijau Sdn Bhd, Rejang Height Sdn Bhd, Multi Greenview Sdn Bhd and Subur Tiasa Holdings Berhad pursuant to Section 6A of the Companies Act, 1965, and the interests of his spouse and children in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

(b) Deemed interested by virtue of his interest in Biru-Hijau Enterprise Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

(c) Deemed interested by virtue of the interest of his spouse and children in the Company.

(d) Deemed interested by virtue of his interest in Priharta Development Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

The Directors' interests in Irredeemable Convertible Preference Shares in the Company as per the Register of Directors' Shareholdings as at 30 March 2016 are as follows:

Name	No. of shares held (Direct)	%	No. of shares held (Indirect)	%
1. Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	-	-	164,876,929 *	100.00

* *Deemed interested by virtue of his interests in Pemandangan Jauh Plantation Sdn Bhd, Tiong Toh Siong Holdings Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd, Ladang Hijau Sdn Bhd and Rejang Height Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

By virtue of his interests in the Company, Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King is also deemed to have interests in shares in the related corporations of the Company to the extent the Company has an interest, pursuant to Section 6A of the Companies Act, 1965.

The other Directors have no interests in shares of the related corporations of the Company.

Thirty Largest Securities Account Holders

	Name	No. of Ordinary Shares	%
1.	Multi Greenview Sdn Bhd	140,000,000	9.87
2.	EB Nominees (Tempatan) Sendirian Berhad - Pledged securities account for Tiong Toh Siong Holdings Sdn Bhd (Upper Lanang)	124,000,000	8.74
3.	Rimbunan Hijau Southeast Asia Sdn Bhd	100,584,800	7.09
4.	Pertumbuhan Abadi Asia Sdn Bhd	87,228,800	6.15
5.	Tiong Toh Siong Holdings Sdn Bhd	83,146,119	5.86
6.	State Financial Secretary Sarawak	76,034,272	5.36
7.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Teck Sing Lik Enterprise Sdn Bhd (OCESB)	59,000,000	4.16
8.	Pertumbuhan Abadi Enterprises Sdn Bhd	58,240,600	4.11
9.	Subur Tiasa Holdings Berhad	52,000,000	3.67
10.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged securities account – AmBank (M) Berhad for Tiong Toh Siong Holdings Sdn Bhd	38,100,000	2.69
11.	Suria Kilat Sdn Bhd	26,958,600	1.90
12.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Nustinas Sdn Bhd (MQ0516)	24,572,100	1.73
13.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged securities account for Tiong Kiong King	23,803,800	1.68
14.	Asanas Sdn Bhd	20,000,000	1.41
15.	Insan Anggun Sdn Bhd	20,000,000	1.41
16.	Makmur Tiasa Sdn Bhd	17,654,400	1.24
17.	Malaysia Nominees (Tempatan) Sendirian Berhad - OCBC Labuan for Tiong Toh Siong Holdings Sdn Bhd (00-33029-010)	17,000,000	1.20
18.	Rimbunan Hijau (Sarawak) Sdn Bhd	15,686,400	1.11
19.	Teck Sing Lik Enterprise Sdn Bhd	11,279,347	0.80
20.	Tiong Toh Siong Enterprises Sdn Bhd	10,402,400	0.73
21.	Rejang Height Sdn Bhd	9,501,838	0.67
22.	TC Blessed Holdings Sdn Bhd	7,214,400	0.51
23.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	6,701,500	0.47
24.	Maybank Nominees (Tempatan) Sdn Bhd - Biru-Hijau Enterprise Sdn Bhd	6,218,400	0.44
25.	Ladang Hijau (Sarawak) Sdn Bhd	5,557,919	0.39
26.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Tiong Chiong Ong (MQ0517)	5,037,208	0.36
27.	Priharta Development Sdn Bhd	3,872,000	0.27
28.	HLB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Oh Kim Sun	3,730,000	0.26
29.	Wong Kew Ming	3,103,900	0.22
30.	Rasma Holdings Sdn Bhd	3,097,000	0.22

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of Rimbunan Sawit Berhad ("RSB" or "the Company") will be held at Level 2, North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak on Monday, 30 May 2016 at 12.00 noon to transact the following businesses:

AGENDA

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon. **Refer to Note 1**

2. To approve the payment of directors' fees for the financial year ended 31 December 2015. **Resolution 1**

3. To re-elect the following Directors who retire pursuant to Article 81 of the Company's Articles of Association and being eligible, offer themselves for re-election:

   (i) Mr. Tiong Kiong King; and **Resolution 2**
   (ii) Mr. Tiong Chiong Ie **Resolution 3**

4. To re-elect YBhg. Dato' Jin Kee Mou who retires in accordance with Article 88 of the Company's Articles of Association and being eligible, offers himself for re-election. **Resolution 4**

5. To consider and if thought fit, to pass the following resolution: **Resolution 5**

   "THAT pursuant to Section 129(6) of the Companies Act, 1965, YBhg. Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King be and is hereby re-appointed as a director of the Company to hold office until the conclusion of the next annual general meeting."

6. To re-appoint Messrs. Crowe Horwath as auditors for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 6**

As special business

7. To consider and, if thought fit, pass the following ordinary resolution:

   Continuation in office as Independent Non-Executive Director pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 **Resolution 7**

   "THAT approval be and is hereby given to Mr. Bong Wei Leong who has served as an Independent Non-Executive Director of the Company for a consecutive term of more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company."

8. To consider and, if thought fit, pass the following ordinary resolution:

   Continuation in office as Independent Non-Executive Director pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 **Resolution 8**

   "THAT approval be and is hereby given to Mr. Tiong Ing Ming who has served as an Independent Non-Executive Director of the Company for a consecutive term of more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company."

9. *To consider and, if thought fit, pass the following ordinary resolution:*

Proposed renewal of and new shareholder mandates for recurrent related party transactions of a revenue or trading nature ("Shareholder Mandate") **Resolution 9**

"THAT approval be and is hereby given to the Company and its subsidiaries ("RSB Group") to enter into any of the category of related party transactions which are recurrent, of a revenue or trading nature and are necessary for day-to-day operations of RSB Group as outlined in point 3(b) of the Circular to Shareholders (Part A) dated 29 April 2016 ("Circular"), with the specific related parties mentioned therein subject further to the following:

(a) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders; and

(b) disclosure is made in the annual report a breakdown of the aggregate value of the transactions conducted pursuant to the Shareholder Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements, and amongst others, based on the following information:

- the type of the recurrent related party transactions made; and
- the names of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company.

AND THAT such approval will continue to be in force until:

(a) the conclusion of the next annual general meeting ("AGM") of the Company, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") [but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act]; or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Shareholder Mandate."

10. *To consider and, if thought fit, pass the following ordinary resolution:*

Proposed renewal of authority for purchase of own shares by the Company **Resolution 10**

"THAT, subject always to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Company be and is hereby unconditionally and generally authorised to purchase and hold on the market of Bursa Securities such number of ordinary shares of RM0.50 each ("Shares") in the Company ("Proposed Share Buy-Back") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that the total aggregate number of Shares purchased and/or held or to be purchased and/or held pursuant to this resolution shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company for the time being and an amount not exceeding the Company's retained profits and share premium reserves at the time of purchase be allocated by the Company for the Proposed Share Buy-Back AND THAT, such Shares purchased are to be retained as treasury shares and distributed as dividends and/or resold on the market of Bursa Securities, or subsequently may be cancelled AND THAT the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, as may be required or imposed by any relevant authority or authorities AND FURTHER THAT the authority hereby given will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

(a) the conclusion of the next annual general meeting of the Company ("AGM"), at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities."

11. To transact any other business of which, due notice shall have been given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

By Order of the Board of Directors

Toh Ka Soon (MAICSA 7031153)
Voon Jan Moi (MAICSA 7021367)
Joint Company Secretaries

Dated: 29 April 2016
Sibu, Sarawak

Notes :

1. This agenda item is meant for discussion only and hence it is not put forward for voting.
2. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. To be valid, the form of proxy, duly completed must be deposited at the registered office of the Company at North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. A member of the Company entitled to attend and vote at this Annual General Meeting, shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. 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. 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.
6. If the appointor is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
7. A depositor whose name appears in the Record of Depositors as at 24 May 2016 shall be regarded as a member of the Company entitled to attend this Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf.
8. Explanatory Note on Special Business:

   (i) Ordinary resolutions in relation to continuation in office as Independent Non-Executive Directors pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 (proposed resolutions nos. 7 and 8)

   The Nomination Committee and the Board of Directors have assessed the independence of Mr. Bong Wei Leong and Mr. Tiong Ing Ming who have served as Independent Non-Executive Directors of the Company for a consecutive term of more than nine (9) years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

   (a) They fulfilled the criterias as Independent Director as stipulated in the Listing Requirements and therefore are able to offer impartial judgement and advice to the Board;
   (b) They remain independent and vocal, actively participated in deliberations and exercised independent judgement at Board and Board Committee meetings without compromising operational consideration. Hence, provide a check and balance to operational management; and
   (c) They continue to exercise independent and objective judgement in carrying out their duties as Independent Directors and they provide guidance, unbiased and independent views to many aspects of the Company and the Group's strategy so as to safeguard the interests of minority shareholders. Their long tenure as Independent Directors have no conflict of interest or undue influence from management and interested parties.

(ii) Ordinary resolution on Shareholder Mandate for recurrent related party transactions

Paragraph 10.09 of the Main Market Listing Requirements states that with regard to related party transactions which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations ("RRPT"), a public listed company may seek a shareholder mandate.

The proposed resolution No. 9, if passed, will authorise the Company and each of its subsidiaries to enter into RRPT with the mandated related parties as identified in point 3(b) of the Circular (Part A), which are necessary for day-to-day operations of the RSB Group, provided that such transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders.

By obtaining the Shareholder Mandate, the necessity to convene separate meetings from time to time to seek shareholders approval as and when such RRPT occur would not arise. This would reduce substantial administrative time and costs associated with the convening of such meetings without compromising on the corporate objectives of the RSB Group or adversely affecting the business opportunities available to the RSB Group.

Please refer to the Circular (Part A) for further information.

(iii) Ordinary resolution in relation to proposed renewal of authority for purchase of own shares by the Company

The proposed Resolution No. 10, if passed, will renew the authority for the Company to purchase and/or hold up to ten per cent (10%) of the issued and paid-up ordinary share capital of the Company through Bursa Securities. This authority will expire at the conclusion of the next annual general meeting, unless revoked or varied by ordinary resolution passed by shareholders at general meeting.

Please refer to the Statement to Shareholders (Part B) for further information.

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Rimbunan Sawit

RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)
(Incorporated in Malaysia)

FORM OF PROXY

Number of shares held by Proxy 1	
Number of shares held by Proxy 2	

*I/We ____

(*NRIC/Company No. ______________________) of ____

____ (full address) being a *member/members of

Rimbunan Sawit Berhad hereby appoint ____

(NRIC No. ______________________) of ____

(full address) or failing *him/her, ______________________ (NRIC No. ______________________) of

____ (full address)

or Chairman of the meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Eleventh Annual General Meeting of the Company to be held on Monday, 30 May 2016 at 12.00 noon and, at any adjournment thereof for/against the resolution(s) to be proposed thereat.

Resolutions	For	Against
1. To approve the payment of directors' fees for the financial year ended 31 December 2015.		
2. To re-elect Tiong Kiong King as director.		
3. To re-elect Tiong Chiong Ie as director.		
4. To re-elect Dato' Jin Kee Mou as director.		
5. To re-appoint Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King as director.		
6. To re-appoint Messrs. Crowe Horwath as auditors for the ensuing year.		
7. To retain Mr. Bong Wei Leong as an Independent Non-Executive Director.		
8. To retain Mr. Tiong Ing Ming as an Independent Non-Executive Director.		
9. To approve the proposed renewal of and new shareholder mandates for recurrent related party transactions of a revenue or trading nature.		
10. To approve the proposed renewal of authority for purchase of own shares by the Company.		

[Please indicate with a (X) in the space above how you wish your vote to be cast. If no specific direction as to voting is indicated, the proxy will vote or abstain as he/she thinks fit.]

* Strike out whichever is not desired.

Dated this __________ day of ____________________ 2016

____
Signature / common seal of shareholder(s)

Notes:

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid, the form of proxy, duly completed must be deposited at the registered office of the Company at North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
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Please affix
stamp here

The Company Secretary
Rimbunan Sawit Berhad (691393-U)

North Wing, Menara Rimbunan Hijau,
101, Pusat Suria Permata,
Jalan Upper Lanang,
96000 Sibu, Sarawak.

Rimbunan Sawit Berhad [691393-U]

North Wing, Menara Rimbunan Hijau,
101, Pusat Suria Permata,
Jalan Upper Lanang, 96000 Sibu, Sarawak.
Tel. No. : 084-218 555
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