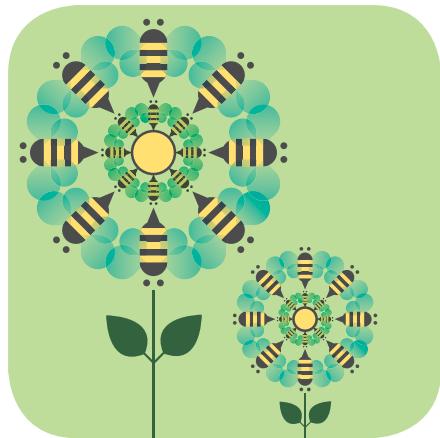
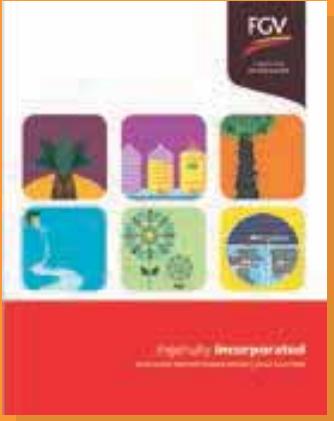


FGV



Ingenuity **Incorporated**

FELDA GLOBAL VENTURES HOLDINGS BERHAD | Annual Report **2014**



Success starts with opportunity.

Opportunity is knocking on the door for FGV. Opportunities that we will pursue to advance our growth in all areas of our business endeavours. With positive momentum, a focused business direction and a commercially-driven management team, we are ready to soar even higher. We look forward to a future driven by ingenuity, resourcefulness and a visionary outlook to achieve even more success for the Group.

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Felda Global Ventures Holdings Berhad 7th Annual General Meeting

Venue : Banquet Hall 1, Level B2, Menara Felda, Platinum Park,
No. 11, Persiaran KLCC, 50088 Kuala Lumpur

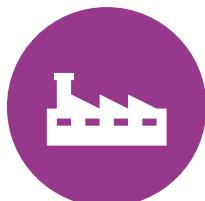
Date : 16 June 2015

Time : 11 a.m.

COMPANY PROFILE



Palm Upstream



Palm Downstream



Rubber



Sugar



Research & Development (R&D) and Agri-Services



Transport, Logistics, Marketing and Others (TLMO)

Felda Global Ventures Holdings Berhad (FGV or the Group) is one of Malaysia's leading global diversified agri-businesses operating under six main business Clusters: Palm Upstream, Palm Downstream, Rubber, Sugar, R&D and Agri Services, and Transport, Logistics, Marketing and Others (TLMO). Currently, FGV is the world's largest producer of crude palm oil (CPO) and the third largest oil palm plantation operator. With operations in more than 10 countries across North America, Europe, Asia and the Middle East, FGV aspires to be one of the top 10 agri-business conglomerates in the world by 2020.

The Palm Upstream Cluster is FGV's largest revenue earner and forms the core of the company. With a total land bank of more than 450,000 hectares, Palm Upstream is responsible for FGV's status as the world's largest CPO producer which produces more than three million tonnes of CPO annually.

The Palm Downstream Cluster protects the upstream operations by providing a guaranteed uptake of products. Leveraging on its secured pipeline of CPO feedstock, the Cluster is now venturing into more innovative and wider profit margin products such as biodiesel, tocotrienol, graphene and carbon nanotubes. These will open new markets for FGV in higher growth industries including aviation, defense and oil & gas. Moving in parallel to these products, FGV is increasing its market share in oleochemicals, oils and fats, and fast moving consumer goods.

The Rubber Cluster is an important component of its crop diversification programme. With almost 60 years of experience in the rubber plantation sector, FGV is able to tap into a wealth of knowledge to access the growing global market for processed rubber. Its market-leading rubber processing operations are backed by proven rubber estate management and advisory services credentials.

The Sugar Cluster contributes further to the company's successes. Through its subsidiary MSM Malaysia Holdings Berhad (MSM), FGV is Malaysia's leading refined sugar producer. FGV commands more than 64 percent of the local refined sugar market with an annual production capacity of over 1.1 million tonnes. Based on double digit growth of global sugar demand and FGV's expansion through acquisitions and joint ventures with regional powerhouses, MSM is poised to become Asia-Pacific's largest sugar hub.



Underpinning FGV's businesses is its world-class R&D and Agri Services Cluster. Four decades of research and development have culminated in South East Asia's largest biotechnology centre, led by a team of highly specialised scientists. The Cluster's key objective is to generate cutting-edge agri-business technologies to enhance operational performance and commercial utilisation across all facets of FGV. The company's award-winning Yangambi oil palm planting material, which has 40 percent market share in Malaysia, is just one of R&D's innovative products.

The Transport, Logistics, Marketing and Others (TLMO) Cluster ensures integrated supply-chain support across all of FGV's core business activities. The profitable, multi-billion ringgit operation possesses the world's largest bulking and storage facilities for vegetable oil. It is further tasked with connecting and controlling the flow of assets across FGV's businesses, driving group-wide efficiencies. Looking ahead, the Cluster is strengthening an international capacity by forging partnerships with overseas integrated logistics providers in key export markets.

Furthermore, with the recent establishment of FGV Trading Sdn Bhd that focus on trading and tolling business, we are on the fast track to becoming an international palm oil trader.

FGV now takes the lead in FELDA's commitment to agricultural sustainability by managing the Group's active participation in the Roundtable on Sustainable Palm Oil (RSPO). In addition to being one of RSPO's earliest members, FGV represents the first complete palm oil supply chain to attain the International Sustainability and Carbon Certification (ISCC). This further cements its determination to take a leadership stance in sustainable operations.

FGV's progression towards becoming one of the world's leading agri-businesses by the year 2020 will open up global possibilities and potentials through our agri-business solutions. With world-class technology and the passion of its more than 19,000 talented employees, FGV will meet the needs of a green and sustainable planet.

To be the leading globally diversified integrated agri-business.

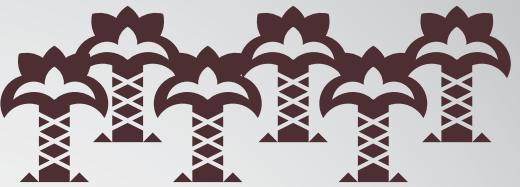


To be a global leader by:

- Creating value through our human capital
- Championing our locally invested culture
- Building an integrated value chain advantage
- Cultivating diversification in commodities and geography

VALUES

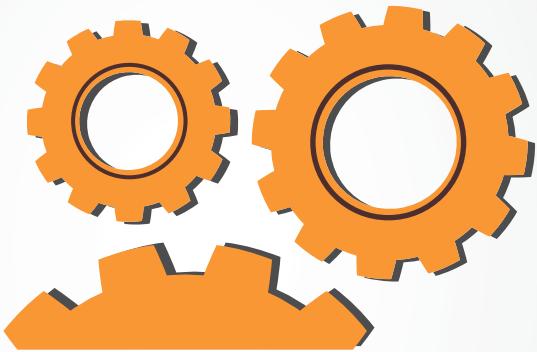




World's 3rd largest oil palm plantation operator: Operates more than **450,000 hectares** in Malaysia and Kalimantan, Indonesia.



Four decades of research and development – Establishment of southeast Asia's largest biotechnology centre.



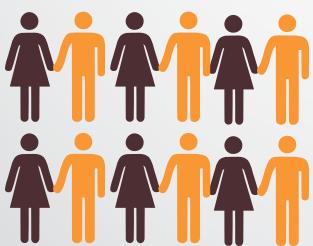
Malaysia's leading globally diversified agri-business.

1st company in the world to pioneer and produce the high-grade carbon nanotubes (CNT) and graphene from by-products of oil palm.



The world's largest bulking and storage facilities for vegetable oil.

OPERATIONAL HIGHLIGHTS



19,000 employees in the Group.



Malaysia's leading refined sugar producer.

KEY MILESTONES

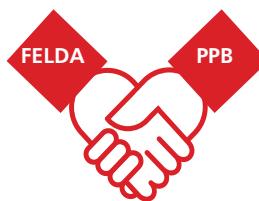
1956

The Land Development Ordinance 1956 came into force on 1 July and FELDA was established with a starting capital of RM10 million. A total of 112,635 settlers were taken in between 1957-1990.



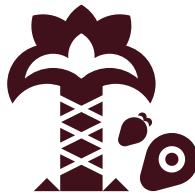
1971

FELDA embarked on its 1st joint venture with Perlis Plantations Berhad (PPB) to establish Kilang Gula Felda Perlis Sendirian Berhad (KGFP), a sugar milling and refining facility.



1978

Formation of Agricultural Services Corporation (now Felda Agricultural Services Sdn Bhd) to produce planting stock for oil palm.



1995

Felda Holdings Sdn Bhd (now Felda Holdings Bhd or FHB) was set up as FELDA's commercial arm. All FELDA companies and corporations became subsidiaries under FHB.

2004

FELDA commissioned the Sahabat biomass power plant in Lahad Datu, Sabah – the 1st Clean Development Mechanism (CDM) project in the world that runs entirely on empty fruit bunches (EFB).

2007

Felda Holdings Sdn Bhd opened a RM25 million Felda Biotechnology Centre in Negeri Sembilan, the largest of its kind in Southeast Asia.

2010

The Felda Group became the world's 1st smallholder organisation to achieve Roundtable on Sustainable Palm Oil (RSPO) Certification.



2010

FGV acquired Malayan Sugar Manufacturing Company Berhad (MSM Co) and Kilang Gula Felda Perlis Sdn Bhd to emerge as Malaysia's largest sugar producer.

2011

MSM Malaysia Holdings Berhad (MSM Holdings), a subsidiary of FGV, was listed on the Main Market of Bursa Malaysia Securities Bhd. The exercise raised RM796 million. It was the 1st company within the FGV Group to go public in Malaysia.

1980

FELDA established an investment co-operative (Koperasi Permodalan Felda or KPF) to provide settlers and FELDA employees opportunities to invest in FELDA companies.

1985

Felda Rubber Corporation Industries (now Felda Rubber Industries Sdn Bhd) was set up to operate rubber processing factories and produce latex concentrate and rubber.



1992

Commercial planting operations began under Felda Plantations Sdn Bhd.

COMMERCIAL PLANTING OPERATION

began under
FELDA PLANTATIONS SDN BHD

2007

FELDA incorporated Felda Global Ventures Holdings Sdn Bhd (now Felda Global Ventures Holdings Berhad) to operate as a commercial arm for FELDA's overseas investments in upstream and downstream palm oil businesses as well as other agribusinesses.

2008

FGV acquired FELDA's investments in North America including Twin Rivers Technologies Holdings Inc. (TRT Holdings).



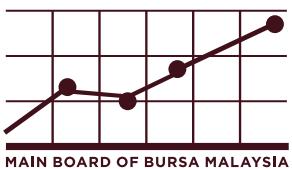
50%
EQUITY

2009

FGV acquired 50 percent equity interest in Felda Iffco Sdn Bhd (a joint venture with IFFCO Holdings Ltd) and Trurich Resources Sdn Bhd.

2012

On 28 June, FGV was listed on Bursa Malaysia. The initial public offering, which was the world's third largest in 2012, raised RM10.4 billion.



2013

FGV Cambridge Nanosystems Limited (FGV CNS) produces high grade Carbon Nanotubes and Graphene. Ties were formed with Lipid Venture Sdn Bhd to produce and market tocotrienol (vitamin E), both are derived from by-products of oil palm.

2014

FGV was the recipient of the 2014 Frost & Sullivan Malaysia Palm Oil Plantation Company of the Year for the second consecutive year.



PERFORMANCE HIGHLIGHTS

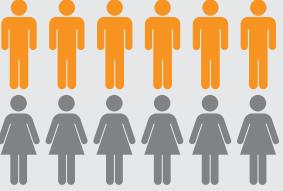


Financial

	2014	2013	Percentage Change
Revenue	16.37 bil	12.57 bil	30%
Profit before zakat and taxation	858.54 mil	1,536.32 mil	-44%
Profit after tax and zakat	538.65 mil	1,108.30 mil	-51%
Earning per share	8.9 sen	26.9 sen	-67%
Dividends per share	10 sen	16 sen	-38%
Net asset per share	1.75	1.80	-3%



Social

	2014	2013	Percentage Change
 Number of employees	18,856	18,786	0.4%
Voluntary employee turnover (%)	4.26%	4.10%	0.16%
Total training expenditure	RM15.20 mil	RM15.06 mil	1%



Health & Safety

		2014	2013	Percentage Change
Greater than three-day accidents	per 1,000 employees	3.22	3.45	-7%
Total accident rate	per 1,000 employees	6.15	5.91	4%
Occupational illness cases	per 1,000 employees	nil	nil	nil



Environment

	Unit	2014	2013	Percentage Change
Number of RSPO certified mills	unit	39	17	129%
Quantity of RSPO certified oil	tonnes	1,238,602	581,660	113%
ISCC certified palm oil	tonnes	399,410	399,410	–
Monitored CO ₂ e emission reduction from biogas plants	MTCO ₂ eq	67,576	35,411	91%
Improvement in water consumption	m ³ /t FFB	1.17	1.51	23%



GROWING GREEN

Just because we're the world's third largest oil palm plantation operator with over 450,000 hectares across Malaysia and Kalimantan, Indonesia, it doesn't mean we're any less keen to help keep the planet green. From producing renewable energies to safeguarding the health of rivers, we are at the forefront in sustainable initiatives. Indeed, it's the only way to grow.

CHAIRMAN'S STATEMENT

We managed to achieve a profit after taxation and zakat of RM538.65 million on the back of RM16.4 billion in revenue, enabling us to declare a final dividend of 4 sen per share. Added to the interim dividend of 6 sen per share, our total dividend for the year stands at 10 sen per share, translating into a total payout of RM364.82 million.

Dear Shareholders

FGV has been undergoing tremendous change since our listing in 2012, when we introduced our Global Strategic Blueprint (GSB) to entrench the Group as a leading global agri-business player by 2020.

GSB was the result of intense deliberation by the Management, and was fully endorsed by the Board as we were able to envisage clear benefits of a transformation to be built on stronger fundamentals, namely a more diversified business that will enable us to withstand market forces; improved systems and processes that will drive capital, operational and cost excellence; and an empowered team to navigate the Group towards its successes.

The Board has been closely monitoring the progress of GSB and is pleased to note a number of positive outcomes. Among these have been the aggressive replanting of 15,000 hectares annually to achieve our target of 60 percent prime palm by 2020. Although this means greater yield in years to come, in the short term, fresh fruit bunch (FFB) and crude palm oil (CPO) production will be affected. True to expectations, in the year under review, these figures dropped slightly from 2013. We processed a total of 14.79 million metric tonnes of FFB as compared to 15.73 million metric tonnes in 2013. Our yield per mature hectare also dropped from 19.59 metric tonnes in 2013 to 18.94 metric tonnes in 2014. This was contributed in part by climate challenges, including drought at the beginning of the year and, to a lesser extent, the floods at year end.



**With time,
disclosures currently found
in the Sustainability Report
will be incorporated into
our financial reporting in the
Annual Report to provide a
holistic and integrated
account of our entire business
model and strategies.**

**YB Tan Sri Haji Mohd Isa
Dato' Haji Abdul Samad
Chairman**

CHAIRMAN'S STATEMENT

Volatilities in the price of CPO were reflected in our share price. Yet, despite all commodity prices continuing to dip, we managed to achieve a profit after taxation and zakat of RM538.65 million on the back of RM16.4 billion in revenue, enabling us to declare a final dividend of 4 sen per share. Added to the interim dividend of 6 sen per share, our total dividend for the year stands at 10 sen per share, translating into a total payout of RM364.82 million.

Underlying this financial performance is an enhanced organisational culture – the values we uphold and which govern our relationships with all stakeholders; as well as our respect for the environment. The latter is translated into the care we take to protect the natural resources that support our operations and the sustainability of life on this planet as we know it.

We believe that our stakeholder relationships as well as efforts to protect and enhance the environment are important to our continued success. Accordingly, beginning this year, we will be reporting on initiatives related to these, and other non-financial aspects of our operations which add value to FGV and, ultimately to you – our shareholders. This forms part of a new journey we

The year began with the launch of an Integrity Plan which commits every individual within the FGV family to upholding the highest level of corporate and personal integrity.

have embarked on, to adopt an integrated approach in our Annual Reports. This report, together with our Sustainability Report 2014, provides a comprehensive account of initiatives taken to ensure the long-term viability of our operations. With time, disclosures currently found in the Sustainability Report will be incorporated into our financial reporting in the Annual Report to provide a holistic and integrated account of our entire business model and strategies.

In addition to operational and cultural changes, we have also enhanced our governance practices. The year began with the launch of an Integrity Plan which commits every individual within the FGV family to upholding the highest level of corporate and personal integrity. We also introduced a Board of Directors' Manual to serve as a reference point for the stewards of FGV's governance; and established a Group Governance as well as Group Risk Management to take direct ownership of the Group's adherence to ethical practices in every aspect of our dealings.

To strengthen our credentials as a responsible agri-commodities player, we continue to educate our internal planters on sustainable practices, and have increased the number of plantations as well as mills that are Roundtable of Sustainable Palm Oil (RSPO) and International Sustainability and Carbon Certification (ISCC) certified.

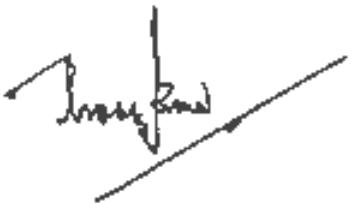
In addition to safeguarding the environment, we are contributing in a significant way to conservation efforts throughout the country. Current initiatives include spearheading a multi-stakeholder programme to protect the peninsula's Rafflesia and Malayan Sun Bear, the world's largest flower and smallest bear species, respectively. We are also involved in securing a mega biodiversity corridor in the Lower Kinabatangan with the Borneo Conservation Trust and Sabah Wildlife Department that would protect elephants, orang utans and other forest animals to migrate safely in the forest we preserve.

To strengthen our credentials as a responsible agri-commodities player, we continue to educate our internal planters on sustainable practices, and have increased the number of plantations as well as mills that are Roundtable of Sustainable Palm Oil (RSPO) and International Sustainability and Carbon Certification (ISCC) certified.

These are only some examples of the initiatives taken to protect the environment in and around our plantations. For a fuller account of our projects, please read the Sustainability Report on pages 104 to 109.

FGV is on track in our GSB journey, and I would like to acknowledge all parties who have contributed to our collective achievements. To my colleagues on the Board of Directors, thank you for your commitment for guiding the Group with sound counsel. On behalf of my colleagues, I would like to wish former Board members who have left us all the best in their future endeavours. This includes Datuk Dr Salmiah Ahmad, who resigned from the Board on 7 August 2014; and Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah, Tan Sri Ismee Ismail and En. Fazlur Rahman Ebrahim, who followed suit as of 20 January 2015. At the same time, I would like to welcome Tan Sri Dr Sulaiman Mahbob, Datuk Hj Faizoull Ahmad, Dato' Mohd Zafer Mohd Hashim and Dato' Mohamed Suffian Awang who were appointed in 2014 and 2015. With their extensive experience in economic reforms, general administration, finance and corporate law, they will greatly enhance the collective skills and knowledge of the Board.

Most importantly, I would like to express the Board's appreciation to the Management and all employees for their hard work and dedication towards FGV's ongoing success.



YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad
Chairman

CEO'S STATEMENT

What set the sustainable players apart are the strength of its fundamentals and the effectiveness of its strategic response to prevailing conditions. These are our foundation that explains how we pull together an encouraging financial performance for the year 2014.

Dato' Mohd Emir Mavani Abdullah
Group President / Chief Executive Officer



The last few years have been challenging for agricultural commodity players globally as almost all commodity counters were affected by continued volatility in prices.

As one of the world's largest crude palm oil (CPO) producers, the price of CPO is of particular significance to Felda Global Ventures Holdings Berhad (FGV or the Group) as it remains the core commodity that we are most dependent upon. In 2014, the Malaysian CPO price hit a low of RM2,083 per metric tonne in October following the Government's announcement of a delay in implementation of the biodiesel programme. Although the price subsequently began to rally, exports were affected – particularly by credit restrictions in China, traditionally a large importer of CPO.

The vagaries of market forces are nothing new to established players like us. What set the sustainable players apart are the strength of its fundamentals and the effectiveness of its strategic response to prevailing conditions. These are our foundation that explains how we pull together an encouraging financial performance for the year 2014.

Of note, we managed to increase our revenue by 30.2 percent to RM16.4 billion with the full acquisition of Felda Holdings Bhd (FHB) in the early part of the year whilst simultaneously growing our gross profit to RM2.12 billion compared to RM878.27 million in 2013. Our profit after taxation

CEO'S STATEMENT

and zakat of RM538.65 million was also encouraging. This was contributed at least in part by a higher Group CPO price of RM2,410 per tonne compared to RM2,333 per tonne from the previous year and a higher oil extraction rate (OER) of 21.01 percent compared to 20.44 percent from the previous year.

Our financial results are a direct consequence of a transformation journey that we embarked on in 2012, guided by our Global Strategic Blueprint (GSB). This journey, which envisages FGV becoming a top 10 agri-business powerhouse by 2020, seeks to address our competitiveness at different levels.

At the corporate level, we are streamlining our more than 100 subsidiaries operating in over 10 countries. During the year under review, we divested non-core and non-profitable assets and businesses such as Malaysia Cocoa Manufacturing. We are creating a more balanced portfolio of Clusters by growing our rubber and sugar businesses to decrease an over-dependence on palm. At the same time, we seek to grow a stronger presence along the entire value chain of all three of palm, rubber and sugar – from the upstream through the midstream and into the downstream. Applying the Blue Ocean strategy, our overall objective is to explore and create new, untapped market space through high quality products and service offerings, driven by innovation and best practices.

The year 2014 has seen us continue with our series of mergers and acquisitions. In the upstream, we acquired Asian Plantations Ltd (APL), an oil palm plantation group. APL presents an

attractive proposition as it owns 24,622 ha of relatively young oil palm plantations through five wholly-owned estates in Miri and Bintulu in Sarawak, which are serviced by a 60 tonne per hour palm oil mill.

Strengthening our Rubber Cluster, we entered into two joint ventures:

- We formed FGV Pho La Min Company Ltd in Myanmar together with Pho La Min Trading Company Ltd to apply for Myanmar's foreign investment license in order to invest in rubber related business activities in the country.
- We also set up FGV-CVC Cambodia Ltd together with Co-Op Village Co Ltd, which exports Cambodian Standard Rubber (CSR) grade processed rubber. At the same time, we are in talks with a few potential parties to expand both upstream and midstream rubber related business activities in Cambodia.

In the Downstream Cluster, our aim is to enhance our current businesses and further diversify our portfolio of quality food and innovative non-food products supported by our own R&D facility as well as strategic joint ventures. Two successes in the year were:

- Entering into a joint venture with M2 Capital Sdn Bhd and Benefuel International Holdings S.A.R.L. to acquire a biodiesel plant in Kuantan Port. Through the joint venture, our biodiesel production capacity has increased more than threefold, making FGV one of the largest exporters of biodiesel in Southeast Asia; and

Our financial results are a direct consequence of a transformation journey that we embarked on in 2012 guided by our Global Strategic Blueprint (GSB). This journey, which envisages FGV becoming a top 10 agri-business powerhouse by 2020, seeks to address our competitiveness at different levels.

In 2015, we will focus on further diversification of our business to mitigate risks and increase our income.

- Bringing on board Ankara-based Nanokomp Ileri Teknoloji Malzemeleri Arge Dan Ins San Tic Ltd Sti (Nanokomp) as a collaboration partner into our graphene and carbon nanotubes venture with UK-based Cambridge Nanosystems Ltd (CNL). Nanokomp intends to use graphene in epoxy resins to produce prepgs, a form of composite fibre, mostly for the European market. Although it may take time to commercialise new graphene products, we are very excited about the opportunity to pioneer the use of palm waste in cutting-edge new materials and technologies. As the thinnest yet strongest material known, graphene has been touted as "a wonder material that can change the world". Its possible applications cut across industries, from micro-electronics to healthcare and oil and gas, with more than 10,000 patents for use in a range of products including ice-resistant graphene-enhanced paint in the aeronautics industry and fluids that increase the efficiency of oil drills.

Supporting these corporate developments, we are implementing changes at the organisational level encompassed by the New FGV Way. This entails creating greater operational and cost efficiencies across all our operations and businesses, whilst building our internal capabilities and capacity. It gives me pleasure to share that we have seen some quick wins in these areas.

Operationally, we are improving yields and oil extraction rates adopting best practises in our plantations and mills, especially in terracing our estates and collecting the loose fruit at the foothills as they contain the most oil. We have also begun to employ the latest ablation methods and mechanised our operations to reduce the labour intensity of our plantations in the face of a shortage of Indonesian workers.

Tightening our reins on costs, we are driving more effective procurement processes; restructuring some of our businesses into tolling; adopting a tablet-based Plantation Micro Macro Programme (PMMP) to enhance our estate management; using drones, new higher-yielding Yangambi oil palm seeds developed in-house, and the best pesticides and compost. We have also invested in more efficient graphite and aluminium poles to harvest our fresh fruit bunches (FFB).

These efforts are supported by a Group-wide mindset change to adopt an objectives-based rather than process-based approach in everything we do. Various initiatives have been implemented to support this New FGV Way, inclusive of setting up the Innovative and Creative Circle, a structured programme that encourages employees to put forward ideas on how we can increase our productivity and efficiency. We also launched our PRIDE core values of partnership, respect, integrity, dynamism and enthusiasm. During the year, the management team and I went on an extensive roadshow to all our plantations, operating companies and units to share these values which we believe are critical towards establishing a high-performance culture.

Although we have accomplished much that we can be proud of in 2014, there is more to be done as we strive to achieve our ultimate goals. In 2015, we will focus on further diversification of our business to mitigate risks and increase our income. Among our key targets will be to set up a trading arm for palm oil, rubber and sugar. We are also looking at further geographical expansion to fill in gaps along the value chain of our palm, rubber and sugar businesses while building the FGV brand, instilling the New FGV Way as part of our corporate culture and reaping the benefits of a more energised and cohesive workforce.

We have our work cut out for us, and I believe that guided by our highly professional team, as well as with the commitment of our 19,000 passionate employees, we have what it takes to achieve our 2020 vision. Our message to everyone is to work smart, remain resilient and uphold our integrity in everything we do. Together, we can achieve our corporate aspirations.



Dato' Mohd Emir Mavani Abdullah
Group President / Chief Executive Officer



FRUITS GALORE

Oil palm is an immensely versatile fruit. Other than oils and fats, we can blend oleochemicals for household use, biodiesel to fuel vehicles and extract vitamin E for use in nutraceuticals. From its wastes, we can generate power and produce carbon nanotubes and graphene, useful little molecules that are set to revolutionise the aviation, automotive and electronics industries. In other words, it's the crème de la crème of all crops.





CORPORATE INFORMATION

Board of Directors

YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad
Chairman,
Non-Independent Non-Executive Director

Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah
Independent Non-Executive Director
(Resigned on 20 January 2015)

Datuk Dr. Omar Salim
Non-Independent Non-Executive Director

Dato' Yahaya Abd Jabar
Senior Independent Non-Executive Director

Tan Sri Ismee Ismail
Independent Non-Executive Director
(Resigned on 20 January 2015)

Dato' Mohd Emir Mavani Abdullah
Group President/Chief Executive Officer
Non-Independent Executive Director

Datuk Nozirah Bahari
Non-Independent Non-Executive Director

YB Datuk Noor Ehsanuddin Mohd Harun Narrashid
Independent Non-Executive Director

Tan Sri Dr. Sulaiman Mahbob
Independent Non-Executive Director
(Appointed on 15 March 2014)

Datuk Dr. Salmiah Ahmad
Independent Non-Executive Director
(Appointed on 15 March 2014)
(Resigned on 7 August 2014)

Fazlur Rahman Ebrahim
Independent Non-Executive Director
(Appointed on 15 March 2014)
(Resigned on 20 January 2015)

Datuk Hj. Faizoull Ahmad
Non-Independent Non-Executive Director
(Appointed on 15 March 2014)

Dato' Mohd Zafer Mohd Hashim
Independent Non-Executive Director
(Appointed on 20 January 2015)

Dato' Mohamed Suffian Awang
Independent Non-Executive Director
(Appointed on 20 January 2015)



COMPANY SECRETARY

Koo Shuang Yen

(MIA 7556)

(Appointed on 30 June 2014)

AUDITORS

Messrs. PricewaterhouseCoopers
Chartered Accountants

Level 10, 1 Sentral, Jalan Travers

Kuala Lumpur Sentral

50706 Kuala Lumpur

Malaysia

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Fax: +603 2173 1288

Website: www.pwc.com

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd

Level 6, Symphony House

Pusat Dagangan Dana 1

Jalan PJU 1A/46

47301 Petaling Jaya

Selangor, Malaysia

Tel (Help Desk): +603 7849 0777

Fax: +603 7841 8151/8152

REGISTERED OFFICE

Level 45, Menara Felda

Platinum Park

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50088 Kuala Lumpur

Malaysia

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INVESTOR RELATIONS AND ENQUIRIES

Level 24, Menara Felda

Platinum Park

No. 11, Persiaran KLCC

50088 Kuala Lumpur

Malaysia

Tel: +603 2859 0000

Fax: +603 2859 0016

Website: www.feldaglobal.com

E-mail: fgv.investors@feldaglobal.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Securities Berhad

Listed since 28 June 2012

Stock Code: 5222

Seated from left to right:

YB Tan Sri Haji Mohd Isa

Dato' Haji Abdul Samad

Chairman,

Non-Independent Non-Executive Director

Datuk Dr. Omar Salim

Non-Independent Non-Executive Director

Dato' Yahaya Abd Jabar

Senior Independent Non-Executive Director

Standing from left to right:

Dato' Mohd Emir Mavani Abdullah

Group President/Chief Executive Officer,

Non-Independent Executive Director

Datuk Nozirah Bahari

Non-Independent Non-Executive Director

Tan Sri Dr. Sulaiman Mahbob

Independent Non-Executive Director

Datuk Haji Faizoull Ahmad

Non-Independent Non-Executive Director

YB Datuk Noor Ehsanuddin Mohd

Harun Narrashid

Independent Non-Executive Director

Dato' Mohd Zafer Mohd Hashim

Independent Non-Executive Director

Dato' Mohamed Suffian Awang

Independent Non-Executive Director



BOARD OF DIRECTORS



BOARD OF DIRECTORS



YB TAN SRI HAJI MOHD ISA DATO' HAJI ABDUL SAMAD**Position:** Chairman, Non-Independent Non-Executive Director**Nationality:** Malaysian**Age:** 65**Appointment to the Board:** Appointed as Chairman and Non-Independent Non-Executive Director on 1 January 2011**Board Committee membership:** Nil**Qualification:** Bachelor in Arts from the University of Malaya**Skills and experience:**

- Deputy of the United Malays National Organisation (UMNO) Youth of Teluk Kemang (1974-1978)
- Chief of UMNO Youth Teluk Kemang (1978-1982)
- Chief of UMNO Teluk Kemang (1982-Present)
- State Assemblyman of Linggi and Negeri Sembilan State Executive Committee (1978-1982)
- Chief Minister of Negeri Sembilan (1984-2004)
- Minister of Federal Territories (2004-2005)
- Vice President of UMNO
- Member of Parliament for Jempol

Directorship in other public companies:

- Chairman, Federal Land Development Authority ("FELDA")
- Chairman, MSM Malaysia Holdings Berhad
- Chairman, Felda Holdings Bhd
- Chairman, Pontian United Plantations Berhad
- Director, Negeri Sembilan Holdings Berhad
- Director, Amanah Saham Negeri Sembilan Berhad
- Director of several companies within FGV Group

No. of Board Meetings attended in the financial year:

All 15 Board Meetings held during the financial year under review

Conflict of interest with the Company: Nil**Family relationship with any director and/or major shareholder:**

Nil

List of convictions for offences within the past 10 years: Nil**DATUK DR. OMAR SALIM****Position:** Non-Independent Non-Executive Director**Nationality:** Malaysian**Age:** 57**Appointment to the Board:** Appointed to the Board as a Non-Independent Non-Executive Director on 27 September 2010**Board Committee membership:** Member of Board Governance & Risk Management Committee**Qualification:**

- Bachelor in Arts from the University of Malaya
- Diploma in Public Administration from National Institute of Public Administration (INTAN)
- Diploma in Management Science from INTAN
- Master of Business Administration from the University of Birmingham, United Kingdom
- Doctorate in Business Administration from Universiti Kebangsaan Malaysia in 2004

Skills and experience:

- Assistant Secretary, Public Services Commission (1983-1986)
- Assistant Director in Public Services Department, Prime Minister's Office (1986-1989)
- Assistant Director in Public Service Department (1991-1993)
- Assistant Secretary, Kawal Selia Telekom (1995-1996)
- Director of Malaysia Administrative Modernisation and Management Planning Unit (MAMPU) (1996-1999)
- Deputy Secretary in the Finance Ministry (2004-2005)
- Director in the Internal Audit and Inspection at Malaysia Maritime Enforcement Agency (2005-2007)
- Head of Unit Kawal Selia Federal Land Development Authority (FELDA) of the Prime Minister's Department (2008-Present)

Directorship in other public companies:

- Director of FELDA, Felda Investment Corporation & Felda Asset Holdings Company Sdn Bhd
- Director, Pontian United Plantations Berhad
- Director of several companies within FGV Group

No. of Board Meetings attended in the financial year:

14 out of 15 Board Meetings held during the financial year under review

Conflict of interest with the Company: Nil**Family relationship with any director and/or major shareholder:**

Nil

List of convictions for offences within the past 10 years: Nil

BOARD OF DIRECTORS



DATO' YAHAYA ABD JABAR

Position: Senior Independent Non-Executive Director

Nationality: Malaysian

Age: 62

Appointment to the Board:

- Appointed to the Board as an Independent Non-Executive Director on 18 January 2012
- Appointed as Senior Independent Non-Executive Director on 12 October 2012

Board Committee membership:

- Chairman of the Nomination and Remuneration Committee
- Member of the Audit Committee
- Member of the Board Governance & Risk Management Committee

Qualification:

Bachelor of Arts (Honours) in International Relations from the University of Malaya

Skills and experience:

- Administrative and Diplomatic Service of Malaysia, Ministry of Foreign Affairs (1975-1999)
- Ambassador of Malaysia to Uzbekistan (1999)
- High Commissioner to South Africa (2004)
- High Commissioner to Mozambique (2004-2008)
- High Commissioner to Botswana (2004-2008)
- High Commissioner to Lesotho (2004-2008)
- High Commissioner to Swaziland (2004-2008)
- High Commissioner to Madagascar (2004-2008)
- Alternate Member of the Malaysian delegation to the 56th General Assembly of the United Nations in New York (2001)
- Chief Protocol at the Ministry of Foreign Affairs (2003)
- Ambassador of Malaysia to the United Arab Emirates (2008-2011)

Directorship in other public companies: Nil

No. of Board Meetings attended in the financial year:

All 15 Board Meetings held during the financial year under review

Conflict of interest with the Company: Nil

Family relationship with any director and/or major shareholder:

Nil

List of convictions for offences within the past 10 years: Nil

DATO' MOHD EMIR MAVANI ABDULLAH

Position: Group President/Chief Executive Officer, Non-Independent Executive Director

Nationality: Malaysian

Age: 51

Appointment to the Board:

- Appointed to the Board on 1 January 2012 as Non-Independent Non-Executive Director
- Appointed as Chief Executive Officer Designate on 1 January 2013 and redesignated as Non-Independent Executive Director
- Redesignated as Group President/Chief Executive Officer on 15 July 2013

Board Committee membership: Nil

Qualification:

- Chemistry Degree from Universiti Kebangsaan Malaysia
- Masters of Engineering Management from Warwick University, United Kingdom
- Completed various executive education programmes in institutions such as Harvard and Yale

Skills and experience:

- Leading expert in economic and government administration reform in the Middle East and Asia for the past 20 years
- Senior Advisor to the United Nations Development Program on various projects in the Middle East and North Africa region (1998-2004)
- Coordinator for Good Governance of Organisation for Economic Cooperation and Development for the Arab region (2002-2004)
- Advisor to the Minister of Finance in the United Arab Emirates (2002-2007)
- Strategic Advisor to the Executive Council of Abu Dhabi (2008-2010)
- Director in charge of National Key Economic Areas (NKEA), Performance Management and Delivery Unit (PEMANDU), in the Prime Minister's Department (2010-2013)
- Chief Executive Officer of Malaysia Petroleum Resource Corporation, the Prime Minister's Department (2011-2013)
- Director of Malaysia Nuclear Power Corporation (2011-2013)

Directorship in other public companies:

- Director, Federal Land Development Authority (FELDA)
- Director, MSM Malaysia Holdings Berhad
- Managing Director, Felda Holdings Bhd
- Director, Pontian United Plantations Berhad
- Director of several companies within FGV Group

No. of Board Meetings attended in the financial year:

All 15 Board Meetings held during the financial year under review

Conflict of interest with the Company: Nil

Family relationship with any director and/or major shareholder:

Nil

List of convictions for offences within the past 10 years: Nil

BOARD OF DIRECTORS



DATUK NOZIRAH BAHARI

Position: Non-Independent Non-Executive Director

Nationality: Malaysian

Age: 59

Appointment to the Board:

Appointed as Non-Independent Non-Executive Director on 16 July 2013

Board Committee membership:

- Member of the Audit Committee

Qualification:

- Bachelor's Degree in Social Science (Urban Studies) from University of Science Malaysia
- Diploma in Public Administration, Institute of Public Administration (INTAN)
- Attended several Senior Management Courses such as Global Leadership Development Programme organised by the International Centre for Leadership in Finance (ICLIF), Advanced Management Programme in Harvard Business School and Financial Institutions Directors Programme (FIDE)

Skills and experience:

- Assistant Secretary, Finance Division, Ministry of Finance (1981-1985)
- Assistant Secretary, Procurement and Supplies Division, Finance Division at Ministry of Health (1985-1988)
- Principal Assistant Secretary, Planning and Policy Division at Ministry of Agriculture (1988-1991)
- Director, Manpower Planning Unit (MAMPU), Prime Minister Department Branch office in Sabah (1991-1993)
- Deputy Finance Officer of Treasury Sabah (1993-2000)
- Principal Assistant Secretary Procurement and Supplies Division in the Ministry of Finance (2000-2002)
- Deputy Undersecretary Procurement and Supplies Division in the Ministry of Finance (2002-2005)
- Deputy Undersecretary, Loan Management, Financial Market and Actuary Division, Ministry of Finance (2005-2007)
- Undersecretary, Loan Management, Financial Market and Actuary Division, Ministry of Finance (2007-2011)
- Director of Budget Management Division, Ministry of Finance (March 2011-May 2011)
- Deputy Secretary General (Management) in the Ministry of Finance (2011-Present)

Directorship in other public companies:

- Director, Proton Holdings Berhad
- Director, Tenaga Nasional Berhad
- Director, Bank Pembangunan Malaysia Berhad
- Director, 1Malaysia Global Sukuk Berhad

No. of Board Meetings attended in the financial year:

10 out of 15 Board Meetings held during the financial year under review

Conflict of interest with the Company: Nil

Family relationship with any director and/or major shareholder:

Nil

List of convictions for offences within the past 10 years: Nil

YB DATUK NOOR EHSANUDDIN MOHD HARUN NARRASHID

Position: Independent Non-Executive Director

Nationality: Malaysian

Age: 51

Appointment to the Board:

Appointed as Independent Non-Executive Director on 16 July 2013

Board Committee membership:

- Member of the Nomination and Remuneration Committee
- Member of the Investment Committee

Qualification: Degree in Civil Engineering and Mechanical from Southern Illinois University, Carbondale, United States of America

Skills and experience:

- Engineer, Milford Haven Automation Sdn Bhd (1986-1988)
- Engineer, Haven Automation Sdn Bhd Subsidiary of Alfa Laval Sdn Bhd (1988-1990)
- Director, Behnmas (M) Sdn Bhd (1990-2005)
- Director, Daya Reka Nusantara Development Sdn Bhd (2006-2008)
- Director, Seranta Federal Land Development Authority (FELDA), Prime Minister's Department (2008-2013)
- Member of Parliament, Kota Tinggi (2013-Present)

Directorship in other public companies:

- Director, FELDA
- Director, MSM Malaysia Holdings Berhad
- Director, Encorp Berhad

No. of Board Meetings attended in the financial year:

All 15 Board Meetings held during the financial year under review

Conflict of interest with the Company: Nil

Family relationship with any director and/or major shareholder:

Nil

List of convictions for offences within the past 10 years: Nil

BOARD OF DIRECTORS



TAN SRI DR. SULAIMAN MAHBOB

Position: Independent Non-Executive Director

Nationality: Malaysian

Age: 66

Appointment to the Board:

Appointed as Independent Non-Executive Director on 15 March 2014

Board Committee membership:

Chairman of the Board Governance & Risk Management Committee

Qualification:

- Degree in Economics at the University of Malaya
- Master of Science from University of London
- Ph.D at the Maxwell School of Citizenship and Public Affairs at Syracuse University, New York
- Attended a course on World Currency reform at Harvard University
- Conferred Honorary Doctorate in Economic Management by Universiti Kebangsaan Malaysia

Skills and experience:

- Economic Planning Unit (EPU), in the Prime Minister's Department (1972-1982)
- Under Secretary Economics, Ministry of Finance (1985-1994)
- Executive Director, Malaysian Institute Economic Research (MIER) (1995-1997)
- Head of Secretariat, National Economic Action Council (NEAC) (1998-2001)
- Secretary General, Ministry of Domestic Trade and Consumer Affairs (2001-2004)
- First Founding President, Institute of Integrity Malaysia (IIM) (2004-2005)
- Director General, EPU (2006-2009)
- Chairman, Malaysian Industrial Department Authority (MIDA) (2010-2012)
- Previously on the Board of National Petroleum Corporation (PETRONAS), Federal Land Development Authority (FELDA) and the Companies Commission of Malaysia (of which he was the first Chairman)
- Teaches economics and public policy as Adjunct Professor at the University of Malaya, and at Universiti Tun Abdul Razak and often contributes articles to the local media on the topics of economy, development, and public finance (Present)

Directorship in other public companies:

- Chairman, Telekom Malaysia Berhad
- Chairman, Minority Shareholder Watchdog Group (MSWG)
- Member of the Board of several institutions including Bank Negara Malaysia, Malaysian Institute of Economic Research (MIER), Institute of Strategic and International Studies (ISIS)

No. of Board Meetings attended in the financial year: 10 out of 11 Board Meetings held during the financial year under review since his appointment as Director

Conflict of interest with the Company: Nil

Family relationship with any director and/or major shareholder:
Nil

List of convictions for offences within the past 10 years: Nil

DATUK HAJI FAIZOULL AHMAD

Position: Non-Independent Non-Executive Director

Nationality: Malaysian

Age: 54

Appointment to the Board:

Appointed as Non-Independent Non-Executive Director on 15 March 2014

Board Committee membership: Nil

Qualification:

Masters in Public Administration from Virginia Commonwealth University, United States of America

Skills and experience:

- Member of Research Advisory Council of Universiti Teknologi Petronas
- Member council of the National Anti-Drug Extinguisher
- Pegawai Tadbir, Jabatan Belanjawan Federal Land Development Authority (FELDA)
- Pegawai Tadbir, Jabatan Sosial, FELDA
- Pengurus Besar, Felda Wilayah Terengganu
- Pengarah, Jabatan Inovasi & Pembangunan Generasi Baru FELDA
- Timbalan Pengarah Besar, Pembangunan Komuniti, FELDA
- Director General, FELDA (2012-2015)

Directorship in other public companies:

- Director, MSM Malaysia Holdings Berhad
- Director, Felda Holdings Bhd
- Director, Iris Corporation Berhad
- Director, Pantech Group Holdings Berhad
- Director of several companies within Felda Global Ventures Group of Companies

No. of Board Meetings attended in the financial year: 8 out of 11 Board Meetings held during the financial year under review since his appointment as Director

Conflict of interest with the Company: Nil

Family relationship with any director and/or major shareholder:
Nil

List of convictions for offences within the past 10 years: Nil

BOARD OF DIRECTORS



DATO' MOHD ZAFER MOHD HASHIM

Position: Independent Non-Executive Director

Nationality: Malaysian

Age: 42

Appointment to the Board:

Appointed as Independent Non-Executive Director on 20 January 2015

Board Committee membership:

- Chairman of the Audit Committee
- Member of the Investment Committee

Qualification:

- Fellow of Institute of Chartered Accountants In England and Wales
- Member of Malaysian Institute of Accountants (MIA)
- Bachelor of Science in Economics and Mathematics, London School of Economics and Political Science, University of London

Skills and experience:

- Associate/Senior Associate/Assistant Manager Banking and Capital Markets Division, Audit Practice, Price Waterhouse, UK (1995-1998)
- Senior Manager, Financial Markets Division, Audit Practice & Assistant Manager/Manager, Transaction Advisory Group, Corporate Finance Practice, Arthur Andersen (1999-2002)
- General Manager, Projects & General Manager, Group Internal Audit, MMC Corporation Berhad (2002-2004)
- Chief Financial Officer, Bank Muamalat Malaysia Berhad (2004-2008)
- Chief Financial Officer, Maybank Investment Bank Berhad (2008-2009)
- President & Group Managing Director, Bank Pembangunan Malaysia Berhad (2009-2014)

Directorship in other public companies:

Director, Malaysian Bulk Carriers Berhad

No. of Board Meetings attended in the financial year:

Not applicable

Conflict of interest with the Company: Nil

Family relationship with any director and/or major shareholder:

Nil

List of convictions for offences within the past 10 years: Nil

DATO' MOHAMED SUFFIAN AWANG

Position: Independent Non-Executive Director

Nationality: Malaysian

Age: 43

Appointment to the Board:

Appointed as Independent Non-Executive Director on 20 January 2015

Board Committee membership:

- Chairman of the Investment Committee
- Member of the Nomination and Remuneration Committee

Qualification:

- Bachelor of Laws (Honours), Universiti Teknologi Mara, Malaysia
- Diploma In Public Administration, Universiti Teknologi Mara, Malaysia

Skills and experience:

- Messrs. Malek & Associates (1996)
- Partner, Messrs. Mohd Mohtar & Co. (2000)
- Vice President to Chairman, Perumahan Rakyat 1 Malaysia (PR1MA) (Present)

Directorship in other public companies:

- Director, Pecca Group Berhad
- Director, Koperasi Permodalan Sukarelawan Kuala Lumpur Berhad

No. of Board Meetings attended in the financial year:

Not applicable

Conflict of interest with the Company: Nil

Family relationship with any director and/or major shareholder:

Nil

List of convictions for offences within the past 10 years: Nil

KEY MANAGEMENT

As at 15 April 2015





From left to right:

Datuk Abd Halim Hamid, Dato' Khairil Anuar Haji Aziz, Abdul Halim Ahmad, Dato' Mohd Emir Mavani Abdullah, Dato' Sheikh Awab Sheikh Abod, Palaniappan Swaminathan, Dato' Zakaria Arshad, Mohd Najid Md Yahya, Ahmad Tifli Dato' Haji Mohd Talha, Koo Shuang Yen, Syahrilazli Mohammad, Muhammad Hudhaifa Ahmad, Abu Bakar Haji Isa Ramat.

KEY MANAGEMENT

As at 15 April 2015



DATO' MOHD EMIR MAVANI ABDULLAH

Position: Group President/Chief Executive Officer

Nationality: Malaysian

Age: 51

Qualification:

- Chemistry Degree from Universiti Kebangsaan Malaysia
- Masters of Engineering Management from Warwick University, United Kingdom
- Completed various executive education programmes in institutions such as Harvard and Yale

Skills and experience:

- Leading expert in economic and government administration reform in the Middle East and Asia for the past 20 years
- Senior Advisor to the United Nations Development Program on various projects in the Middle East and North Africa region (1998-2004)
- Coordinator for Good Governance of Organization for Economic Cooperation and Development for the Arab region (2002-2004)
- Advisor to the Minister of Finance in the United Arab Emirates (2002-2007)
- Strategic Advisor to the Executive Council of Abu Dhabi (2008-2010)
- Director in charge of National Key Economic Areas (NKEA), Performance Management and Delivery Unit (PEMANDU), in the Prime Minister's Department (2010-2013)
- Chief Executive Officer of Malaysia Petroleum Resource Corporation, the Prime Minister's Department (2011-2013)
- Director of Malaysia Nuclear Power Corporation (2011-2013)

Directorship in related companies:

Several companies within FGV Group

AHMAD TIFLI DATO' HAJI MOHD TALHA

Position: Chief Financial Officer

Nationality: Malaysian

Age: 49

Qualification:

- Foundation Course in Accounting at Trent University, Nottingham, United Kingdom
- Member of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants (MIA)

Skills and experience:

- Hobson Phillips & Sharpe Chartered Accountants, Nottingham, England (1985)
- Audit Senior, Price Waterhouse Kuala Lumpur (1991)
- Accountant, Perbadanan Usahawan Nasional Berhad (1993)
- Financial Controller, Boustead Trading Sdn Bhd (1994-1995)
- Group Financial Controller as well as the Chief Operating Officer of Kumpulan Mofaz Sdn Bhd (1995-2002)
- Deputy General Manager in Strategy, Proton Berhad (2003-2007)
- Chief Executive Officer of a subsidiary of Proton Berhad
- Head of International Sales & Services Division, Proton Berhad
- Chief Operating Officer of Motorsports Knights (M) Sdn Bhd (2007-2008)
- Head of Scomi Coach, Scomi Group (2008)
- Senior Vice President FGV (2011)
- Executive Vice President FGV (2014-Present)

Directorship in related companies:

Several companies within FGV Group



DATUK ABD HALIM HAMID

Position: Global Head of Rubber Cluster

Nationality: Malaysian

Age: 61

Qualification:

- Diploma in Electrical Power Engineering
- Steam Engineer

Skills and experience:

- Factory Manager, Felda Palm Industries Sdn Bhd (1976-1979)
- Contract & Procurement Manager, Felda Palm Industries Sdn Bhd (1987-1989)
- General Manager, Felda Trading Sdn Bhd (1990-1993)
- Senior General Manager, Felda Trading Sdn Bhd (1995-2000)
- Senior General Manager/CEO, Felda Rubber Product Sdn Bhd (2000-2002)
- Executive Director (CEO) Malaysia Cocoa Manufacturing Sdn Bhd (2002-2006)
- Executive Director (CEO), Felda Bulkers Sdn Bhd (2006-2008)
- Executive Director (CEO), Felda Rubber Industries Sdn Bhd (2008-2010)
- Senior Executive Director, Felda Rubber Industries Sdn Bhd (2010-2012)
- Responsible for Felda Manufacturing Group of Companies (2010-2012)
- Senior Vice President, Special Projects, FGV (2013-2014)
- Senior Vice President, Head of South East Asia & Oceania, FGV (2013-2014)
- Executive Vice President/Global Head of Rubber Cluster (September 2014)
- Board Member, Malaysia Rubber Board (LGM)
- Board Member, Tun Abdul Razak Research Centre (TARRC) – London

Directorship in related companies:

Several companies within FGV Group

DATO' KHAIRIL ANUAR HAJI AZIZ

Position: Head of Cluster Trading, Marketing, Logistics and Others

Nationality: Malaysian

Age: 48

Qualification:

BA (Hons) in Business Administration majoring in Marketing Management, Coventry University, England

Skills and experience:

- Systems Analyst, Resource Management Division at the National Health Service (NHS) in Wakefield, England (1992-1993)
- Renong Management Trainee with Renong Group Berhad (1993-1994)
- United Engineers Malaysia Berhad (UEM) (1994-1995)
- Cement Industries of Malaysia Berhad (1996-1998)
- Time Engineering Berhad (TEB) (1999-2000)
- Head of Marketing and Sales Division in JARING Communications Sdn Bhd (a subsidiary of MIMOS Berhad) (2001-2004)
- Chief Executive Officer of MLABS Systems Berhad (an associate company of Universiti Sains Malaysia) (2004-2006)
- Director, International Business and Chief Marketing Officer SCAN Associates Berhad (2006-2009)
- Executive Chairman of GSSB Consulting Sdn Bhd (2010-2014)
- Member of the Industry Advisory Panel (IAP) of Universiti Sains Malaysia (USM) (2012-Present)
- Appointed as the Cluster Chairman of Government Link Companies (GLCs) Gabungan Pemikir Profesional FELDA (GAPROF) by Hon Prime Minister via SERANTA FELDA, Prime Minister's Department (2014-2016)
- Non-Executive Director of Sinergi Perdana Sdn Bhd (a consortium formed by FELDA, the Rubber Industry Smallholders Development Authority (RISDA), Federal Land Consolidation and Rehabilitation Authority (FELCRA), under the auspices of the Ministry of Rural & Regional Development and Prime Minister's Department) (2010-Present)
- Non-Executive Director of Pelaburan MARA Berhad (PMB) (2014-Present)

Directorship in related companies:

Several companies within FGV Group

KEY MANAGEMENT

As at 15 April 2015



ABDUL HALIM AHMAD

Position: Head of Palm Upstream Cluster

Nationality: Malaysian

Age: 60

Qualification:

- Diploma in Mechanical Engineering from Universiti Teknologi Malaysia
- Certified Steam Engineer Grade 2 from Jabatan Kilang & Jentera
- Attended various courses held at the Asian Institute of Management, Manila, Philippines and Harvard University, United States of America

Skills and experience:

- Assistant Manager/Manager/Senior Executive (operation), Federal Land Development Authority (FELDA) (1977-1989)
- Assistant General Manager/Acting General Manager/General Manager of Felda Johore Bulkers Sdn Bhd (1990-2000)
- General Manager/Senior General Manager, Felda Oil Products Sdn Bhd (2002-2004)
- Executive Director of Felda Vegetable Oil Products Sdn Bhd (2005)
- Senior Executive Director of Felda Palm Industries Sdn Bhd (2006-2007)
- Chairman of Technical Committee of Malaysian Palm Oil Association (MPOA) (2006-2009)
- Senior Vice President, Head of Manufacturing and Sugar Division, FGV (2010)
- Chief Oil & Fat and Oleochemicals, FGV (2010-2011)
- Member of Program Advisory Council to the Malaysian Palm Oil Board (MPOB) and Universiti Putra Malaysia (2011-2013)
- EVP/CEO – Head of Plantation Cluster (2014-Present)
- Deputy Chairman of MPOA (2014-Present)

Directorship in related companies:

Several companies within FGV Group

DATO' SHEIKH AWAB SHEIKH ABOD

Position: Head of Sugar Cluster

Nationality: Malaysian

Age: 55

Qualification:

Bachelor of Science-Northeastern Oklahoma State University, United States of America

Skills and experience:

- Credit Analyst, Bank of America (1982-1984)
- Head of Small & Medium Industry, Malaysian French Bank Berhad (1985-1992)
- Vice President (Head of Retail Banking), Bank Utama (M) Berhad (1993-1995)
- General Manager, EON Bank Berhad (1996-2002)
- Acting Chief Executive Officer, Malaysian International Merchant Bank (2003-2004)
- President & Chief Executive Officer, Affin Investment Bank Berhad (2005-2007)
- Chief Executive Officer, MSM Malaysia Holdings Berhad

Directorship in related companies:

Several companies within FGV Group



PALANIAPPAN SWAMINATHAN

Position: Head of Research and Development and Agri Services Cluster

Nationality: Malaysian

Age: 60

Qualification:

- Bachelor of Science (Honours) from Universiti of Malaya
- Master of Science from Universiti of Malaya
- ACCA Certified Diploma in Accounting and Finance
- Certificate in plant breeding from the International Agricultural Centre, Wageningen, Netherlands

Skills and experience:

- Research Officer of Perbadanan Khidmat Pertanian Felda (now known as Felda Agricultural Services Sdn Bhd)
- General Manager of Research and Development. His research activities covered agronomy, breeding and processing of oil palm, cocoa, coconut, coffee, tropical fruits and tropical herbs
- Committee Member Main Research and Development Committee of the Malaysian Palm Oil Association (MPOA), and the Malaysian Palm Oil Board (MPOB) Task Force for Ganoderma and for Bud Rot Disease
- Previously a Member of the Advisory Committee for Biotechnology and Molecular Science, Universiti Putra Malaysia
- Previously a Member of the Board of Advisors for the proposed Kulliyyah of Agricultural Science and National Resources, International Islamic University Malaysia
- Chief Executive Officer of Felda Agricultural Services Sdn Bhd

Directorship in related companies:

Several companies within FGV Group and MyBiomass Sdn Bhd

DATO' ZAKARIA ARSHAD

Position: Head of Palm Downstream Cluster

Nationality: Malaysian

Age: 55

Qualification:

- Bachelor of Social Science (Economics) from Universiti Sains Malaysia
- Senior Management Development Programme from Harvard Business School
- International Society of Nanoscience Fellowship from University of Cambridge, United Kingdom
- Corporate Partnership Programme from Pembroke College, University of Cambridge, United Kingdom

Skills and experience:

- Administration and Marketing Officer, Felda Rubber Industries Sdn Bhd (1984-1999)
- Manager (Commercial), Malaysia Cocoa Manufacturing Sdn Bhd (1999-2002)
- General Manager (Marketing), Felda Rubber Products Sdn Bhd and Felda Marketing Services Sdn Bhd (2002-2006)
- Senior General Manager (Commercial) of Felda Rubber Industries Sdn Bhd (2006-2010)
- Chief Executive Officer of Delima Oil Products Sdn Bhd (2010-2013)
- Chief Executive Officer of Felda Vegetable Oil Products Sdn Bhd (2012-2013)
- Executive Vice President/Head of Palm Downstream Cluster, FGV (2014-Present)

Directorship in related companies:

Several companies within FGV Group

KEY MANAGEMENT

As at 15 April 2015



MOHD NAJID MD YAHYA

Position: Chief Human Resources Officer

Nationality: Malaysian

Age: 49

Qualification:

- Graduated from Royal Military Academy Sandhurst, Camberley, United Kingdom
- Diploma in Human Resources Management from University of Malaya
- Diploma in Management Science from National Institute of Public Administration (INTAN)

Skills and experience:

- Military Commander (1985-1997)
- Senior Manager, Employee Relations & Benefits Administration, Standard Chartered Bank Malaysia (1997-2004)
- Group Head of Rewards & Employee Relations, Sime Darby Berhad (2004-2006)
- Director, Human Resources, Al Rajhi Bank (one of the pioneers who helped to set up Al Rajhi Bank before the official inception in early 2006) (2006-2012)
- Regional Head, Human Capital Maybank (2012-2014)
- Chief Human Resources Officer, FGV (2014-Present)

Directorship in related companies:

A subsidiary company of FGV

KOO SHUANG YEN

Position: Company Secretary

Nationality: Malaysian

Age: 52

Qualification:

- Accountant by profession
- Member of the Chartered Institute of Management Accountants, United Kingdom and Malaysian Institute of Accountants

Skills and experience:

- Company Secretary and Head of Finance in several private limited companies, including Felda Holdings Bhd and its Group of Companies (1991-2012)
- Vice President, Group Finance, FGV (2013-Present)

Directorship in related companies:

A subsidiary company of FGV

SYAHRILAZLI MAHAMMAD

Position: Head of International Business

Nationality: Malaysian

Age: 37

Qualification:

- Bachelor in Business Administration (Honours) from University Technology MARA

Skills and experience:

- Motorola (1999-1999)
- Time Telecommunication, Celcom (M) Sdn Bhd (2000-2000)
- Manager, Mesiniaga Berhad (2001-2002)
- Operations Manager, Shell (2003-2010)
- Senior Manager, Performance Management and Delivery Unit (PEMANDU), in the Prime Minister's Department (2010-2011)
- Executive Director, Malaysia Petroleum Resources Corporation (MPRC), in the Prime Minister's Department (2011-2013)
- Head of International Business, FGV (2013-Present)

Directorship in related companies:

Several companies within FGV Group



MUHAMMAD HUDAIFA AHMAD

Position: Head of Group Corporate Strategy/Transformation Management Office

Nationality: Malaysian

Age: 37

Qualification:

- Bachelor's Degree in Business Studies/Administration/Management from Drexel University, United States of America
- Master's Degree in Computer Science/Information Technology from Drexel University, United States of America

Skills and experience:

- System Engineer, Motorola Corporations, United States of America (1998-1999)
- Senior Software Engineer III, Verizon Communications (formerly Bell Atlantic Corporation), United States of America (1999-2004)
- Consultant, TradeRoof Consulting, Malaysia (2004-2005)
- CMMI/ISO Project Manager, Infopro Malaysia (2005-2006)
- Manager, Quality & Knowledge Management Infopro Malaysia (2006-2007)
- Project Manager, IBM Malaysia (2007-2009)
- Manager, Accenture Consulting (2009-2010)
- Senior Manager, PEMANDU, in the Prime Minister's Department (2010-2013)
- Engagement Manager (Johor/Iskandar Corridor & City Lab), Performance Management and Delivery Unit (PEMANDU), in the Prime Minister's Department (July-November 2011)
- General Manager, CEO's Office, FGV (2013)
- Senior General Manager, CEO's Office/Head of Group Corporate Strategy, (February-September 2014)
- Head of Group Corporate Strategy/Transformation Management Office (October 2014-February 2015)
- Vice President/Head of Group Corporate Strategy/Transformation Management Office (March 2015-Present)
- Director, AXA Affin General Insurance Berhad (2015-Present)

Directorship in related companies:

Several companies within FGV Group

ABU BAKAR HAJI ISA RAMAT

Position: Chief Counsel

Nationality: Malaysian

Age: 34

Qualification:

- Bachelor of Laws (LLB) from the University of Tasmania, Australia
- Certificate of Legal Practice (CLP) in 2008
- Master of Laws (LLM) from the Universiti Kebangsaan Malaysia in 2014

Skills and experience:

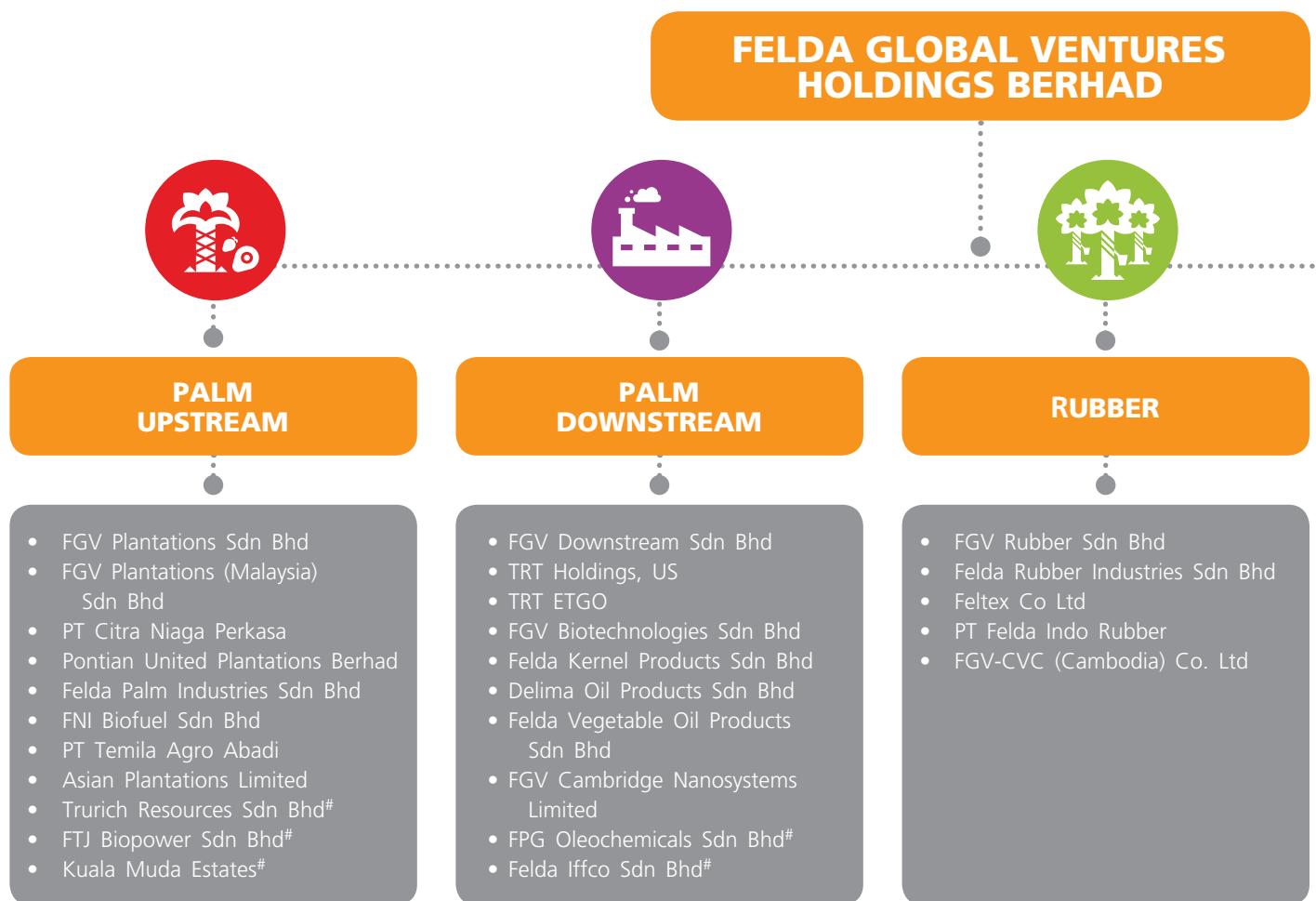
- Called to the Bar of the High Court of Malaya (2009)
- Advocate & Solicitor, Messrs. Hafarizam Wan & Aisha Mubarak (2009-2013)
- Awarded Mangku Member State (AMN) by His Majesty Yang di-Pertuan Agong (2013)
- Awarded the Outstanding Service Medal Society (PMC) by the Yang di-Pertuan Besar Negeri Sembilan (2014)
- Senior Associates, Messrs. Hafarizam Wan & Aisha Mubarak (2013)
- Member of the Board of Directors and Audit Committee Members of Twin Rivers Technologies Holdings Inc. (2011-2012)
- Vice President and Chief Counsel FGV (Present)

Directorship in related companies:

Several companies within FGV Group

BUSINESS CLUSTERS

In line with our strategic priorities, the Group now comprises of six core 'Clusters' – Palm Upstream, Palm Downstream, Sugar, Rubber, Research & Development and Agri Services and Transport & Logistics, Marketing & Others (TLMO). The operational businesses have been organised into these Clusters to allow greater convergence of core capabilities and to orchestrate more opportunities for collaboration and innovation. This, underpinned by clear roles and responsibilities, will help to propel our workforce in driving towards our end goal.

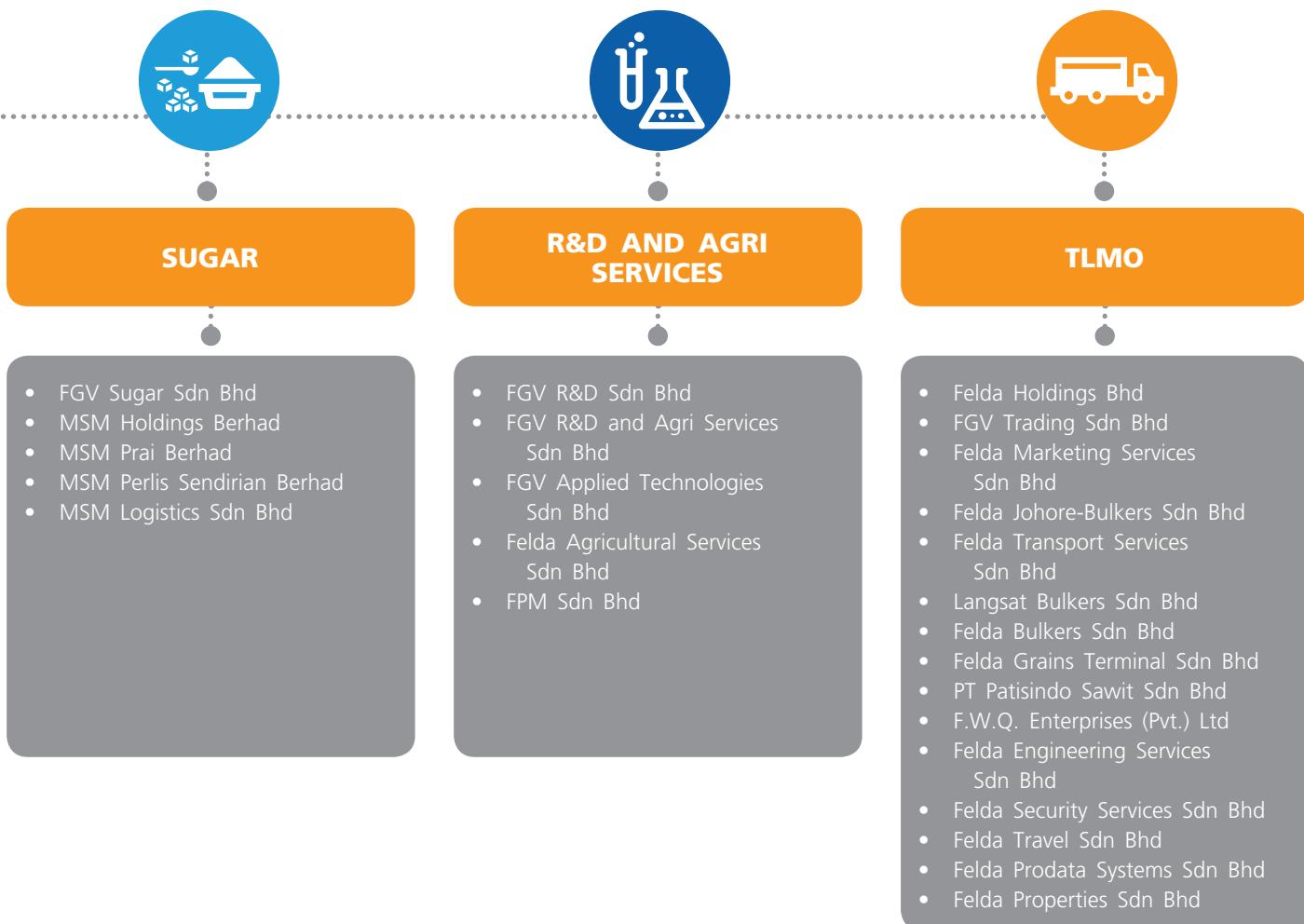


* The list of subsidiaries is not comprehensive. Further details on the equity shareholdings of FGV in its subsidiaries can be referred to page 236 of the Financial Statements

Joint ventures or Associated company

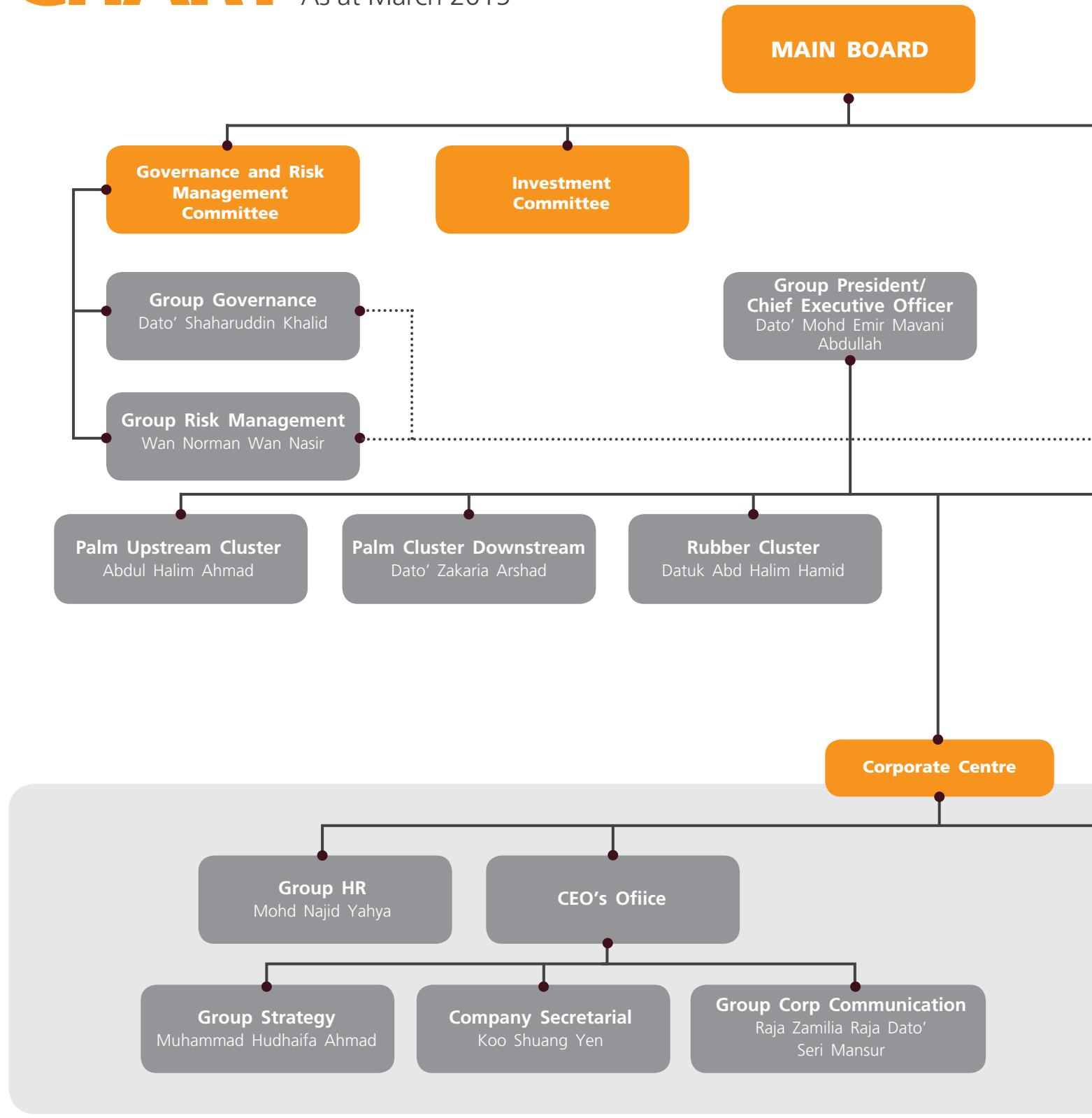
Alongside these Clusters is a single coordinated, corporate centre that consists of supporting business units – HR, Finance, Corporate Services, International Business Development & the CEO's Office. This will provide appropriate delegation and control across the Group.

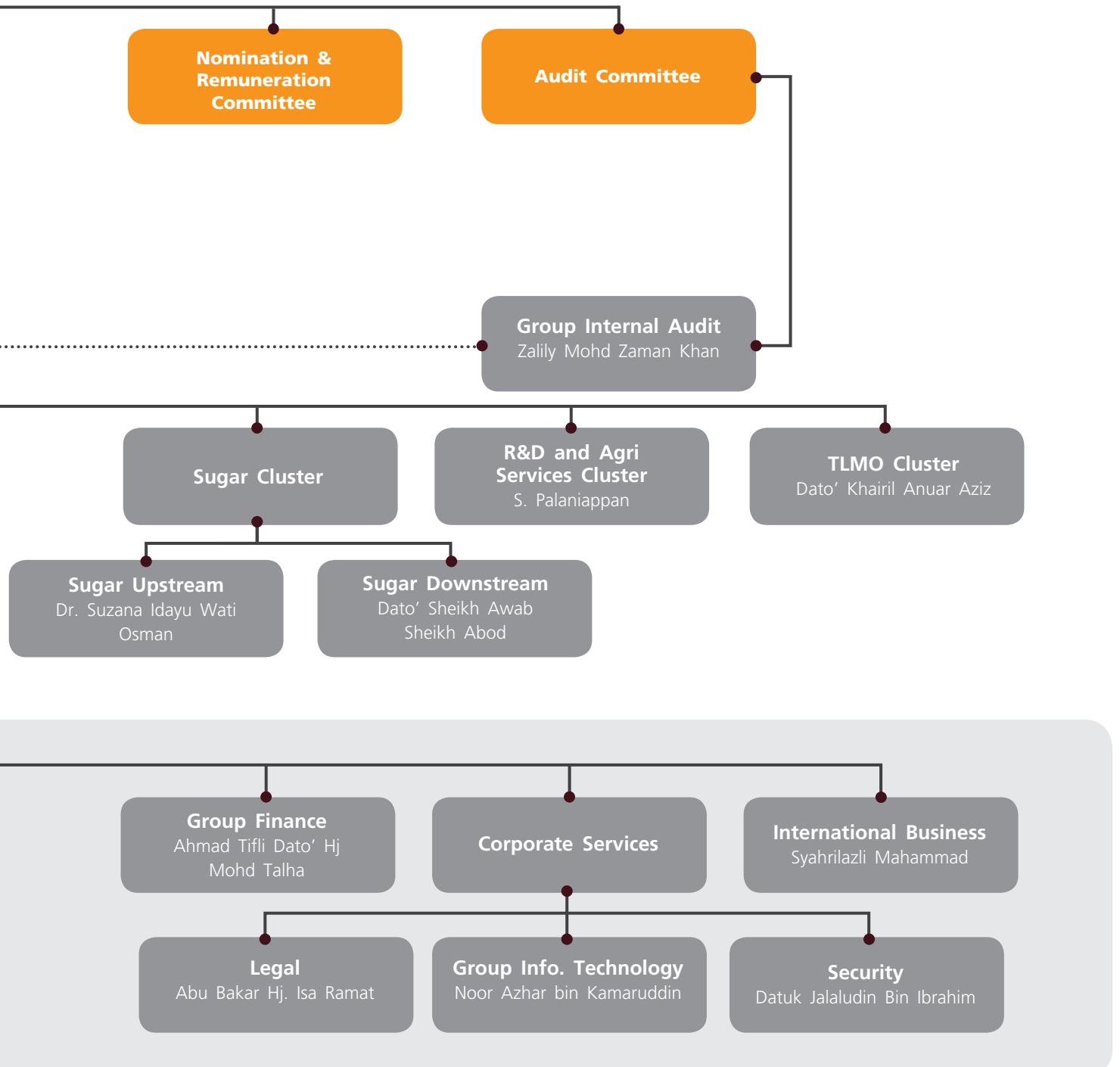
We believe that this is an organisational model that is nimble, scalable and in line with our strategic priorities – it will advance us in accomplishing our ultimate vision of becoming a globally diversified agro-commodity player. It strikes the right balance between empowerment and control at the business unit level and provides greater clarity and accountability across the organisation.



ORGANISATIONAL CHART

As at March 2015





CALENDAR OF EVENTS

2014

**16
JANUARY**

Palm Oil Trade Fair & Seminar (POTS), Pakistan

18 JANUARY

Signing of distributorship agreement between Intisari Mulia International Inc (IMI) and Delima Oil Products Sdn Bhd (DOP) a subsidiary of FGV, at Cebu, Philippines



**27
JANUARY**

Launch of FGV Integrity Plan, Dewan Merak Kayangan, Kuala Lumpur



3-5 MARCH

Palm and Lauric Oils, Price Outlook and Conference 2014 (POC 2014), Shangri La Hotel, Kuala Lumpur

3 MARCH

World Bank delegation visit to Felda Besout 6, Perak



8 MARCH

Signing of Joint Venture Agreement between FGV Myanmar (L) Pte Ltd and Pho La Min Trading Co Ltd (PLM), in Myanmar



20 MAY

Launch of Biogas Plant at Umas Palm Oil Mill, Sabah



22 MAY

Wildlife Awareness Programme, at PUP estates Sabah



11 JUNE

MSM Annual General Meeting, Menara Felda, Kuala Lumpur

25 JUNE

FGV Scholarship Award, Menara Felda, Kuala Lumpur

9 JULY

Felda Group Iftar with members of Media, Casa Heliconia, Kuala Lumpur



12 JULY

Launch of Vanaspati, product of DOP, Istana Hotel, Kuala Lumpur

28 FEBRUARY

Philippines
Delegation Visit,
Balai Felda,
Kuala Lumpur

**3 APRIL**

Townhall,
Felda
Sahabat,
Lahad Datu,
Sabah

16 APRIL

Signing of a Memorandum of
Agreement between FGV
Cambridge Nanosystems
(FGV-CNS) and Nanokomp Ileri
Teknoloji Malzemeleri Arge
Dan Ins San Tic Ltd Sti.
(Nanokomp), Turkey

**14 MAY**

Commemorative
Ceremony at Twin
River Technologies
– US, Plant in Quincy,
Massachusetts, United
States

**16 JUNE**

Launch of
FGV
Sustainability
Report,
Menara Felda,
Kuala Lumpur

**23 JUNE**

FGV Board
of Directors'
Walkabout,
Menara
Felda, Kuala
Lumpur

**25 JUNE**

FGV Annual
General
Meeting,
Putra World
Trade Centre,
Kuala Lumpur

**16 JULY**

Iftar with
Ambassadors and
High Commissioners,
Intercontinental
Hotel, Kuala Lumpur

24 JULY

FGV-CVC Cambodia Ltd
signed the Sales & Purchase
Agreement for the
acquisition of a rubber
processing facility in
Kampong Cham, Cambodia

7 AUGUST

Hari Raya Aidilfitri
celebration with
FGV employees,
Balai Felda, Kuala
Lumpur

CALENDAR OF EVENTS

20 AUGUST

Hari Raya celebration and launching of Surau Al-Munawwarah, MSM Prai, Penang

26 AUGUST

FGV Governance Day, Dewan Merak Kayangan, Balai Felda, Kuala Lumpur



31 AUGUST

Merdeka Day Celebration, Pontian United Plantations Berhad, Lahad Datu, Sabah

18 SEPTEMBER

Signing Ceremony between FGV and Hua Neng Pte Ltd, Menara Felda, Kuala Lumpur

8 OCTOBER

Qurban Perdana, Dewan Perdana Felda, Kuala Lumpur



28-29 OCTOBER

10th World Islamic Economic Forum (WIEF), Dubai



1 NOVEMBER

MSM Malaysia Holdings Berhad 50th Anniversary, Palace of Golden Horses, Kuala Lumpur

20-30 NOVEMBER

Malaysia Agriculture, Horticulture and Agrotourism Show 2014 (MAHA 2014), Serdang

21 NOVEMBER

Townhall of APL employees, Miri Marriot Resort & Spa, Sarawak



9 DECEMBER

FGV Fuelling the Future Dinner, Menara Felda, Kuala Lumpur



4 SEPTEMBER

Business Insights Malaysia, Le Meridian Hotel, Kuala Lumpur



20 OCTOBER

PUP Tree Planting Programme, Kinabatangan, Sabah



27 OCTOBER

Lux Research-Nano Malaysia Forum, KL Convention Centre, Kuala Lumpur

28 OCTOBER

Malaysian Palm Oil Trade Fair and Seminar (POTS), Shangri La Hotel, Kuala Lumpur

5 NOVEMBER

Oils and Fats International Asia Conference, Kuala Lumpur Convention Centre, Kuala Lumpur



10 NOVEMBER

5th OIC World Biz Conference and Exhibition, PWTC, Kuala Lumpur

17 NOVEMBER

FGV announced the building of a Vitamin E processing plant in the East Coast Economic Region (ECER)



9 DECEMBER

FGV successfully tested one of its tankers running on B30 biodiesel, Kuantan, Pahang



AWARDS & ACCOLADES

- 1. Malaysia Palm Oil Plantation Company of the Year**
Frost and Sullivan Malaysia Excellence Awards 2014 – Felda Global Ventures Holdings Berhad
- 2. The Best Brand in Fast Moving Consumer Good (FMCG)**
The Brand Laureate SME's Signature Award 2014 – Delima Oil Products Sdn Bhd
- 3. Industry Excellence 2014 – Plantation**
MSWG-ASEAN Corporate Governance Index Findings & Recognition 2014 – Felda Global Ventures Holdings Berhad
- 4. The Billion Ringgit Club 2014**
The Edge – Felda Global Ventures Holdings Berhad
- 5. The Billion Ringgit Club 2014**
The Edge – MSM Malaysia Holdings Berhad
- 6. Merit Award – Large Industries (Manufacturing)**
Chief Minister's Environmental Award (CMEA) 2014 – Felda Palm Industries Sdn Bhd
- 7. IKM Laboratory Excellence Award 2014**
Felda Analytical Laboratory, Pusat Penyelidikan Pertanian Tun Razak (PPPTR) and Felda Analytical Laboratory, Felda Sahabat, Sabah Institute of Chemical Malaysia – Felda Agricultural Services Sdn Bhd (FASSB)
- 8. Merit Award**
National Annual Corporate Report Awards (NACRA) – Felda Global Ventures Holdings Berhad
- 9. National Record – The Largest Initial Public Offering (IPO)**
The Malaysia Book of Records – Felda Global Ventures Holdings Berhad
- 10. 50 Best Global Employer Brands 2014-2015**
Employer Brand Institute – Felda Global Ventures Holdings Berhad

Certifications

- 1. ISO 9001 Quality Management System**
69 mills
- 2. ISO 14001 Environment**
69 mills
- 3. ISO 18001 OSH**
69 mills and 1 estate in Besout 6
- 4. ISO 17025 (SAM)**
2 Laboratories – Penggeli Lab mill and
Bukit Goh Lab mill
- 5. International Sustainability and Carbon Certification (ISCC)**
15 mills – Felda Palm Industries Sdn Bhd (FPISB)
1 mill – FGV Biotechnologies Sdn Bhd
49 estates – Felda Global Ventures Plantations Malaysia Sdn Bhd (FGVPM)
4 estates – Felda Agricultural Services Sdn Bhd (FASSB)
- 6. Roundtable on Sustainable Palm Oil (RSPO)**
39 mills – FPISB
82 estates – FGVPM
7 estates – FASSB
- 7. Code of Practice (CoP) (MPOB)**
2 mills – FPISB
35 estates – FGVPM
12 nurseries – FASSB





BOUNCING BACK

Malaysian rubber is back in fashion, fast gaining favour with global tyre manufacturers. In part, no doubt, because it's far superior to its synthetic, petrochemical-based counterpart, affording better grip in the wet and less rolling resistance but mostly because it's completely renewable. Indeed, driven by the eco-efficient promise, our business is now on a roll once more.

MARKET RISKS & OPPORTUNITIES

Prior to the listing of FGV on the Main Market of Bursa Malaysia Securities Berhad in June 2012, prospects for agricultural commodities business were encouraging. Prices for agricultural commodities like palm, sugar, rubber, corn, wheat and soybean were trending upwards. However, the decline in commodity prices of the edible oil segment have put the agricultural commodities businesses under pressure.

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Risks

Crude palm oil (CPO) prices have fluctuated 32 percent from 2011 to 2014, reaching a five-year low of RM2,083 in October 2014. Sugar and rubber prices have also dropped, fluctuating 37 percent and 60 percent respectively over the same period.

As CPO remains a core commodity for FGV, prolonged price depression, coupled with recent economic uncertainty, have significantly impacted its business.

Growth plans beyond Malaysian shores were also hampered during the year 2014. Indonesia's foreign ownership policy continued to be volatile. In early 2014, Indonesia had initially restricted foreign ownership up to 30 percent, but later on, dropped this limit clause – providing huge relief to major oil palm industry players.

In addition to this, the political instability and recent disease outbreak caused FGV to rethink its expansion strategy to the African continent, while China has further intensified enforcement of its anti-monopoly law and increased protectionism measures.



Opportunities

To become globally integrated agri-business player, FGV needs to expand its landbank size considerably for crop cultivation. With uncertainty in policies and regulation of the targeted destination countries, FGV's upstream business expansion mission was damped.

Notwithstanding this, FGV can and will remain an aggressive industrial player in the agri-business segment despite risks and uncertainties it is facing, as agro-commodities is a long term and attractive business. With Asia Pacific's growing population and the emergence of a wealthier middle class, especially in China and India, this will continue to create increasing demand for FGV's agricultural products. Moving forward, FGV will continue to embark on its sustainable growth road map as the optimistic consumption growth in these markets, especially in edible oil, oleochemicals, biodiesel, sugar, rubber and high-end innovative products of palm oil will continue to increase the demand for FGV agricultural products.

GLOBAL STRATEGIC BLUEPRINT (GSB)

FGV aims to become a top 10 globally diversified and integrated agri-business by 2020. To drive this forward, we have developed the Global Strategic Blueprint (GSB), which outlines our strategic priorities to achieve this bold objective.

We recognise and understand that further significant growth will be driven by focusing on seven key areas – these form the 'pillars' of the GSB.



Excellence in Palm Oil Plantations

As the world's largest CPO producer and third largest oil palm operator, we are already well placed in the industry globally. Aligned with our efforts to drive continuous improvements in our plantations, we are rolling out best management practices. For example in harvesting and pruning, we are encouraging the use of new tools such as graphite harvesting poles and innovative ablation methods and tools.

New technologies such as Unmanned Aerial Vehicles (UAV) and a tablet-based Plantation Micro-Macro Programme (PMMP) will allow us to enhance estate management. These innovations assist us to monitor and improve efficiency and productivity in the field and increase FFB yield, while giving us the edge over those that are using traditional farm management practices.

Furthermore, having embarked on an aggressive replantation programme in 2007 we can expect that by 2020, we will achieve our target of 60 percent prime palm land thereby improving our yields significantly.

We are also continuing to expand our landbank by acquiring brownfield plantations both within Malaysia and abroad.

Rubber Product Innovation and Expansion

Although palm plantations remain our core business, we also have aspirations to be successful in rubber and sugar, thereby reducing our dependence on palm.

In rubber, our focus this year has been on mid-stream. We are not only improving the quality of our processed rubber, but are also developing new products, such as Green Rubber. There is a growing demand for green rubber, particularly in tyre manufacturing and production – we are continuing to work with the Malaysian Rubber Board (MRB) and are pushing ahead with commercialising our products in 2015.

In addition, we were able to expand our midstream rubber capability by entering into two joint ventures this year – in Myanmar (FGV Pho La Min Company Ltd) and Cambodia (FGV-CVC, with Co-Op Village Co. Ltd). Looking forward to 2015, we will continue to pursue growth in both upstream and midstream in an integrated manner in order to improve profitability.

Sugar Capacity Expansion and Adjacent Crops

In our Sugar Cluster, we will continue to expand capacity and expertise in the refining business and grow our internal trading capabilities in 2015. We are investing in a new refinery in Johor (operational by 2017) and are expected to increase our production capacity from 1.1 million tonnes to 3.3 million tonnes.

In addition, we plan to strengthen our portfolio and diversify earnings by expanding strategically into adjacent crops such as rice, cassava, soy and coconut.

Driving Palm Oil Downstream

FGV's Palm Oil Downstream Cluster strives for a leading position globally in industrial fats and regional heavyweight status in palm-based consumer goods. We are also pursuing a significant market share in the biodiesel and renewable energy market globally.

Our portfolio of consumer goods continues to grow: by both adding to our already-popular products in Fast Moving Consumer Goods (FMCG), as well as entering into new arenas. Our staple products, Saji, Tiga Udang cooking oils and Seri Pelangi margarine, are now complemented by new brands such as Sunbear peanut butter, Adela margarine spread and Sajimee instant noodles. We have also recently introduced a personal care brand, Purich, on our journey to achieve a top five position in Consumer Goods across South East Asia and South Asia.

Moving forward, our downstream business also aims to capture higher margins and high-growth products in the specialty ingredients segment and optimise our oleochemical position by maximising our position in the United States as the third largest Oleochemical producer in North America (TRT US) and existing partnership with Procter & Gamble (P&G) in Malaysia.

In-house Research and Development

In order to successfully deliver on our strategic priorities, FGV has integrated the 'blue ocean strategy' to complement our GSB by creating uncontested market space through the introduction of new innovative products to the market. An example of this is our award winning, high yielding DxP Yangambi seeds.

Our world-class R&D Cluster also supports our other Clusters directly. In Palm Oil downstream for example, R&D helped to diversify our portfolio of quality food and innovative non-food products. Our R&D arm, through Felda Agricultural Services Sdn Bhd (FASSB), is Malaysia's premier oil palm seed producer – it supplies 40 percent of the country's annual seed requirements. FASSB is already at the forefront of R&D in oil palm breeding biotechnology, tissue culture, agronomy and crop protection.

By inventing new high-end, niche products such as biodiesel and carbon nanotubes, we continue to create new market spaces. Partnering with Cambridge Nanosystems Limited, we produced the world's first high-grade carbon nanotubes and graphene in 2014. Graphene, dubbed "the wonder material", is not only stronger than diamonds but also more conductive than copper – these unique properties are set to transform manufacturing processes and the performance of thousands of electronics and consumer goods in the near future.

Our values

FGV believes in the importance of having a balanced and harmonious work environment to keep our employees highly engaged. We strive for our staff to live our core values – partnership, respect, integrity, dynamism and enthusiasm – in our aspiration to build a high performance culture. Alongside these commitments, our continued and focussed efforts to deliver our strategic priorities underline the cultural and operational shift that will propel us to achieving our 2020 ambitions.



Saji product Group

GLOBAL STRATEGIC BLUEPRINT (GSB)

The New FGV Way

2014 marked the dawn of the New FGV Way.



This was the year we toiled to strengthen our core processes, put into place robust systems and tools and laid the critical foundations to kickstart our transformation journey. The Transformation Management Office (TMO) was set up at the group level to drive executional certainty and to provide strategic thought leadership along the way.

The New FGV Way addresses group policies and procedures to guide, manage and support our people, the work they do and the decisions they make, to drive towards an enabled, empowered and high performing organisation.

There are five key policies that we introduced:

1. Our company values, P.R.I.D.E, which serve as the behavioural compass for the Group
2. Our Business Code of Conduct has been put to action to act as a central guide and reference to support day-to-day decision making, and to provide more transparency across the organisation.
3. Our enhanced finance policies to allow effective, consistent financial management across the group
4. Our revised Investment Policies ensure rational value-adding investments are made, while correctly managing speed and risk
5. To foster a high performance culture we have developed HR policies to recruit, retain, perform, develop and reward our people as best we can.

In terms of new processes and procedures, we have rolled out Discretionary Authority Limits (DAL) to create a more empowered, responsible organisation and to provide clear and consistent authorities. Supporting Procurement Policies and Procedures (PPP) lay down clear guidelines and facilitate a more disciplined and controlled tendering processes. Our improved budgeting process addresses greater transparency and consistency in budgeting across the group.

For our people, we have refined our role charters to enable faster decisions, stronger accountability and the instilling of our corporate strategy and vision into our daily work. Clear organisation structures now define reporting lines within the group – these ensure the right balance between empowerment and control at the business unit level. The improved nomination process promotes transparency and objectivity and underpins the high performance culture that we strive towards. We have introduced line of sight KPIs, aligned with the business' overall strategy, which are measurable and trackable through an enhanced management information system.

Now that we have laid the critical foundations, our focus in 2015 is shifting towards delivering our strategic priorities, driving towards capital, operational and cost excellence and a more diversified business that will enable us to withstand challenging market forces.

BUSINESS MODEL

Delivering High-Quality Services & Products

Our focus on delivering services and products that are of a high standard ensures that our customers are delighted and remain loyal

Applying Lean Production

Ensuring that we are minimising waste and continually improving our production processes is critical in keeping our costs low in our plantations and facilities around the world

Investment in Human Capital

Winning New Business

A combination of innovative products, efficient production and world class engineering capabilities, enable us to win new business by offering unique solutions for our customers

Global Footprint

Driving Future Growth

With decades of strong agricultural experience, well managed plantations and a healthy pipeline of new business development opportunities we are well positioned to drive future growth

Values

Shareholder Return

Long-term shareholder value is provided in the form of steadily growing earnings and dividends

Sustainability

Operational & Service Excellence

World Class Research & Development

Completely Integrated Value Chain

Corporate Social Responsibility

Maintaining Strong Customer Relationships

Continuous relationship building with customers, acquiring market intelligence and understanding customer and market trends ensure we can react quickly to changing demands

INVESTOR RELATIONS

The Investor Relations function is central in providing an effective two-way communication between FGV and the finance and investment community

Since its listing in 2012, the Group has strived hard to realise the aspirations of becoming a truly global agriculture powerhouse by the year 2020. In 2014, the commodities market witnessed a downturn on a global scale. The high exposure faced by the Group's share price to commodity price movements generated a lot of interest among analysts and investors alike.

Despite the odds, the Investor Relations team worked hard to expand the current shareholder base, maintaining their confidence and coping with swift market development. Moving forward, the Investor Relations team aims to be more proactive in managing the Group's value among the finance and investment community.

The Year Under Review

During the year under review, the Group underwent a major restructuring exercise to streamline the business further. This was made possible with the 100 percent ownership of Felda Holdings Bhd, which was our associate company before the acquisition of 51 percent equity from Koperasi Permodalan Felda in December 2013.

A new business model focussing on cost excellence, asset-backed trading and improved capital efficiency was also put in place as part of this initiative.

Apart from that, we pursued an aggressive replanting exercise to achieve an optimal palm trees age profile by the year 2020. This is on top of other initiatives taken to improve yield and reduce CPO production costs.

As a result, we achieved the targets set out in 2014 and we are now on track to meet 2020 targets.

Building on this, we also actively pursued mergers and acquisitions as well as other major investment activities to accelerate growth and improve our corporate portfolio. Among some of the major investments executed include the acquisitions of M2 Biodiesel plant in Kuantan; FGV Cambridge Nanosystems Ltd in Cambridge, United Kingdom; and Asian Plantations Ltd, which owns 24,622 hectares of oil palm plantations in Sarawak.

However, the second half of 2014 proved to be more challenging with some factors beyond our control. The downward trend experienced by our share price was attributed to bad weather conditions and the unfavourable global commodities market performance.

The bad weather conditions resulted in floods that covered about 6.34 percent of FGV's total planted areas, thus affecting our performance in the second half of the year. In terms of the global commodities market, CPO prices dropped from RM2,649 in January 2014 to RM2,226 in December 2014.

Faced with this challenging yet interesting market development, the Investor Relations team actively engaged with the investment community, both local and foreign, to provide clarity and consistently update them on FGV's performance. Institutional investors and analysts were presented with various platforms to continuously interface with senior management. These events were led by the Group President/Chief Executive Officer and Chief Financial Officer, supported by the Investor Relations team and selected members of the Palm and Sugar Upstream and Downstream, Rubber, Research and Development as well as the Transport, Logistics, Marketing and Others (TLMO) Clusters.

Summary of Investor Relations Activities

Year	2013	2014
Number of briefings to analysts and fund managers	6	4
Site visits to Group's facilities	5	5
Number of conferences organised by financial institutions	9	5
Number of meetings (1-to-1 meetings at conference and in-house meetings)	83	133
Number of analysts/fund managers met during in-house meeting and conferences	334	340

Analyst Briefings

FGV conducted four 'live' briefings for analysts, shareholders and fund managers in 2014. In addition, three conference calls and one physical briefing were organised after the quarterly financial results announcements. These briefings enabled analysts to obtain a balanced and complete view of FGV Group's performance and issues faced during the period.

Analyst Briefings

Date	Event	Type of Meeting
27 Feb 14	Fourth Quarter 2013 Financial Results	Analyst Briefing
23 May 14	First Quarter 2014 Financial Results	Conference Call
25 Aug 14	Second Quarter 2014 Financial Results	Conference Call
27 Nov 14	Third Quarter 2014 Financial Results	Conference Call

Investor Meetings

Given the series of significant events affecting FGV as well as the palm oil industry since its IPO in 2012, senior management team were consistently engaged with various investors seeking information and understanding of the Group's operations.

For the year 2014, we conducted 133 meetings where we met 340 analysts and fund managers. These meetings were held either in-house or during conferences, as well as at roadshows in Malaysia and abroad.

Site Visits

Aside from meetings, FGV also encouraged analysts and investors to visit the Group's facilities to obtain a better understanding of the Group's operation scale.

These visits were also important for stakeholders to develop an appreciation for the dedication of our employees in undertaking each activity of the Group's palm value chain.

In 2014, among the facilities visited by analysts and fund managers were:

- Felda Besout, Trolak, Perak;
- Pusat Penyelidikan Pertanian Tun Razak (PPPTR) and Jengka 21, Pahang;
- Felda Biotechnology Centre, Nilai, Negeri Sembilan;
- PUP estates and Felda Sahabat, Sabah;
- Felda Tenggaroh 12 and Lok Heng Mill, Johor.

Conferences and Roadshows

As a relatively newly-listed company, we participated in several events, locally and abroad for our investors to engage with our senior management who believe in the importance of keeping the communication flow open with regards to the Group's performance as well as industry trends.

Throughout 2014, we participated in five conferences. However, despite garnering more interest from foreign investors, our foreign shareholding decreased slightly to 9.70 percent as at 31 December 2014 from 9.93 percent in 2013.

Conferences and Roadshows

Date	Event	Venue	Organiser
1-2 Apr 14	Maybank ASEAN Conference	Singapore	Maybank
30 Apr 14	RHB-OSK Plantation Day	Singapore	RHB-OSK
19-22 May 14	DB Asia Conference 2014	Singapore	Deutsche Bank
9-10 Jun 14	Invest Malaysia 2014	Kuala Lumpur	Bursa Malaysia/CIMB
8 Jul 14	Maybank Investment Plantation Day	Kuala Lumpur	Maybank

Research Analyst Coverage

As at 31 December 2014, FGV maintained coverage by 27 analysts and research houses.

List of banks and research houses

1. Affin Investment Bank
2. AllianceDBS Research Sdn Bhd.
3. Am Investment Bank
4. Bank of America Merrill Lynch
5. BIMB Securities Sdn Bhd
6. CIMB Investment Bank
7. CLSA Securities
8. Credit Suisse Malaysia
9. Deutsche Bank
10. Employees Provident Fund
11. Inter-Pacific Securities Sdn Bhd
12. J.P. Morgan Securities Malaysia
13. KAF-Seagroatt & Campbell Securities Sdn Bhd
14. Kenanga Investment Bank Bhd
15. Kumpulan Wang Persaraan
16. Lembaga Tabung Haji
17. Macquarie Capital Securities (Malaysia) Sdn Bhd
18. Maybank Investment Bank
19. MIDF Amanah Investment Bank Bhd
20. Morgan Stanley
21. M&A Securities Sdn Bhd
22. Permodalan Nasional Berhad
23. Public Investment Bank Berhad
24. RHB Research Institute Sdn Bhd
25. TA Enterprise
26. UOB Kay Hian Securities Sdn Bhd
27. ValueCAP Sdn Bhd

Recognition and Continuous Improvements

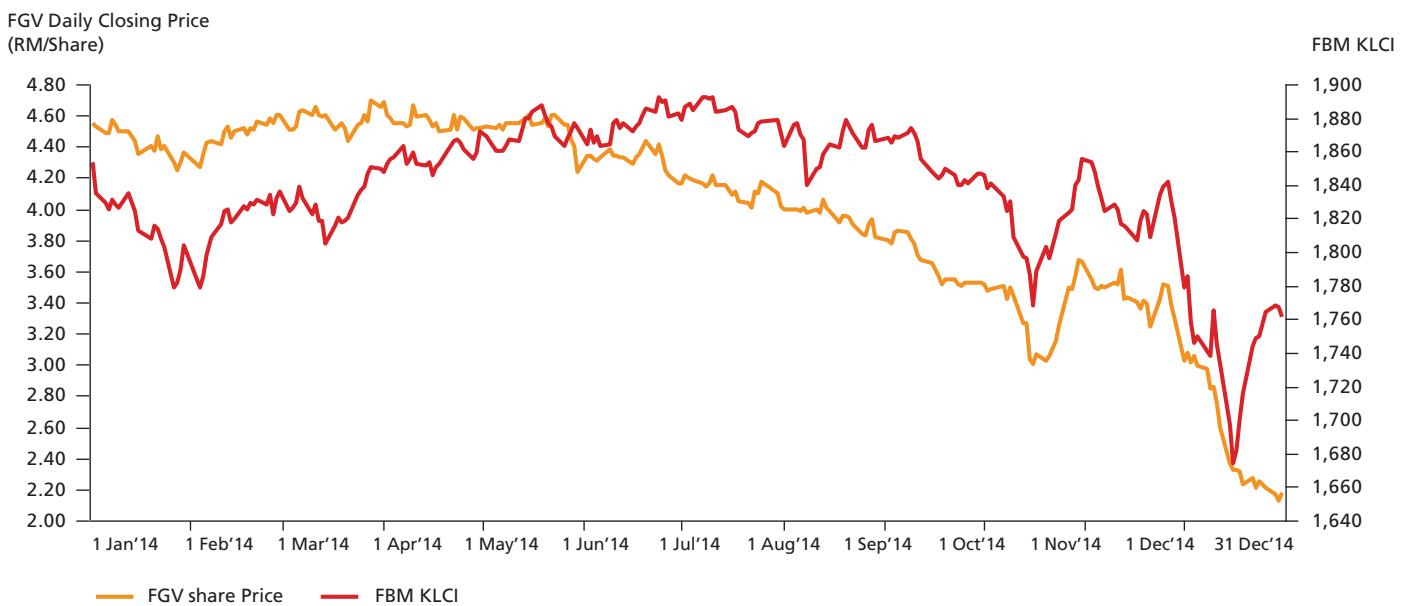
As a result of the proactive initiatives undertaken, the Investor Relations team's efforts were recognised by the investment community during the 2014 Malaysian Investor Relations Association (MIRA) Awards as FGV won the Most Improved Service from IR Team.

FGV was also nominated in the Main Board/Large Cap categories of Best Company for IR, Best CFO for IR (Ahmad Tifli Dato' Hj Mohd Talha), and Best IR Professional (Zaida Alia Shaari).

Investor queries may be addressed to the unit through the following contact:

Raja Zamilia Raja Dato' Seri Mansur
Vice President and Head of Group Investor Relations
Email: fgv.investors@feldaglobal.com

FGV Share Price VS FBM KLCI (January to December 2014)





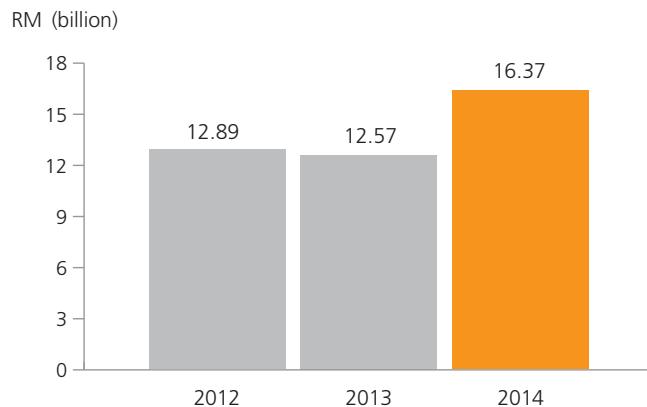
SWEET STUFF

We're the leading producer of refined sugar in Malaysia commanding more than 64 percent of local refined sugar market. But there's more to us than mere size. Quality wise, we're the benchmark; we offer a consistency of grain size, colour and moisture content few can match. Our sugar, it is said, flows like water; a fact that should work in our favour when the output reaches 4 million tonnes per annum come 2020.

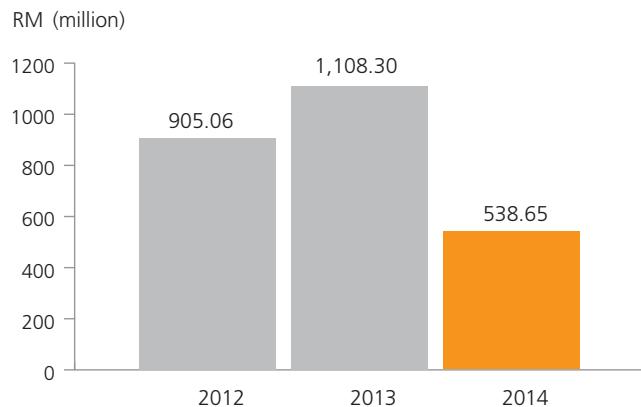
3-YEAR FINANCIAL SUMMARY

Financial Performance

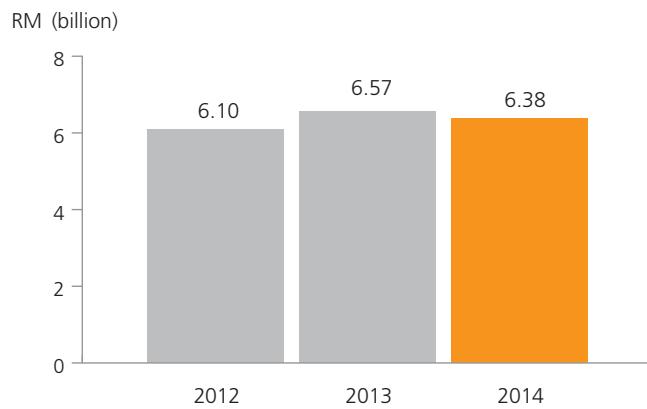
Revenue



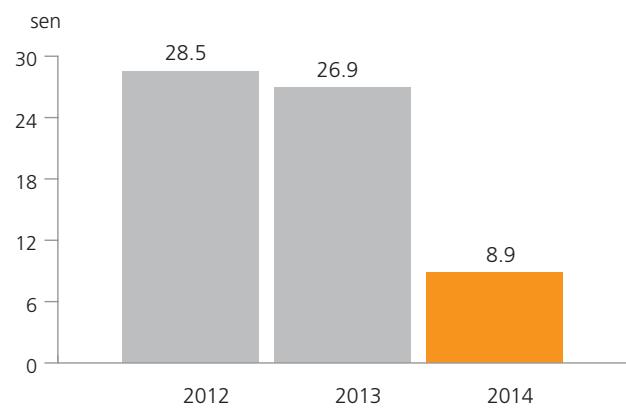
Profit For The Financial Year



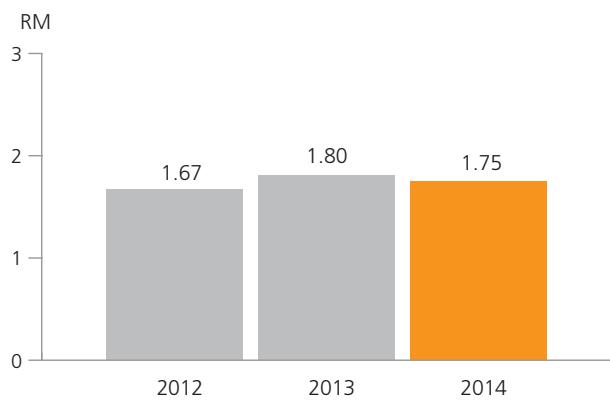
Shareholders' Funds



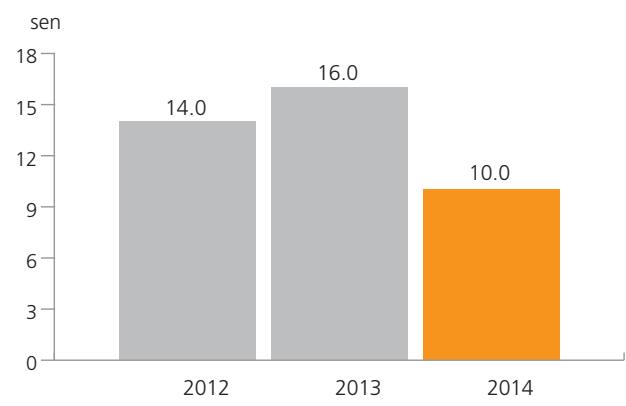
Earnings Per Share



Net Assets Per Share



Total Dividend Declared For The Year



BUSINESS OPERATIONS REVIEW

PALM UPSTREAM



BUSINESS OPERATIONS REVIEW PALM UPSTREAM

The Palm Upstream Cluster manages more than 450,000 hectares across Malaysia and Kalimantan, Indonesia. In Malaysia, the largest plantations are located in Pahang and Sabah. FGV is the only plantation company in Malaysia that adopts the unique Land Lease Agreement (LLA) business model – of the land we manage in Malaysia, 88 percent is subject to LLA. We own Pontian United Plantations Berhad (PUP), which operates 15,161 hectares of oil palm plantation in Sabah. In Indonesia, the Cluster's activities are focussed in Kalimantan through PT Citra Niaga Perkasa, a company that owns 14,385 hectares of land. Through our subsidiaries PT Temila Agro Abadi and PT Landak Bhakti Palma, FGV acquired another 21,037 hectares of land in West Kalimantan in 2013.

Financial Performance and Industry Outlook

During the year under review, the Palm Upstream Cluster registered a profit before tax of RM740.9 million, a decrease from RM1,164.2 million posted in the previous year, despite the increase in average CPO price to RM2,410 from RM2,333 per metric tonne.

This decrease was largely attributed by the Land Leasing Agreement (LLA) fair value losses of RM115.2 million in 2014 compared to a gain of RM494.5 million in 2013. Excluding the LLA effect, the Cluster's result was RM856.2 million, an increase as compared to RM669.7 million in 2013.

Following the acquisition of Felda Holdings Berhad, this has also contributed to lower revenue for the year as most of the transactions are now deemed as internal.

The price of Fresh Fruit Bunches (FFB) increased to RM480 per tonne, against RM448 per tonne recorded in 2013. However, FFB production decreased to 4.9 million metric tonnes from 5.05 million metric tonnes in 2013.

Average yields decreased to 19.3* metric tonnes per hectare due to unfavourable weather conditions during the harvesting season.

Operational Review

The Group owns a total land bank of 469,835.31² hectares, of which 413,604.74² hectares (88 percent) are in Malaysia. The remaining 56,230.58² hectares are located in Indonesia.

Out of this, 348,827.30² hectares have been planted with oil palm and another 12,397.08² hectares consist of rubber plantations.



We processed 14.8 million metric tonnes of oil palm fresh fruit bunches (FFB) in the year under review, 4.9 million metric tonnes from our own plantations and the balance from FELDA settlers and independent suppliers.

Our 71 mills produced 3.1 million metric tonnes of crude palm oil (CPO) in 2014, more than any other producer in the world.

The Group has been aggressively expanding its landbank size since 2011, working towards a more favourable crop-age profile. A two-pronged strategy was adopted: on the one hand driving forward an aggressive replanting programme of 15,000 hectares per year and on the other hand expanding through brown field acquisitions of plantation land in Malaysia as well as overseas. Since the replanting programme began in 2007, we have successfully reduced the total hectarage of old palm by around 5 percent per annum, including during 2014 despite being impeded by floods.

* excludes APL

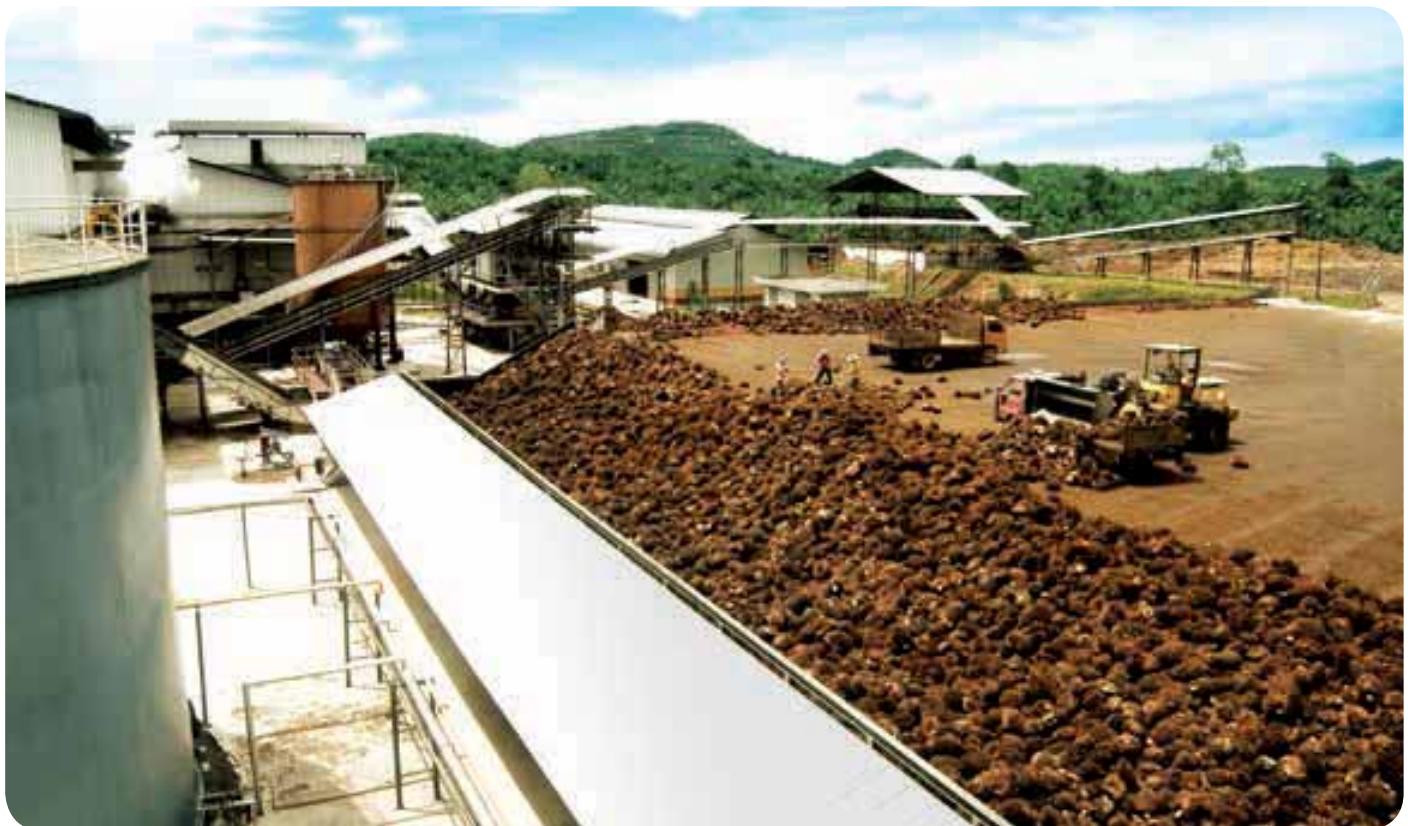
During the year under review, the Group completed the acquisition of Asian Plantations Ltd (APL), an oil palm plantation group listed on the London Stock Exchange's Alternative Investment Market (AIM).

APL's brownfield landbank amounts to 24,485.5 hectares, comprising five (5) wholly-owned estates within Miri and Bintulu in Sarawak, which are mostly revenue-generating. All of the APL estates hold the agricultural title certificates, which are the highest form of legal title for plantation companies in East Malaysia under the Land Code.

During 2014, APL embarked on several productivity improvement initiatives, which include an improved harvesting and pruning mechanism, better management and estate-profiling through the use of an unmanned area vehicles (UAV).

Looking forward

Looking ahead to 2015, the Palm Upstream Cluster will continue its efforts in landbank expansion and operational improvement, in order to drive towards the Group's overall strategic priorities. Specifically, we will continue to improve yield through collaboration with the other Clusters and roll-out best management practices in the field. We will boost our crop-age profile by continuing with replanting efforts and expanding our brownfield acquisitions, while maintaining our focus on increasing compliance with RSPO accreditations.



BUSINESS OPERATIONS REVIEW

PALM UPSTREAM



Key Initiatives

No.	Initiatives	Status	Overall Progress
1	Estate Best Management Practices: Implement sustainable practices (at identified pilot estates) that will drive higher yield and crop quality while maintaining cost efficiency	Ongoing – At pilot estate, initial results promising	On-track ●
2	Enhance grading capability at mills to achieve consistent and uniform OER grading results: implement systematic approach to coach weak graders and promote their self-esteem	Ongoing – This has contributed to the improvement in OER in 2014	On-track ●
3	Deploy effective cost management by prioritising procurement of non-critical cost items and implementing effective and practical cost reduction practices	Completed – RM25.1 million cost reduction achieved. 40 percent above targeted amount	100% ●
4	Extend sustainability (RSPO) to all 71 complexes	Ongoing – More than doubled the number of mills that are RSPO certified by end of 2014 (from 17 in 2013 to 39 in 2014)	On-track ●
5	Transform labour culture from technical leadership to business and people leadership mindset, to provide commercial awareness	Ongoing – Mentoring programs have been put in place in 2014	On-track ●

BUSINESS OPERATION REVIEW

PALM DOWNSTREAM



BUSINESS OPERATIONS REVIEW PALM DOWNSTREAM

The Downstream Cluster aims for a leading position globally in industrial fats, and regional heavyweight status in palm-based consumer goods.

FGV strives to diversify further into downstream activities, in order to create additional revenue streams. This is to ensure adequate uptake of upstream output and to build a complete supply chain.

The Downstream Cluster is organised into three sub-Clusters, namely:

- i. Processing: Felda Vegetable Oil Products Sdn Bhd (Refining), Felda Kernel Products (kernel crushing) and Biodiesel production
- ii. Oleochemical and others: TRT-US (Oleochemicals such as glycerine and methylester), Felda Procter & Gamble (FPG), TRT-ETGO (Soybean and Canola Crushing) and FGV – Cambridge Nanosystems Ltd (FGVCNS)
- iv. Fast Moving Consumer Goods (FMCG): Delima Oil Products Sdn Bhd (DOPSB) and specialty fats.

Financial Performance and Industry Outlook

For the year under review, the Downstream Cluster recorded RM7.2 billion in amalgamated revenue and loss before tax of RM126.6 million.

The Processing sub-Cluster, which focuses on vegetable oil refineries, palm kernel crushing and biodiesel, generated revenues of RM4,515.3 million and reduced its amalgamated

loss before tax of RM35.8 million in the previous year to RM29.7 million in 2014. Revenues in 2014 were primarily boosted by strong performance in our palm kernel crushing operations, which saw a revenue gain of 20.4 percent compared to the previous year. Profitability in 2014 was at RM26.5 million. The decrease of revenue in the refining sector was mainly attributed to lower demand for the export market. This has also resulted in lower overall factory utilisation factor, from 69 percent in the previous year to 55 percent in 2014.

In Oleochemical and Others sub-Cluster, an amalgamated revenue of RM1,867.5 million was recorded, an improvement in performance of almost 92 percent compared to the 2013. For the year under review, our US operation, TRT-US recorded profitability of RM36.5 million – attributable to higher selling price, increase in production volume and innovative cost saving initiatives. Our Canadian business, TRT-ETGO, reported a loss before tax of RM81.8 million. Commercial and operational challenges endured during an abnormally hard winter in the first quarter of 2014 contributed to these losses – which translated to lower crushing margins for both canola and soybean as compared to the previous year. Additionally, losses in fair valuation of commodity future contracts contributed to our performance in 2014. Our new business entity, FGV Cambridge, Nanosystems Limited (FGVCNS) recorded revenues of RM3.7 million in its first year of operation. The production facility located in Cambridge, UK, produces high grade Carbon Nanotubes from crude palm oil and exceptional quality graphene from methane gas, natural gas and bio-gases.





During the year, the Cluster continued to expand its footprint in the Fast Moving Consumer Goods (FMCG) industry. Delima Oil Products Sdn Bhd (DOPSB) has increased its exports to current customers in the ASEAN Region especially in Myanmar, Cambodia, Philippines and Middle Eastern Countries. In 2014, we capitalised on the increase in demand for palm oil and palm-based product in the international landscape. Our exports to China, Maldives and Nepal grew steadily, largely due to the strong support extended by our appointed distributors in providing strong sales teams, efficient warehousing facilities and transportation services.

Both our domestic sales and export for our established brands (Saji, Adela, Sri Pelangi, Purich and Sun Bear) have grown steadily and revenue has grown in tandem to RM974.3 million as compared to RM949.7 million in 2013.

Operational Review

To enhance our current businesses and further diversify in food and non-food products, we entered into the following joint ventures in 2014:

- JV with M2 Capital Sdn Bhd and Benefuel International Holdings S.A.R.L. to acquire a biodiesel plant in Kuantan Port. This has increased our biodiesel production capacity more than threefold, making FGV one of the largest exporters of biodiesel in Southeast Asia; and

- FGV Cambridge Nanosystems Limited (FGVCNS), a 70% owned subsidiary of FGV Downstream acquired in 2013. FGVCNS had entered into research & development collaborations with world class automotive and aircraft manufacturers on various graphene applications. Amongst the applications under development includes automotive parts and wire cables as well as light weight wires and high performance composites which promises class-leading, enhanced performance products. In addition, FGVCNS is also working closely with Malaysian entities on areas involving enhanced rubber products' performances and conductive ink for new-age circuit boards.

Looking forward

Looking ahead to 2015, the Downstream Cluster will explore high-value, innovative products and will continue to focus on improvements in factory efficiency and overall performance. Expanding our downstream footprint is in line with the Group's overall strategic priorities to generate short-term revenue alongside our core upstream business.

BUSINESS OPERATIONS REVIEW PALM DOWNSTREAM



Key Initiatives

No.	Initiatives	Status	Overall Progress
1	Periodic release of innovative, market driven palm based specialty fats and other similar goods	Ongoing – Vanaspati (vegetable ghee) launched in July 2014, in collaboration with R&D Cluster	100% ●
2	Deliver operational excellence across all refineries through cost saving initiatives	Ongoing – RM28 million saved in 2014 across the Cluster	100% ●
3	Expand biodiesel production capacity and capabilities	Ongoing – In 2014, we entered into JV with M2 Capital Sdn Bhd and Benefuel International Holdings S.A.R.L. to acquire a biodiesel plant in Kuantan Port. Through the JV, our biodiesel production capacity has increased more than threefold, making FGV one of the largest exporters of biodiesel in Southeast Asia	100% ●
4	Introduce new business model to drive better efficiency in terms of resources and human capital deployment	Completed – New tolling model to be implemented in early 2015	100% ●

BUSINESS OPERATIONS REVIEW RUBBER



BUSINESS OPERATIONS REVIEW RUBBER



The Rubber Cluster aims to transform FGV's current rubber processing operation into a leading integrated rubber business. In line with this, its vision is to achieve a top five (5) position in global sales of processed rubber, amounting to more than 1.0 million metric tonnes by 2020.

The Cluster sells latex concentrate, Standard Malaysian Rubber (SMR), Standard Indonesian Rubber (SIR), Cambodian Standard Rubber (CSR) and 'Green Rubber' products.

In Malaysia, our rubber processing operations are managed by Felda Rubber Industries Sdn Bhd (FRI), which controls seven factories.

We have management control of rubber-processing assets in Thailand (Feltex), Indonesia (PT Felda Indo) and we are expanding to Cambodia (FGV-CVC) this year. In Myanmar (FGV Pho La Min Company Ltd), we established a strategic partnership to further expand upstream and midstream activities. These overseas assets will enhance FGV Group's overall overseas experience as well as improve rubber turnover, which will contribute to the Group's revenues and profitability.

Financial Performance and Industry Outlook

For the year under review, Rubber Cluster recorded revenues of RM740 million, which was 27 percent lower as compared to the previous year.

FRI's Rubber production including green rubber, decreased 4 percent to 93,294 metric tonnes in 2014 as compared to the previous year. PT Felda Indo Rubber 2014 production was 8,586 metric tonnes, mainly due to lower raw material volumes purchased.

Feltex's total rubber production in 2014 fell to 12,971 metric tonnes, compared to 13,198 metric tonnes recorded in 2013. On the other hand, Feltex's Latex Concentrate and Skim Block production in 2014 had surpassed production volumes in 2013.

FGV Rubber started a new operation in Cambodia during September 2014. This operation, FGV-CVC, produce 4,744 metric tonnes of Cambodian Standard Rubber (CSR).

In our upstream operations, we faced declining global commodity prices and yield. To offset falling natural rubber prices, cost reduction efforts were implemented. We also adopted the latest tapping system, late tapping, double tasking, recovery tapping and the use of latex stimulants to improve yield.

In downstream, FGV Rubber signed a Technology Transfer Agreement with Malaysian Rubber Board (MRB) to commercialise Green Rubber Products, namely Ekoprena and Pureprena on 10 October 2010.

To enhance the market development, the Cluster participated in various international exhibitions, conferences and seminars to increase promotional activities and product awareness.

Operational Review

Our business operations span 4 countries with total capacity of 258,480 metric tonnes.

In its upstream operations, the Rubber Cluster manages a total of almost 14,000 hectares of landbank. In Malaysia, we have seven factories in mid-stream processing, Felda Teloi Timur, KG Awah, Pasir Besar, Palong 8, Pasak, Jengka 21 and Trolak, which produce Standard Malaysian Rubber (SMR 20 & SMR 10) and Compound Rubber (CR). The raw material sources are from within our Group's plantations, settlers and small holders.

Felda PT Indo Rubber is a joint venture with an Indonesian Company. The factory, which produces Standard Indonesian Rubber (SIR) is located at Modong, Prabumulih, Maluku District, Palembang and started commercial operations in November 2007.



BUSINESS OPERATIONS REVIEW

RUBBER

In Thailand, our natural rubber-processing capability is delivered through Feltex Co Ltd, a joint venture (JV) company between Felda Rubber Industry and Teck Bee Hang Co. Ltd.

Additionally, in 2014, we entered into two new JV's:

- We formed FGV Pho La Min Company Ltd in Myanmar together with Pho La Min Trading Company Ltd to apply for Myanmar's foreign investment license in order to invest in rubber related business activities in the country. FGV Pho La Min was incorporated in 26 May 2014.
- We also set up FGV-CVC Cambodia Ltd together with Co-Op Village Co Ltd, in Tboung Khmum province, which exports CSR grade processed rubber. At the same time, we are in talks with a few potential parties to expand both upstream and midstream rubber related business activities in Cambodia. FGV-CVC commenced on 1 September 2014.

Looking forward

Looking ahead to 2015, the Rubber Cluster has put in place a number of initiatives to help drive towards its strategic priorities. One of its key initiatives is to increase its landbank size. The Cluster's goal is to own 10,000 hectares and 2,500 hectares of landbank in Cambodia and Myanmar respectively. In Malaysia, it aims to increase its landbank by another 6,000 hectares in 2015.

Further plans for 2015 are to increase production capacity through mergers and acquisitions in South-East Asian countries.

To improve Green Rubber product quality and market acceptance, FGV Rubber is collaborating with established compounding companies for commercial evaluation on Green Products such as green tyres, tyre treads, automotive and engineering parts, adhesives, fire retardants and other advanced rubber application.

Key Initiatives

No.	Initiatives	Status	Overall Progress
1	Geographic expansion into midstream operations, in Cambodia	Completed – Set up FGV-CVC Cambodia Ltd (1st September 2014) together with Co-Op Village Co Ltd, which exports CSR grade processed rubber	100% 
2	Advance Green Rubber production in 2014 to enable full commercialisation by 2015	Completed	100% 
3	Finalise organisational model for Rubber Cluster (new in 2014)	Completed	100% 

BUSINESS OPERATIONS REVIEW **SUGAR**



BUSINESS OPERATIONS REVIEW

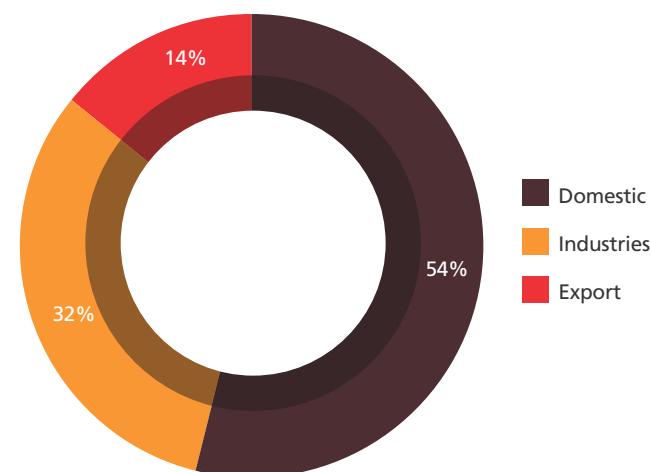
SUGAR

FGV's sugar business is operated by MSM Malaysia Holdings Berhad (MSM), via MSM Prai Berhad (formerly known as Malayan Sugar Manufacturing Company Berhad) and MSM Perlis Sdn Bhd (formerly known as Kilang Gula Felda Perlis Sdn Bhd).

MSM, incorporated on 10 March 2011, is Malaysia's leading sugar producer. It was listed on the Main Market of Bursa Malaysia Securities Berhad on 28 June 2011. It is one of Bursa Malaysia's top 60 companies with a market capitalisation of RM3.5 billion (as at 2014).

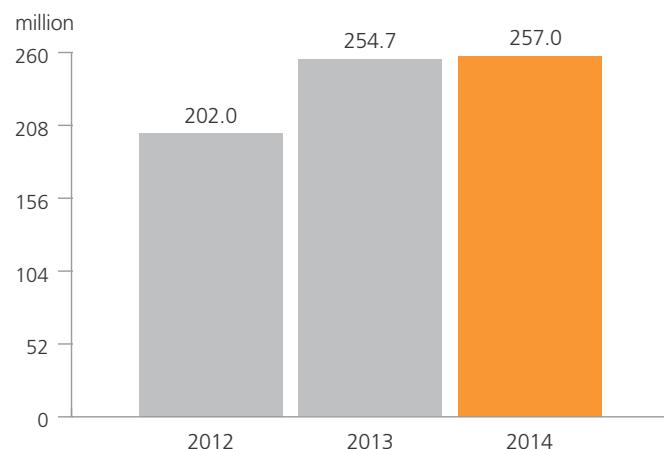
Financial Performance and Industry Outlook

MSM's Revenue for 2014



2014 was a brilliant year for MSM. We achieved a record high revenue of RM2.28 billion, of which the domestic market contributed 54 percent or RM1.22 billion; 32 percent or RM735 million was contributed by industries; and the final 14 percent came from exports amounting to RM322 million. We also saw a significant increase in industry sales from RM494 million in 2013 to RM735 million in 2014.

MSM's Profit per annum



During the year under review, our growth was mainly attributed by strong consumption from the industries market. Although there was a slight decrease in export sales in 2014 as compared to 2013, we are confident that this will improve in the coming years.

Profits continued to stay on a healthy uptrend, from RM202.0 million in 2012, to RM254.7 million in 2013 and reached a record high of RM257.0 million in 2014. MSM had earlier declared an interim dividend of RM70.3 million for 2014.

Operational Review

MSM produces, markets and sells refined sugar products. It also operates its own logistics company, MSM Logistics Sdn Bhd (formerly known as Astakonas Sdn Bhd). Through its subsidiaries, MSM has a combined annual production capacity of 1.1 million tonnes of refined sugar products. In the year under review, MSM produced its 986,115 tonnes of refined sugar and enhanced its market share to 64 percent (as at December 2014).

The Group offers a variety of products ranging from white refined sugar (of various grain sizes) to soft brown sugar. These are marketed and sold in a variety of packaging options under the brand – Gula Prai. The Group also sells molasses, a by-product of the refining process, to distilleries and producers of ethanol, animal feed and yeast. MSM sells to a wide range of customers in Malaysia and other countries directly and indirectly through traders, wholesalers and distributors. Its customers include major companies in the beverage and confectionery industries, hotels, restaurants, food outlets and household consumers.



MSM PRAI BERHAD

MSM Prai Berhad (MSM Prai), a joint venture between Kuok Brothers Sdn Bhd, Mitsui & Co and Nissin Sugar Manufacturing Company, was established to reduce Malaysia's dependence on imported refined sugar. MSM Prai operates the Prai sugar refinery in Penang, located on the north-west coast of Peninsular Malaysia. The facility is the country's largest sugar refinery with an annual production capacity of 960,000 tonnes of refined sugar, accounting for close to 86 percent of MSM Group's total output capacity. The refinery is strategically located near Penang Port and has a dedicated jetty on site that enables barges to easily and cost-effectively off-load raw sugar taken from sea vessels directly into storage for refining.

MSM PERLIS SDN BHD

MSM Perlis operates a sugar refinery located in Chuping, Perlis. It has an annual production capacity of 150,000 tonnes representing approximately 14 percent of MSM Group's total capacity.

Currently, all of MSM Perlis' refined sugar products are sold in the domestic market. With the installation of additional equipment such as centrifugal machines and increased automation of production processes, the refining capacity is expected to increase to 200,000 tonnes annually.

MSM Perlis has warehouse facilities on site, as well as a bulk cargo terminal in Prai, Penang, from which its products are transported throughout Malaysia via road and sea. A number of customers also gets the refined products directly from the warehouse and from the bulk cargo terminal.

Looking forward

Looking ahead, global sugar production strives to match consumption. With the incorporation of our international trading centre in Dubai in 2015, we believe that our export sales will experience a growth trajectory moving forward. Our new refinery in Johor will begin operations in 2017. Refined sugar production is targeted to increase to 4 million tonnes a year by 2020 from the current 1.1 million tonnes a year. With our strategic growth plans in place, we are committed to enhance and deliver on shareholder value in the next five years.

BUSINESS OPERATIONS REVIEW SUGAR



Key Initiatives

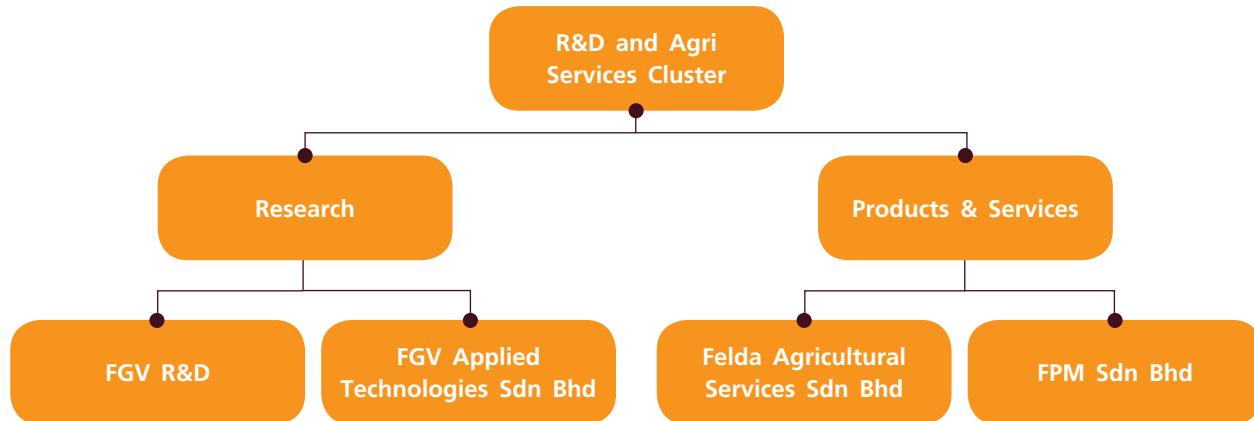
No.	Initiatives	Status	Overall Progress
1	Centralise sales and distribution across operating plants (Chuping and Prai) to provide a strong foundation for market expansion	Completed – RM5 million savings in 2014 through centralisation	100% ●
2	Design sustainable downtime management plan to improve productivity and cost management	Completed – Downtime Management Plan was implemented and expected to have impact in 2015	100% ●
3	Investigate expansion avenues to increase refining capacity	Ongoing – New Johor refining facility to be operational by 2017	On-track ●

BUSINESS OPERATIONS REVIEW R&D AND AGRI SERVICES



BUSINESS OPERATIONS REVIEW R&D AND AGRI SERVICES

R&D and Agri Services Cluster was incorporated on 10 September 2014, its main focus being in Research and Products & Services. The Cluster consists of FGV R&D, FGV Applied Technologies Sdn Bhd, Felda Agricultural Services Sdn Bhd (FASSB) and FPM Sdn Bhd Fertiliser.



The Cluster's vision for 2020 is to be a leading research institution in oil palm, rubber and sugar. The Cluster devotes significant resources to oil palm breeding and selection program over the last 40 years and have an R&D team dedicated to improving both FFB and oil yield per hectare. Our high yielding seedlings, the award winning DxP Yangambi, is being used in Palm Upstream's group replanting program of 15,000 hectare per annum, aiming to improve the overall crop-age profile.

We are also actively involved in bio-molecular marker research: where the development of markers are tied to specific traits such as oil yield, compact or dwarf palm, high concentration of unsaturated oil and disease tolerance. With these developments, we will be able to reduce the time and cost for commercialisation of new varieties and also helps improve efficiency in clonal production.

Financial Performance and Industry Outlook

The Cluster recorded revenues of RM418 million for the year ending 31 December 2014, a decrease from RM850 million in the previous year. Reasons for lower revenues were lower CPO and fertiliser prices.

Following the acquisition of Felda Holdings Berhad, this has also contributed to lower revenues for the year as most of the transactions are now deemed internal.

Nevertheless, Profit Before Tax and Zakat (PBTZ) for the Cluster for the year ended 31 December 2014 was RM87 million PBTZ, due to cost control measures undertaken by the management. However, a lower profit margin from the fertiliser business affected overall profitability – 2014 saw a 15 percent decline compared to the previous year.

Operational Review

FGV R&D is responsible for carrying out R&D in oil palm, rubber and sugar, with the aim of producing superior planting materials and providing solutions for good plant health.

FGV Applied Technologies Sdn Bhd uses and applies emerging technologies to improve quality, productivity and efficiency for upstream, mid-stream and downstream activities. The technologies adopted often also focus on enhancing the value of by-products or waste produced by general operations.

Felda Agricultural Services Sdn. Bhd's. (FASSB) main responsibility is to provide technical support to the Cluster group. This includes supply of planting materials for the group's crop businesses, supply of pest control products and provision of estate support services e.g. soil suitability studies, laboratory services and agronomic advisory visits.

Our high-yielding Felda Yangambi seedlings command 40 percent of germinated oil palm seeds market in Malaysia, which amounted to 23.5 million seeds in 2014.

FPM Sdn Bhd is involved in the manufacturing and sales of granulated compound fertiliser and supply of mixture & straight fertiliser.

Looking forward

Looking forward to 2015, we will continue to leverage these in-house capabilities to the benefit of other Clusters especially in our upstream business where we aim to increase yield and efficiency, reduce production costs, better ensure environmental sustainability and help increase our profits over time.



BUSINESS OPERATIONS REVIEW R&D AND AGRI SERVICES



Key Initiatives

No.	Initiatives	Status	Overall Progress
1	Commercialisation of new generation, higher-yielding compact palm planting material	Completed – 400,000 seeds available to FGVP in 2014	100% ●
2	Production of new rubber planting materials	Completed	100% ●
3	Palm Downstream: Product development for Adela's Vanaspati (vegetable ghee)	Completed – Vanaspati (vegetable ghee) released as a product in July 2014	100% ●
4	Target cost savings through collaboration with external parties	Completed – RM2 million saved through collaboration	100% ●
5	Develop new compound fertiliser for sub-soil manuring of oil palm (relevant for FGV plantations)	Completed – Revenues from new product expected in 2015	100% ●

BUSINESS OPERATIONS REVIEW

TRANSPORT & LOGISTICS, MARKETING AND OTHERS (TLMO)



BUSINESS OPERATIONS REVIEW

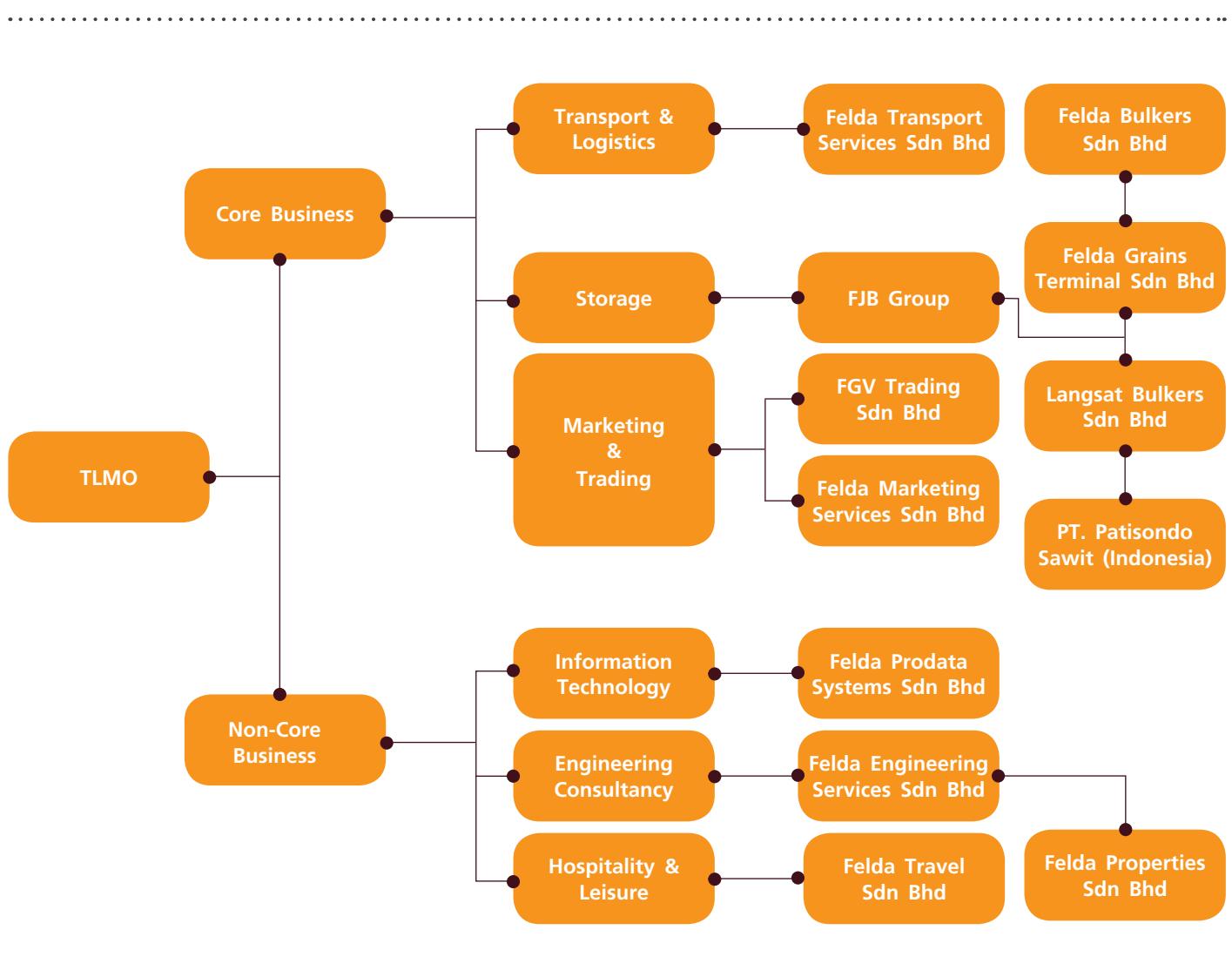
TLMO

The bulking and logistics services were previously organised under the Research & Development (R&D) and Manufacturing, Logistics and Others (MLO) Cluster. The new organisational structure, announced in July 2014, was set up to pursue FGV's ultimate goal to be a globally diversified and integrated agri-business.

The Transport & Logistics, Marketing and Others (TLMO) Cluster was formed in line with this strategic aspiration.

The Cluster's businesses are strategically divided into three main sub-Clusters under the core business, namely Transport & Logistics, Storage and a new Trading sub-Cluster. Additionally, within TLMO are non-core businesses: Felda Prodata Systems Sdn Bhd, Felda Travel Sdn Bhd and Felda Engineering Sdn Bhd.

Our long established marketing arm, Felda Marketing Services Sdn Bhd (FELMA) has traditionally carried out trading of palm oil, acting as a principal agent to FGVP (Plantations), FPI (Mills), FVOP (Refineries) and FKP (Kernel Processing). While this has been successful, other commodity players are becoming more integrated and competitive. Recognising this, we are driving towards transforming into an assets – backed trading organisation with substantial origination. FGV Trading (FGVT) was thus incorporated on 11 September 2014, and we aim to launch our new business model in early 2015.



Financial Performance & Industry Outlook

2014 was a challenging year for the palm industry as low Crude Palm Oil (CPO) prices and production affected overall performance.

Trading volume under FELMA during the period under review was 5 percent lower at 3.2 million metric tonnes, against the previous corresponding period of 3.4 million metric tonnes. This was due to lower palm production following bad weather in the last quarter of 2014. Weakening crude oil prices meant a lower demand for biodiesel, therefore pushing down demand for CPO. Further, Indonesia maintained its export tax to zero percent in December.

Lower palm productions impacted the overall carried volume by Felda Transport as its major revenue is from transporting CPO products via its tankers. Palm Kernel and fertiliser also transported via Felda cargo trucks. FJB Group's operations was not spared – its throughput volume declined by 10 percent to 7.4 million metric tonnes against the previous corresponding period of 8.2 million metric tonnes.

TLMO core business recorded a Total Revenue of RM967.1 million with Profit Before Tax (PBT) of RM92.2 million in 2014. The Total Revenue recorded was 63 percent higher than the

previous corresponding period while PBT was 24 percent lower. This can be attributed to the liquidation of the paper trading and lower carried throughput volume across the core business.

Meanwhile, our non-core businesses were less affected by the palm oil industry. Felda Prodata secured major contracts with Felda Group, Malaysian Communications and Multimedia Commission (MCMC), Inland Revenue Board of Malaysia (LHDN), Ministry of Home Affairs (KDN) and others. Felda Travel strengthened its profit largely due to effective cost control initiatives. Felda Engineering also secured several major projects namely Perumahan Generasi Baru Felda, Pahang Phase IV water supply project, Stadium Complex in Bandar Tun Abd Razak, Kuala Lumpur and others.

TLMO non-core businesses recorded a total revenue of RM553.0 million for the year under review. This is a 7 percent decrease on the same period in 2013. Profit before tax (PBT) was RM80.5 million, representing an increase of 36 percent from 2013. This was driven by higher value contracts secured by IT and Engineering Services and successful cost control measures that were put in place during the year under review.

Overall, despite the challenging business environment, TLMO's Total Revenue was RM1,062 million with Total PBT of RM172.7 million for FYE 31 December 2014.



BUSINESS OPERATIONS REVIEW

TLMO



Operational Review

A number of our achievements in 2014 are as follows:

- Felda Transport achieved a breakthrough in a Mega Infrastructure project and B30 biodiesel trial.
- Felda Transport secured Mass Rapid Transit (MRT) and Tenaga Nasional Berhad (TNB) contracts under Multimodal Transport Operator (MTO) business, worth RM56 million, to deliver heavy equipment. The MTO business is an important revenue generator for Felda Transport as it contributes about 30 percent to the Company's revenues. This segment of business is growing as it involves non-palm oil internal products. The MTO is heavily involved in external logistics of heavy industries like Defence & Aviation, Energy & Utility, MRT, Automobiles, Manufacturing, Oil & Gas, Communications and others.
- Felda Transport was the first Malaysian company to conduct tests on a biodiesel blend that is four times higher than the B7 biodiesel currently mandated by the Government.
- FJB Group completed a capacity expansion project in September 2014 by adding 12,600 metric tonnes to the Terminal 3 facility, bringing the new total capacity (liquid) to 890,650 metric tonnes. New business from 10 new customers contributed to a total volume of 176,951 metric tonnes. These include three new overseas customers namely Gunvor PV (Switzerland), Cenoko Pte Ltd and Ibris Pte Ltd (Singapore).
- New Broadband and Disaster Recovery Centre for Felda Prodata.

- Felda Travel introduced Premium and Exclusive Travelling Packages, including premium Umrah and Haj packages.
- Felda Engineering secured major infrastructure contracts: 79 packages of Pahang Phase IV water supply projects worth RM374 million.



Looking forward

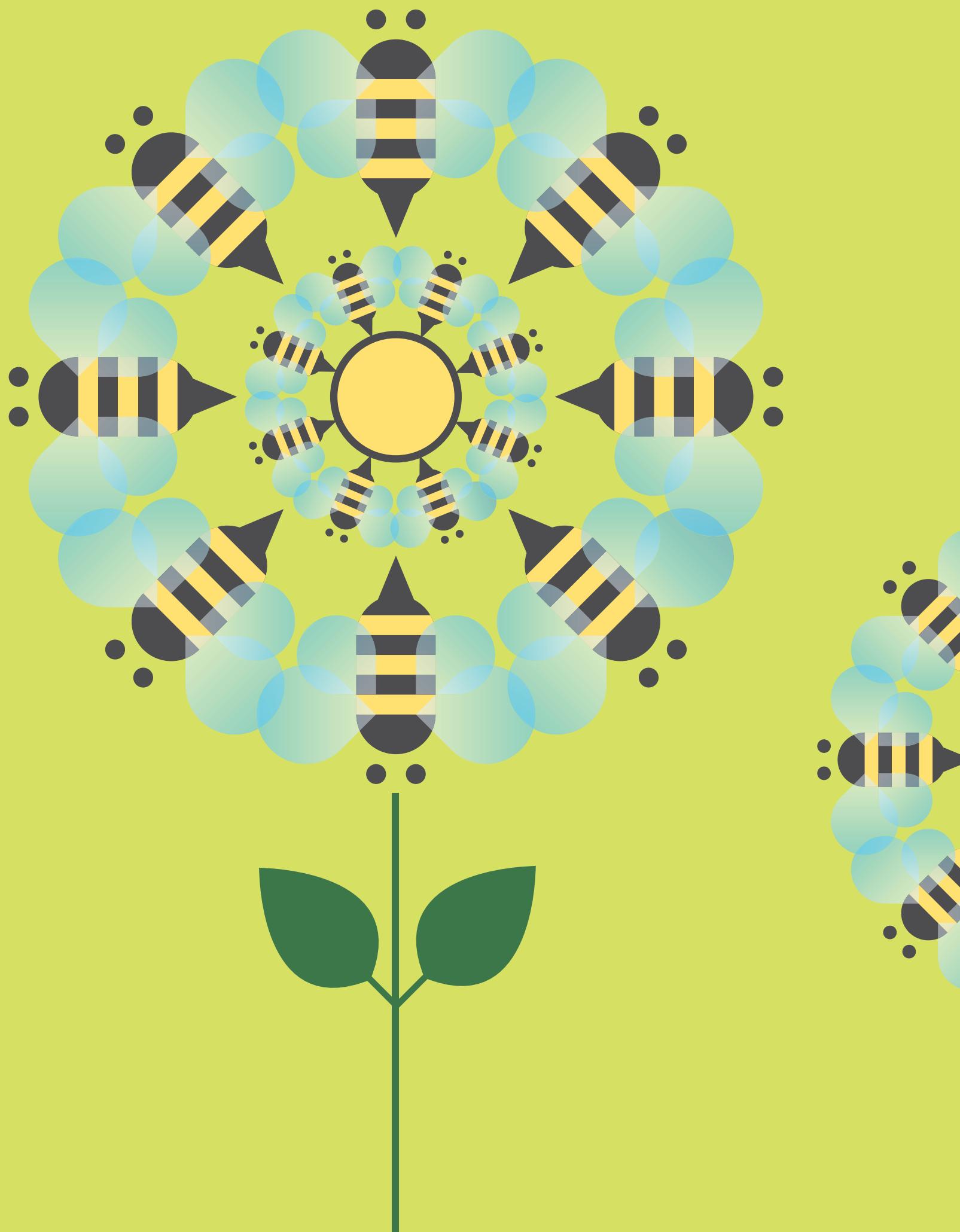
- In 2015, we are looking to establish our trading and tolling business under FGV Trading.

The New Trading Model was conceived under FGV Trading as to expand the current trading business. We will do this by firstly trading various types of edible oils, sourcing from both internal and external parties, and later driving towards becoming a multi commodity player.

Key Initiatives

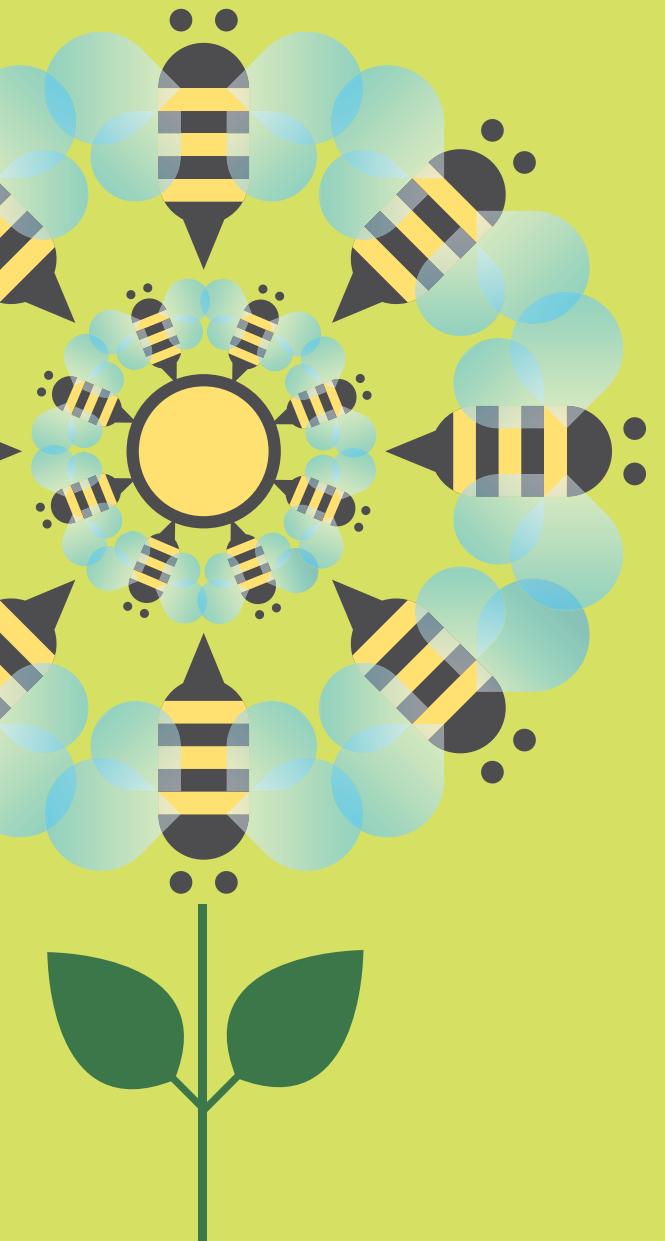
No.	Initiatives	Status	Overall Progress
1	FGV Trading – Establish a new trading arm by 2015	FGV Trading officially starts its maiden business on 4 February 2015	100% ●
2	Felda Transport – Implementing variable cost reduction plan in the areas of tyres, diesel, maintenance/repair – target RM3.9 million	Ongoing	On-track ●
3	Felda Transport – Expands MTO business into Oil & Gas Sector, in line with diversification plans	Ongoing – Have entered into several O&G tenders in 2014	On-track ●
4	FJB Group – Implementing cost saving practices and optimise tank utilisation	Completed – RM38 million realised in 2014, new cost saving program to be implemented for 2015	100% ●
5	FJB Group – Increasing bulking throughput of high value products, i.e. oleochemicals and biodiesel, to increase revenues	Completed	100% ●





FUTURE-FOCUSSED

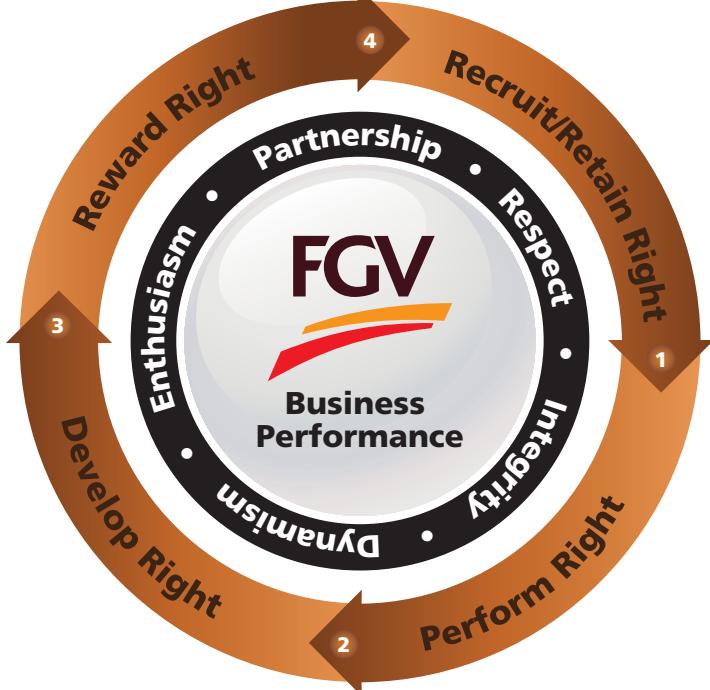
Vision. That is what first inspired us to set up an R&D and Agri-Services centre over 40 years ago. Today, we are proud that it is among the largest of such establishments in Southeast Asia. It has long pioneered cultivation of world-class oil palm planting materials and takes pride in providing solutions for palm oil industry woes. As a leading expert, we are always on the lookout for that next big idea.



HUMAN RESOURCES STRATEGY

FGV is constantly assessing, developing and strengthening its human capital – ensuring that it has the right competencies, qualities, dynamics, attitude and passion to drive and execute the various initiatives that the Group has in store to achieve its vision and mission.

FGV strongly holds to the belief that the future of the Group is shaped and determined by how well it manages its people. This is mainly because the skills, experience, potential and capacity of the people are seen as essential elements that an organisation needs to be successful.



Looking at the increasingly challenging and evolving economic environment, coming up with an effective human capital strategy is indeed a complex process. Regardless of the challenges, FGV remains steadfast in its commitment towards creating value through its human capital strategy. Our ambitions are focused on building a team of highly engaged and committed employees as we position ourselves as an employer of choice.

FGV's human capital approach is based on these core principles:

- **Recruit/Retain Right**

FGV is always on a lookout for talents who are able to contribute positively to the Group. As the Group becomes more diversified, more skill sets from various fields are required to complement, support and implement its plans.

FGV is also active in offering scholarships to the country's top school achievers – another initiative to recruit the best talents. Selected applicants will be given scholarships to study in selective disciplines such as Chemical Engineering, Mechanical Engineering, Biotechnology, Accounting and Finance. Upon graduation, they will be bonded for a specific period that will be set by the Group, depending on their scholarship agreement. This allows our entry level pipeline to provide avenues for greater talent coverage, preparing top fresh graduates for senior executive roles.

- **Perform Right**

Employees not only have their respective role charters or job descriptions (JD) but are also required to discuss and agree with their superiors on their duties and key deliverables. They are also expected to understand the possible challenges in performing their tasks as well as to know their internal and external working relationships. In addition to this, each employee's performance is measured every six months to determine their capabilities to achieve the set targets for the year.

- **Develop Right**

FGV Group is committed in coming up with training and development programmes to further enhance competencies and skills of its human capital at all levels. This is part of the Group's continuous development programme to ensure adequate supply of a skilled and knowledgeable workforce who will take on future leadership positions, for strong, sustainable and balanced growth. We are investing in the long-term development of our people and improving capabilities across the organisations. In driving a learning culture, we are providing more opportunities for our employees to be certified and accredited.



• Reward Right

FGV believes that its people should be fairly rewarded and recognised – not only based on their work performance but also by other aspects such as innovation, creativity and their behaviour at work. For this, the Group has upgraded its performance management structure by incorporating all these elements into an overall performance scoring system, which will determine the appropriate rewards to be given to employees. Our rewards philosophy covers total remuneration, which includes basic salary, benefits, short-term variable bonus and long-term incentive plans.

FGV Core Values

FGV also believes on the importance of having a balanced and harmonious work environment to keep the employees highly engaged. We strive to ensure our employees live our core values in their daily lives, in line with our aspiration of building a high performance culture.

Our core values are made up of five essential guiding principles, known as P.R.I.D.E, which stands for the following:

Partnership: Best solutions and ideas come from working with both colleagues (internal) and business partners (external);

Respect: Our sustained success and achievements can only come from respect for people (colleagues, peers and business partners), as well as the environment, which is the main source of our business;

Integrity: Integrity is about trust, honesty and sincerity. In the context of FGV, it means being responsible and accountable for one's own actions and behaviours. Each employee is responsible for the Group's success and business reputation;

Dynamism: Strive to discover, create ideas and identify growth potential from uncharted opportunities and beyond traditional boundaries, all done in the best interest of our stakeholders and communities;

Enthusiasm: Strive to lead with passion and work with enthusiasm. We are enthusiastic about what we do, committed to the growth and future of our agri-business, while at the same time, propagating sustainable development around the world.



CORPORATE SOCIAL RESPONSIBILITY



FGV believes not only that all corporations have a duty to care for the well-being of communities that support them, but that such actions enhance the sustainability of the organisations concerned.

Guided by responsible management and operational practices, we embrace the concept of Corporate Responsibility (CR) in the knowledge that by doing good to others, we are increasing our own reputation and building relationships that ultimately enhance our commitment to sustainable operations. Through our CR initiatives, we aim to support our internal and external communities, and protect the environment. At the same time, the

profits that we earn via our socially and environmentally-conscious actions enable us to fulfil our financial duty to our shareholders and offer attractive remunerative rewards to our employees.

In essence, our CR framework is supported by the three pillars of People, Planet and Profit, and the activities are described in the following pages.



People

Within the domain of People, FGV directly and indirectly contributes to the well-being of our employees, Felda settlers and other underprivileged communities.

FGV contributes RM22.78 million to Felda Group's foundation, Yayasan Felda, which in turn carried out a host of health and education programmes.

In addition, FGV is always at the forefront of efforts to provide aid to local and international disaster relief missions, whilst supporting underprivileged Malaysians through various platforms.

Internally, we aim to improve further in providing a stimulating yet caring work environment in which each employee feels valued and empowered to fulfil his or her true potential.

Education

Yayasan Felda owns and operates four vocational colleges in Kelana Jaya, Selangor; Trolak, Perak; Raja Alias, Negeri Sembilan and Mempaga, Pahang. The colleges offer more than 15 certificates and diploma level courses specifically for the second and third generations of FELDA settlers. In 2014, a total of 1,482 youth attended these courses.

To improve the standard of education provided at the colleges, and ensure the students' certificates are highly valued in the job market, Yayasan Felda strives to validate the courses offered. In 2014, various programmes were recognised by City & Guilds, a leading skills development and certification organisation based in the UK. As a result, in December 2014 a total of 263 students of Kolej Yayasan Felda (KYF) were awarded internationally-recognised vocational certificates whilst five Hospitality students at the Mempaga campus were presented with the opportunity to hone their skills by attending a three-month course at the West Cheshire College in Chester, UK.

In addition, 39 KYF lecturers received diplomas in teaching by City & Guilds, UK while 798 students received City & Guilds Intensive English certificates.

In a show of appreciation for the quality education they received, KYF graduates are continuing the legacy of social enterprise by setting up their own foundation to help Yayasan Felda undertake its activities. Since its launch in January 2012, KYF Foundation has attracted more than 16,000 KYF alumni who currently are working in diverse fields within the public, private and non-governmental organisation (NGO) sectors throughout the country, or running their own business. To date, via KYF Foundation, these alumni have been involved in a number of activities conducted jointly with the National Cancer Council (MAKNA) under its We Care programme.



CORPORATE SOCIAL RESPONSIBILITY

Health

Yayasan Felda's haemodialysis centre in Anjung Felda at Jalan Maktab, Kuala Lumpur was opened in 1999 and today has 23 dialysis machines providing treatment to 120 patients. Patients pay a minimal fee of RM50 per treatment, which is very affordable compared to private clinics. However, most patients are sponsored by the Social Security Organisation (SOCSO), Majlis Agama Islam Wilayah Persekutuan, Lembaga Zakat Selangor (LZS) and FELDA.

Yayasan Felda runs the Sihat Felda and Kami Prihatin programmes through which recognised physicians conduct free health and breast cancer screenings, as well as eye examinations for rural folks. Last year, 13,995 people in 12 locations benefitted from the general health screenings. In addition, six breast cancer screenings were held which attracted 1,782 participants, whilst 17,160 individuals from the communities at 11 locations had undergone eye examinations. At these events, free medication, spectacles, haircuts and clothes were extended to the participants. Our subsidiaries Delima Oil Products Sdn Bhd and MSM Holdings Berhad also sponsored Saji cooking oil and Prai sugar, respectively.

Complementing Sihat Felda and Kami Prihatin, a new health initiative was launched in May 2014, targeting employees and Felda settlers. The programme, called Kospen, is run in collaboration with the Ministry of Health to address non-communicable diseases (NCDs) including diabetes, heart and kidney diseases. Under this programme "volunteer health heroes" are appointed in FGV and Felda settlements to motivate employees and settlers on adopting a healthier lifestyle.

Another new initiative, Programme Bakti Nurani 1Muafakat (BN1M), was launched by Yayasan Felda in July 2014, in collaboration with Agenda 1Malaysia and Biro Bakti Nurani 1Muafakat. Under this programme, KYF student volunteers participated in 10 communal work activities at mosques, surau (prayer halls) and cemeteries.



Social Welfare

In today's challenging economic environment, our social responsibilities are more relevant than ever. We increasingly involve our employees to reinforce our ties with the communities. On 19 September 2014, the Centre of Excellence Department (COE) of Group Human Resources, in collaboration with Pertwi Soup Kitchen, with some 50 FGV employees prepared 600 hotdogs at the Menara Felda cafeteria. The food was distributed to about 500 homeless person on Jalan Tuanku Abdul Rahman and the Pudu area in Kuala Lumpur. FGV employees donated good condition used clothes and distributed food items sponsored by Delima Oil Products Sdn Bhd and Felda Wellness Corporation.

When the floods hit the East Coast of Peninsular Malaysia in December 2013, a comprehensive effort to assist the victims, including FGV Group employees, was carried out in stages in the following months.

FGV donated RM50,000 to the state of Pahang and RM15,000 worth of food essentials to victims in Pekan, Pahang and Kemaman, Terengganu. In addition, Group Corporate Communications collected RM11,600 from employees at FGV Headquarters, a sum that was matched by the Company. In tandem with the above initiatives, used clothes were donated to the Red Crescent Society along with RM5,000, whilst Mercy Malaysia received a contribution of RM5,000. Simultaneously, electrical items, gift vouchers and food items were distributed to about 100 FGV employees who were affected.

In December 2014, the country experienced one of the worst floods. More than 6,200 FGV employees and surrounding residents were made victims. FGV mobilised its support personnel and assets to provide on-site assistance to all affected communities, easing their burden. In the first phase, relief was provided in the form of food supplies and daily necessities. In



the second phase, FGV distributed cash assistance to the victims in Pahang, Kelantan, Terengganu and Negeri Sembilan.

On a much smaller scale, FGV was touched by the plight of five children who were made orphans when their parents tragically passed away in a road accident in May 2014. To secure the future of these children – aged between four and 17 years – FGV purchased life insurance policies worth RM10,000 inclusive of savings for higher education for each of the children.

Some of the funds for the above donations were from FGV's zakat (business tithes) contributions which totalled RM3,406,793.20 for the year. Of this amount:

- RM198,312.30 was channelled towards food and clean water for flood victims in Kelantan and Pahang
- RM220,000 was donated towards orphans from five homes during a Hari Raya Open House
- RM249,933.40 was directed to 37 deserving individuals in conjunction with the launch of the surau for MSM Holdings Berhad at its refinery plant in Prai
- RM195,059 was distributed by FGV's 1Musolla Motorcycle Squad (SM1M) to the underprivileged in Terengganu
- The remaining RM2,543,488.50 will be distributed in 2015



Planet

As an agriculture-based Group, the sustained fecundity of land supporting our plantations is critical to our long-term success. Towards this end, and also to ensure our operations do not negatively impact the natural biodiversity of surrounding areas, FGV has been adopting Good Agricultural Practices (GAP) and Good Management Practices (GMP). We were among the first in the region to be Roundtable on Sustainable Palm Oil (RSPO)-certified and to receive the International Sustainability and Carbon Certification (ISCC). Over the years, we keep increasing the number of plantations, as well as mills that are certified to these standards leading to a total of 29 RSPO-certified mills and 15 ISCC mills as at the end of 2014.

Other than the adherence to sustainable agricultural practices, we are contributing to a greener environment, by investing in renewable biofuels. We convert waste from our plantations and mills into biogas whilst producing palm oil-based methyl ester (PME) for use in biodiesel.

Renewable Fuel

In terms of CR, our 1.2MW biogas capture plant in Felda Umas in Tawau, Sabah is significant, as the electricity generated supplies to 3,000 households in our settlement, where the 15,000 residents previously depended on electricity from diesel-powered generators. This rural electrification scheme was officially launched in May 2014, although it has been operational since 2012.

Another biogas scheme was launched in Maokil, where we successfully connected the 1.0MW biogas power plant to the national grid on 31 December 2014. In addition, during the year we commissioned two more biogas capturing facilities in our mills at Nitar, Johor and Kota Gelanggi, Pahang. Via all our biogas capturing projects, in 2014 we achieved an overall reduction in emission of an equivalent of more than 64,000 tons of CO₂.

Additionally, our stand-alone Sahabat Biomass Power Plant, which supplies clean steam energy and electricity to neighbouring industrial installations, offices, a resort and residential area, delivers the equivalent of more than 3,500 tons of CO₂. This plant will soon be complemented by our second large scale stand-alone biomass power plant in Jengka 9, Pahang which was operationally tested in December 2014. The 12.5MW Jengka Advanced Renewable Energy Plant consumes 320,000 tonnes of biomass annually and is expected to feed the national grid in 2015.

In terms of biodiesel, we made a significant breakthrough in December, when we successfully powered three oil tankers on a total of 1,200km shuttle route with B30 biodiesel (consisting of 30 percent PME and 70 percent conventional carbon-based diesel) from our FGV Transport depot in Gebeng, Kuantan to our palm oil mill in Bukit Sagu, Pahang. Each tanker was loaded with 40 metric tonnes of CPO – before proceeding to the Kuantan Bulking Installation (KBI) to offload the CPO and return to Gebeng.

The Government currently requires biodiesel blends to have at least 7 percent PME content. Our PME content, which is more than four times higher than this minimum, demonstrates our willingness to go beyond statutory standards in our commitment to operate in the most environment-friendly and sustainable manner. In addition to the potential savings generated by the reduced consumption of diesel, B30 also reduces our dependency on fossil fuels and strengthens the sustainability of our logistics operations. Upon the successful completion of further tests, we plan to start using up to B30 biodiesel in our fleet operations in stages in 2015.



Green Plantations

To ensure the sustainability of our agricultural operations, we continue to identify new ways in which we can further reduce our environmental footprint. In a bid to protect the waterways running through its land, in May 2014, Pontian United Plantations (PUP) re-designated its riparian buffer zone to at least 50m from the Kinabatangan river bank, resulting in a total of 19.14 hectares of land being replanted with indigenous forest tree species. The exercise involved shifting electricity fences, roads, drains and bridges at an estimated cost of RM263,770. In October, we also carried out a tree planting programme in the newly-designated Riparian Reserve in the Kinabatangan Mega Biodiversity Corridor with the Sabah Wildlife Department and Borneo Conservation Trust (BCT), and the support of the Sabah Forestry Department and Nestle Malaysia.

Whilst ensuring cleaner rivers, widened riparian reserves also add to our wildlife corridor initiative in Sabah. We plan to establish a network of forest corridors to enable large mammals such as the Bornean elephant and orangutan to migrate safely between key forest habitats. Towards this end, we are also involved with BCT and the Sabah Wildlife Department to secure a mega biodiversity corridor in the Lower Kinabatangan region, which FGV through PUP will contribute a sum of approximately RM1.7 million over five years to the joint venture. The five-year project is a first of its kind to create a mega biodiversity corridor in the lower Kinabatangan basin. Another key aspect of the project is to provide a sustainable alternative livelihood for the local communities living along the Kinabatangan River, through a community homestay programme.

Focusing specifically on individual species, the year also saw us embark on a maiden project to elevate the level of research and conservation efforts on the Rafflesia and Malayan sun bear. A memorandum of collaboration (MoC) is in the midst of being finalised with key governmental institutions, NGOs and universities and is expected to be signed in May 2015. Playing its part to create greater awareness of the importance of wildlife conservation, PUP jointly organised a programme with the Sabah Wildlife Department and NGOs such as HUTAN, BCT, Danau Girang Field Centre and the Borneo Sun Bear Conservation Centre.

The commitment of all our plantations in safeguarding the quality of rivers has led to positive results. In 2014 our Sustainability Department analysed the water quality in 41 out of 51 major rivers systems in our plantations and found no significant deterioration. Since 2013, we have checked a total of 76 river systems, all with positive results.



As announced in last year's Annual Report, in 2014 we completed the High Conservation Value (HCV) assessment in our plantations in Sabah, Sarawak and Indonesia, and from the data obtained will enhance our biodiversity management plans in order to protect any endangered animal or plant species in the most effective manner.

Profit

As a public-listed company, we have a duty to make profit and thereby provide reasonable returns to our shareholders. Upon our listing in 2012, we declared a policy to provide our shareholders with a minimum 50 percent of net profit attributable to shareholders in the form of dividends. Despite the volatile global agro-commodity environment, and falling prices in the last few years, we have still kept to our pledge – providing a dividend payout of 63.4 percent 59.4 percent and 112.1 percent in the financial years ended 2012, 2013 and 2014 respectively.

In addition to our shareholders, we also have a responsibility to our 112,635 settlers who stand to benefit from the RM248 million fixed lease payment and 15 percent profit sharing from the estates operation that we pay annually to FELDA under a Land Lease Agreement (LLA) on the 355,864 hectares of land leased. The LLA provides consistent income for FELDA to defray its overheads in running settler development programmes. Finally, through the Settlers Trust Fund, dividend payments on 20 percent of FGV shares are distributed to the settlers. During the financial year ended 2014, this amounted to RM116.7 million, with each settler receiving RM1,036.

We have identified various strategies to grow our profit in a sustainable manner which, distilled to their bare essence, involves streamlining our businesses, diversifying across the value chain from the upstream to the downstream of each of our Clusters, and placing more focus on operational as well as cost efficiencies. This is the thrust of our Global Strategic Blueprint (GSB), which was developed following our IPO and serves as our roadmap, as we journey into a sustainable future. Guided by our GSB, which is a "living" document that is continuously reviewed and revised according to macro and micro-environmental changes and trends, we are confident of recording a steady stream of positive profits to the benefit of our shareholders, settlers and all other stakeholders.

For more details on our financial performance and profit, please read our Chairman's Statement, CEO's Statement and the Business Operation Review in this Annual Report.

SUSTAINABILITY REPORT



FGV Group Strategy on Sustainability

Sustainability has always been integral to our business and is reflected in our commitment to delivering value to our stakeholders via sustainable and responsible operations. Our sustainability strategy focuses on implementing best practices holistically and adhering to all relevant regulatory and sustainability requirements.

We do not only adhere to regulations but work closely with the relevant agencies to develop sustainability standards. In the past, we contributed to the Roundtable on Sustainable Palm Oil (RSPO). We are currently involved in drafting and testing the viability of the Malaysian Sustainable Palm Oil (MSPO). As an active member of many working groups, technical and committees, we strive continuously to improve ourselves and standards within the landscape in which we operate. We are proud to announce that we are amongst the first in the region to attain sustainability certifications such as the RSPO and International Sustainability and Carbon Certification (ISCC).

At FGV, sustainability governance is cascaded from the highest level through the Steering Committee represented by our Heads

of Clusters, CEOs of upstream operations, the Sustainability Department and Corporate Communications teams to the Working Committee at the regional level. The Steering Committee is mandated to set the direction, discuss issues and propose actions in relation to matters of sustainability while the Working Committee implements them at the ground level.

We believe that the sustainability of our businesses is interdependent with the sustainability of the ecosystem surrounding our operations. We have been implementing a number of Good Agricultural Practices (GAP) and Good Management Practices (GMP) to ensure the efficient use of natural resources hence safeguard the long-term productivity of the land that we cultivate. We are keen advocates of zero-burning, implementing Leguminous Cover Crop (LCC) and Integrated Pest Management (IPM). We also employ science-based nutrient management and enrich the soil with organic fertilisers as well as beneficial microorganisms as standard practices in all our oil palm plantations.

Research and Development (R&D) plays an important role in the sustainability of oil palm plantations, especially in terms of productivity and operations. Recognising this, FGV has invested in strong R&D support services and have reaped the benefits of

high-yielding plant materials as well as technological advances to enhance operations. Our seeds are of such high quality that we are the market leader in Malaysia for more than 5 years. We have also invested in the latest technologies to assist us in selecting materials with specific traits; and use in-vitro propagation for mass production in our state-of-the-art laboratories. We have more than 100 researches working on R&D applications for both upstream and downstream.

As we strive to maintain a sustainable business, we take into consideration our stakeholders' views and incorporate these into our goals. In 2014, we published our first Sustainability Report in which we outlined issues that are material to FGV as well as our targets for each in order to create greater transparency and clarity. The report enables our stakeholders to better understand our priorities and performance in view of our sustainability agenda.

As for Corporate Social Responsibility (CSR) activities, our contribution is channelled through Yayasan Felda that was formed in 1998. The Foundation strives to achieve these goals through its four areas, namely access to education, access to kidney dialysis, pursuit of R&D and provision of welfare to the general public. For 2014 alone, we allocated RM22,781,890.00 to various programmes through Yayasan Felda.

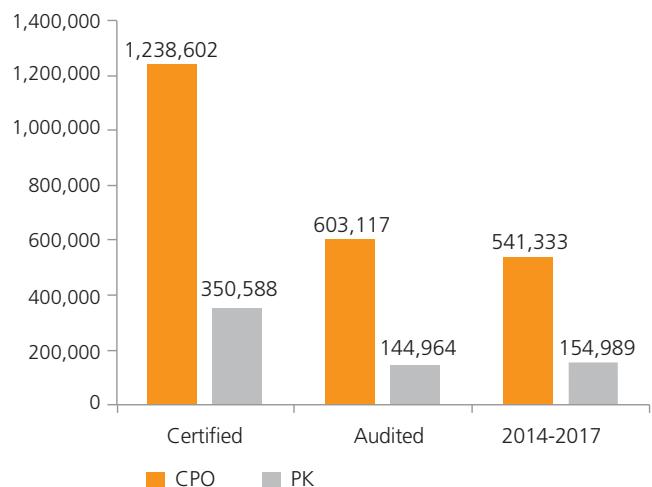
Roundtable on Sustainable Palm Oil (RSPO) certification

Our overall sustainability management system is guided by the Principles and Criteria (P&C) of RSPO, which have been developed as a result of multi-stakeholder input defining sustainable palm oil production. Although there are always opportunities for improvement, we believe that this standard currently represents the most responsible way to grow oil palm. As a founding member of the RSPO, FGV has played an active role in promoting sustainable practices via the guidelines since its inception in 2004.

In terms of our own adherence to the P&C, we can proudly state that FGV was among the first agricultural companies to obtain the mill certification in 2010; and the first in the world to organise a smallholder group to obtain the RSPO Fresh Fruit Bunch (FFB) Certification – this was for 2,290 smallholders in 2011. To date, we have certified 39 of our 70 mills which together has the capacity to supply about 1,238,602 metric tonnes of certified sustainable palm oil (CSPO) and 350,588 metric tonnes of palm kernel (PK). In the process of certifying our mills, we also certified about 40,000 associated smallholders. Although we had initially targeted to complete auditing our mills by 2017, we made such rapid progress that we are on track to complete the task by 2015.

Apart from the mill and FFB certifications, we also certified four of our kernel crushing plants, one refinery and a biodiesel plant to RSPO's Supply Chain Certification System (SCCS).

Status Of RSPO Certification To 2017 (MT)



International Sustainability and Carbon Certification (ISCC)

In addition to the RSPO certification, the Group is diligently pursuing the International Sustainability and Carbon Certification (ISCC), which is the first international certification system that can be used to prove sustainability and greenhouse gas (GHG) savings for biomass and bioenergy. ISCC is oriented towards reducing GHG emissions, the sustainable management of land, the protection of natural biospheres and social sustainability. To date, we have obtained ISCC for 15 mills and a biodiesel plant. The achievement signifies that, apart from being sustainable,



SUSTAINABILITY REPORT

FGV's palm oil production system is contributing towards mechanisms to reduce global warming based on standards set by the European Commission.

Malaysian Sustainable Palm Oil (MSPO) certification

MSPO is similar to the RSPO and ISCC but takes into consideration the national socio-economic agenda – focusing particularly on developing marginalised local communities – while adhering to all local, national and ratified international laws and treaties. FGV has been actively involved in developing the standard, and is among the few plantation companies to volunteer to pilot-test it. We expect the standard to be launched in 2015.

Protecting the Environment and Conserving Biodiversity

Biodiversity

FGV has committed to not undertake any new developments in primary forests, on land containing one or more High Conservation Values (HCVs) and areas with significant peat. When there is suitable land for development, we ensure due protection is given to the existing biodiversity, cultural heritage and customary land use. At the same time, we uphold the principles of free, prior and informed consent with the local communities before developing the land. In line with our policy, we have not developed any new land with significant peat in 2014.

We completed an overall HCV assessment at the landscape level of our plantations in East and West Malaysia to identify the presence of HCV elements around them. Although our estates do not contain HCVs, we recognise our role to address and communicate the concept to our employees and stakeholders, as

many of our plantations are near forest reserves. Further protecting the nation's flora and fauna, we regularly organise Conservation Awareness Programmes with the Wildlife Department and non-governmental organisations (NGOs) and are in the final stages of signing memorandums of understanding (MoUs) on several initiatives such as securing biodiversity corridors, Rafflesia conservation and sun bear research. Together with governmental institutions, NGOs and institutions of higher learning, we are also conducting research on effective conservation methods, especially for endangered plant and animal species.

Climate Change and Management of GHG Emissions

As planting on peat is perceived to contribute to GHG emission, FGV made a commitment on 16 June 2014 to not develop any new areas significant in peat. Based on management's agreement, there has not been any new land acquisitions that consist of significant amounts of peat since this commitment.

Apart from the strict selection of areas for new planting, FGV is also committed to reducing GHG emissions through operational approaches such as methane capture, bio-composting and the cogeneration of electricity from methane released by palm oil mills effluent (POME). We have 16 biogas trapping plants in operation and eight more under construction. In 2014 alone, we managed to capture 68,695 metric tonnes of the carbon dioxide (CO₂) equivalent from 10 plants. One of our biogas plants in Umas supplies electricity to rural communities, under a CSR project. Methane captured in the other mills is either converted into energy and channelled into the national grid or used as boiler fuel within the mills themselves.

In 2015, we plan to calculate our GHG emissions footprint in all our mills with the aim of setting targets for reduction.

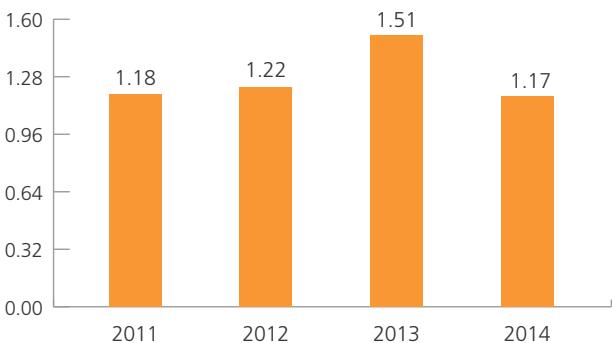


Water use and quality

Our stakeholders are concerned about the potential impact of our operations on natural water ways. We appreciate their concern as water is fundamental to life, and make every effort to ensure we use water responsibly without contaminating its sources.

In our mills, efforts to avoid wastage have led to a significant reduction in water use from 1.51 tonnes per tonne of FFB in 2013 to 1.17 tonnes in 2014. In terms of water quality, we recorded a significant reduction in the biological oxygen demand (BOD) of discharged palm oil mill effluents from 58 ppm in 2013 to 47¹ ppm in 2014, indicating a lower level of organic pollutants in the discharged water.

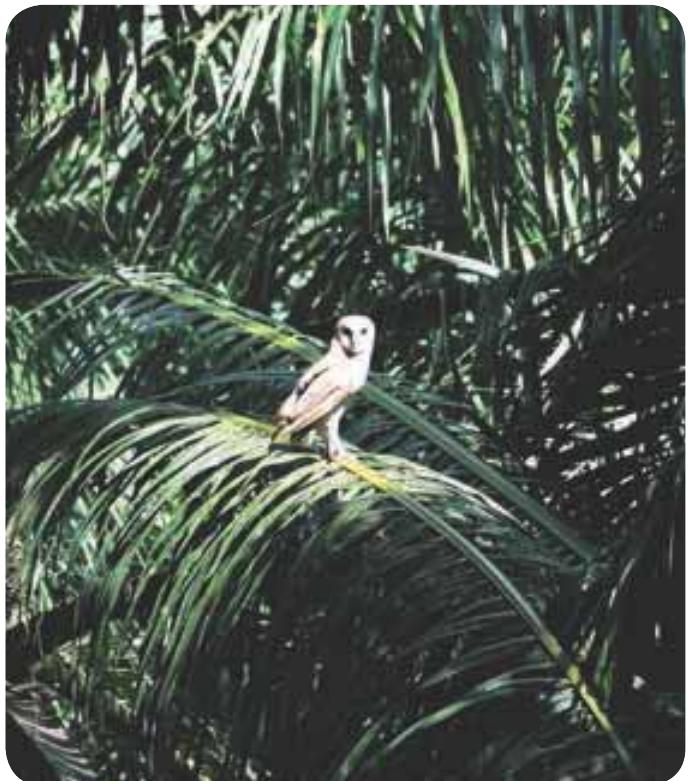
Water Used Per Tonne of FFB Processed (Tonnes)



We had initiated an exercise in 2013 to monitor the water quality in major river systems flowing through our plantations, based on the Department of Environment (DOE) Water Quality Index (WQI) parameters on dissolved oxygen, pH, biological oxygen demand, chemical oxygen demand, ammoniacal nitrogen and total suspended solids. In 2014 alone, 84 samples covering 41 river systems were analysed and the results showed no significant deterioration in the test parameters.

Health, Safety and Environment (HSE)

We are guided by an OSH Manual developed based on the ISO 18001 and MS 1722 certification systems. It contains all our standards, safe work procedures and documentation. Operations wise, we strive to provide a safe and healthy work environment that balances our business objectives with safety and environmental interests. This is enabled by complying with all the relevant laws and regulations; allocating appropriate resources to eliminate incidences, accidents, occupational poisoning or work-related illness; and adopting continual improvement measures to align FGV's HSE standards with global best practices.



In 2014, our safety officers conducted 240 safety visits and 353 safety courses at which 17,124 workers received safety-related training. We managed to reduce our incident rate (IR) and severity rate (SR) to 3.87 and 235 in 2014, from 3.98 and 439 respectively in 2013. However the number of total fatalities from occupational accidents remained the same at six employees.

For more information on our Health and Safety processes and initiatives, kindly refer to pages 110 to 113 of this Annual Report.

Traceability

Traceability is becoming an important element in the oil palm supply chain. At FGV, our produce is traceable right up to our respective palm oil mills, refineries and kernel crushing plants. However, due to the inherent complexities within the supply chain, tracing third-party suppliers remains a challenge for us. We are, however, in negotiation with some intermediaries to ensure our supplies come from legitimate source farms. A pilot project to trace all FFB sources to two of our mills will soon kick-off, with the cooperation of some partners and NGOs.

¹ The average BOD level is based on one sample of mill effluent taken from each mill per month over the year.

Independent Assurance Report

To Management of Felda Global Ventures Holdings Berhad

We have been engaged by Felda Global Ventures Holdings Berhad ("FGV") to perform an independent limited assurance engagement on selected Corporate Responsibility Information ("Selected Information") as reported by FGV in the sustainability chapter of their Annual Report 2014.

Management's Responsibility

Management of FGV is responsible for the preparation of the Sustainability chapter of FGV's Annual Report 2014 in accordance with FGV's internal reporting guidelines.

This responsibility includes the selection and application of appropriate methods to prepare the Sustainability chapter of FGV's Annual Report 2014 as well as the design, implementation and maintenance of systems and processes relevant for the preparation. Furthermore, the responsibility includes the use of assumptions and estimates for disclosures made by FGV which are reasonable in the circumstances.

Our Responsibility

Our responsibility is to provide a conclusion on the subject matter based on our evidence-gathering procedures performed in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we comply with ethical requirements, and plan and perform the assurance engagement under consideration of materiality to express our conclusion with limited assurance.

The accuracy and completeness of the sustainability report indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data.

Our assurance report should therefore be read in connection with FGV's procedures on the reporting of its sustainability performance.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

Subject Matter

The following information collectively known as Selected Information (hereon after referred to as "Selected Information") on which we provide limited assurance consists of:

- The management and reporting processes with respect to the preparation of the following eight (8) Selected Information reported and marked in the Sustainability chapter of FGV's Annual Report 2014 as follows:
 1. Average Biochemical Oxygen Demand ("BOD") level across all mills based on one sample of mill effluent taken from each mill per month over the year;
 2. Number of river systems analysed for water quality;
 3. Number of fatalities as a result of occupational accidents across FGV;
 4. Greenhouse Gas ("GHG") emission reduction in palm oil mill operations;
 5. No new land acquisitions with significant peat areas since the management commitment on 16 June 2014;
 6. Tonnes of Roundtable on Sustainable Palm Oil ("RSPO") certified sustainable palm oil production capacity;
 7. Number of International Sustainability Carbon Certification ("ISCC") certified mills;
 8. Total contributions by the FGV group allocated to Yayasan Felda

Criteria

- FGV's internal sustainability reporting guidelines and procedures by which the Selected Information is gathered, collated and aggregated internally.

Main Assurance Procedures

Our work, which involved no independent examination of any of the underlying financial information, included the following procedures:

- Inquiries of personnel responsible for the preparation of the Sustainability chapter of FGV's Annual Report 2014 regarding the process to prepare the said report and the underlying internal control system;
- Understanding the sustainability report management structure and inspection of documents regarding FGV's sustainability strategy and stakeholder dialogue;
- Inquiries of personnel responsible for internal reporting, and data collection at the corporate level for the Selected Information;
- Inspection on a sample basis of internal documents, contracts and invoices/reports from FGV and external service providers supporting the Selected Information for completeness and accuracy; and
- Reviewing the appropriateness of the management and reporting processes for the Selected Information and assessing the collation and reporting of data at the corporate level;

Conclusion

Based on our limited assurance engagement, in all material respects, nothing has come to our attention that causes us to believe that, for the year ended 31 December 2014, the Selected Information has not been fairly stated in accordance with FGV's internal sustainability reporting guidelines.

Other matters

This report is issued for the sole purpose for inclusion in FGV's Annual Report 2014 and should not be used or relied upon for any other purpose. We do not assume responsibility to any other person for the content of the report.



PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants
Kuala Lumpur

6 April 2015

HEALTH, SAFETY AND ENVIRONMENT



FGV places the highest importance on the health and safety of all our employees and contractors, at our head office and subsidiaries, as well as plantations and mills. We recognise that our performance depends on our people, and that their well-being is paramount to maintaining a high level of productivity.

Reflecting on our commitment to health and safety, we have in place formal structures and frameworks that ensure our operations are guided by effective policies and procedures to safeguard our people and other assets. These policies and frameworks are continuously reviewed and upgraded in line with global best practices.

Accordingly, as of 1 January 2015 we expanded our Occupational Safety and Health Department and renamed it the Health, Safety and Environment (HSE) Department. As implied by the new name, the department will not only manage the Group's safety and health matters but will now also be responsible for looking into environmental issues related to FGV's business activities.

To support its expanded role and functions, the department will be boosted by a bigger headcount of 17, as opposed to only 10 in 2014.

With a more empowered HSE department, we will be seeking OHSAS 18001:2007 certification in 2015. This will not only validate our HSE competencies but will ensure we adhere to a high standard of safety and environmental consciousness at all times.

The HSE Structure

The functional management of HSE in FGV Group utilises a multi-tiered approach.

A 10-member HSE Steering Committee appointed by the Group President/ Chief Executive Officer and headed by the Chief Human Resources Officer (CHRO) provides direction to the Group HSE Department and top-level championing pertaining to all OSH matters. Its representatives comprise members of the senior management team (Vice Presidents and CEOs) from all our Clusters, namely: Palm Upstream, Palm Downstream, Rubber, Sugar, R&D and Agri Services, as well as Transport, Logistics, Marketing and Others (TLMO). The Committee meets quarterly to receive accident reports, determine policies as well as be briefed on, review and endorse major initiatives.

The HSE Department navigates FGV's day-to-day safety journey. It is led by an HSE practitioner with 30 years' experience in the sector including stints at Department of Occupational Safety & Health and National Institute of Occupational Safety & Health. He is also a qualified OSH, Environment and CI (UK) as well as a Quality Lead Auditor Course Trainer.

The department develops strategies, oversees and drives Group-level initiatives to highlight HSE concerns group-wide, ensure HSE visibility and engage with diverse employees, workers and third-party service providers in an effort to instil a safety-centric culture. These include incident monitoring, accident prevention activities, safety risk management programmes, benchmarking activities, campaigns, communications and awareness programmes as well as capacity building and training.

In the pursuit of FGV's HSE objectives the department is supported by the Group HSE Management Committee.

This in turn, comprises some 30 Safety and Health Officers (SHOs) or SHO-candidates from major subsidiaries and associate companies. Under the stewardship of Group HSE Department, the committee meets quarterly for a Group-wide HSE performance review, knowledge sharing and project co-ordination. The HSE Management Committee helps to ensure that strategies and initiatives are cascaded to their respective companies as well as Safety and Health Committees for implementation. In concert with the efforts at Group level by

the HSE Department, the subsidiary companies also undertake, jointly and independently, various training, competency building, awareness and engagement programmes.

As a result of its strategic HSE framework, the FGV Group has a robust calendar of events, campaigns, meetings, site visits, workplace inspections, audits, training courses at both head office, regional centres and operational workplaces all year round.

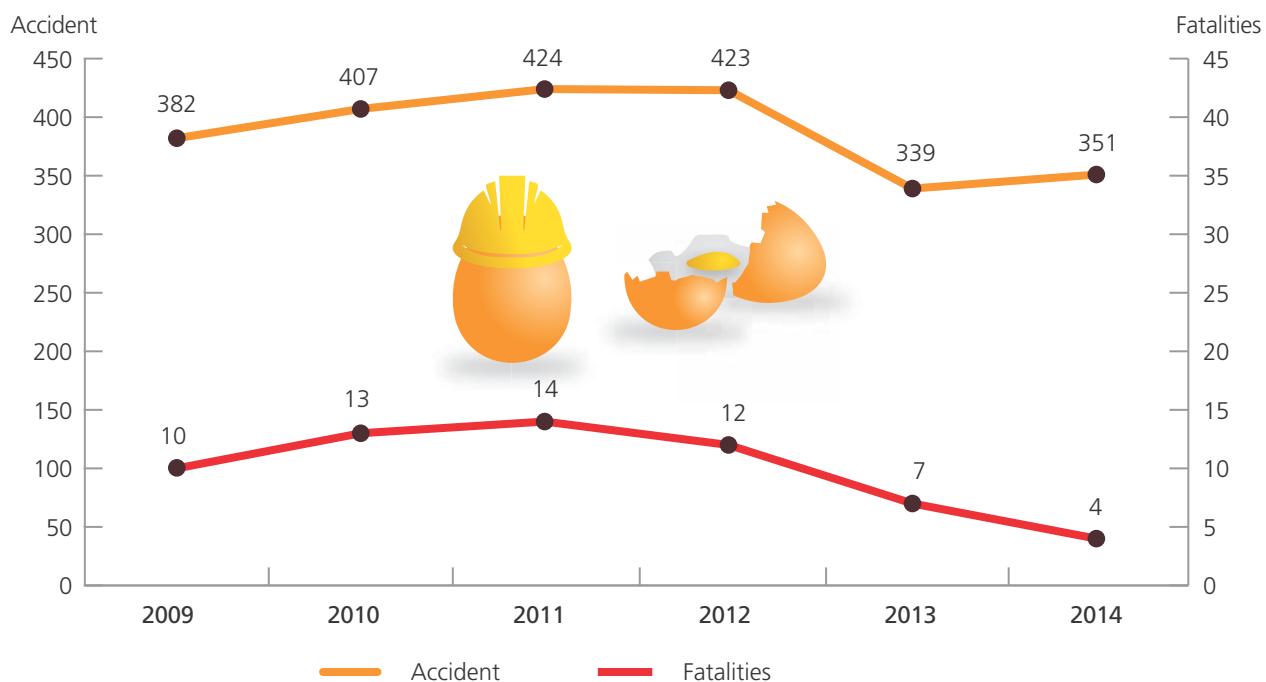
In-house HSE competency

Reflecting FGV's aspiration to develop the highest standards of safety and health at the workplace, a capacity building programme has been put in place to develop a core group of in-house safety professionals. To date, FGV has 33 registered and competent SHOs who have obtained the Green Book from Department of Occupational Safety and Health. This will bring us closer to our target of having one SHO for every 500 employees.

Safety Performance

Over the five-year period from 2009 to 2014, the total number of accidents across the Group, especially fatalities, has shown a marked decrease. This is due to continuous monitoring, safety audits, safety education, awareness programmes and competency training.

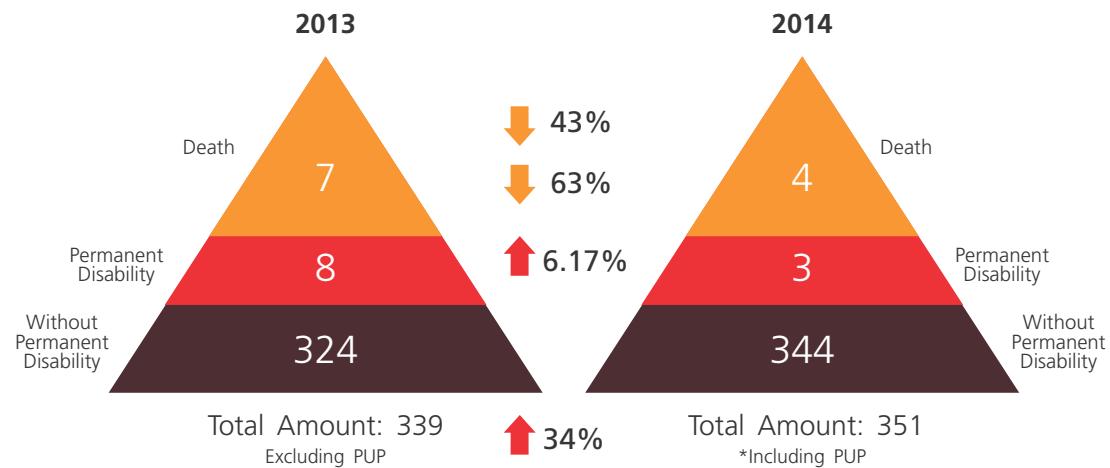
FGV's Safety Performance



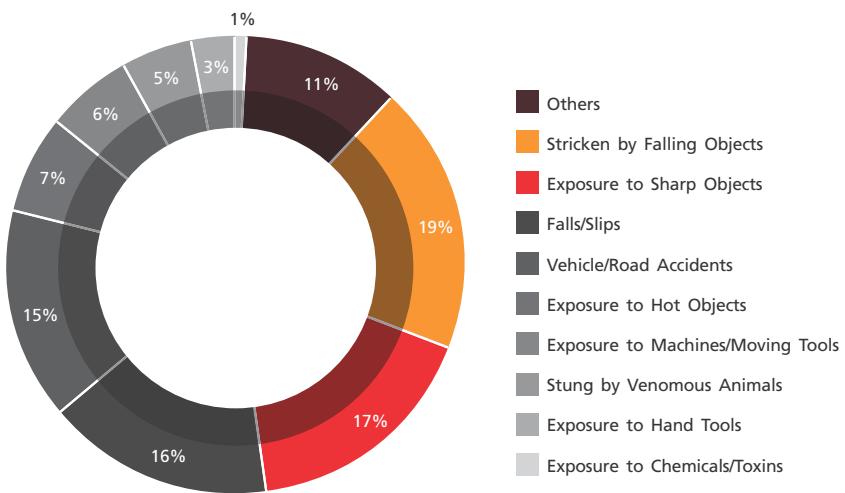
HEALTH, SAFETY AND ENVIRONMENT

FGV recorded a slight increase in the number of accidents, the accident rate increased from 5.91 per 1,000 employees in 2013 to 6.15 per 1,000 employees in 2014. Nonetheless, the number of fatalities decreased from 11.18 per 100,000 employees to 7.01. Similarly, accidents requiring more than three days' medical leave also dropped from 3.45 to 3.22 per 1,000 employees and the severity rate (time lost) decrease from 229.74 to 201.90 per million hours worked.

FGV Accident Report 2013-2014



Type of Accidents 2014



Safety Initiatives

During the year, the HSE Department conducted four (4) accident investigations and 23 safety audits at our operational sites. As part of our Safety Risk Management strategy, we plan to step this up in 2015 to include 105 projects. To create a more robust audit function, we will cross-reference different operations by introducing a tiered, cross-operational audit system involving our subsidiary SHOs, the HSE Department as well as the HSE Steering Committee.

Group-wide, we conducted 954 training programmes involving 24,774 employees and 965 contractors' workers in 2014. These programmes ranged from miscellaneous competency-based training such as Working at Heights and Tripod beta System; to Wellness Programmes, Effective Safety and Health Committees, Hazard Identification, Risk Assessment & Determining Control (HIRADC) at the Workplace for Managers, Kiken Yochi (a Japanese safety assurance methodology), Bomba Elite and Emergency Response Team (ERT). We also piloted a Safety Card programme whereby 965 contractors' workers at 14 locations nationwide underwent safety training.

In addition to these, FGV organised several campaigns notably Safety Days at three (3) of our Transport Depots in Kuantan, Klang and Pasir Gudang; a Safety Engagement Programme involving talks, site visits, audits and training at Pontian United Plantations as well as Behavioral-based Safety Campaign covering our companies in Pasir Gudang.

Better Health Through KOSPEN

FGV is the first public-listed company to collaborate with the Ministry of Health on its Komuniti Sihat Perkasa Negara (Empowering the Community, Strengthening the Nation, or KOSPEN) programme. This is an early intervention programme to reduce the risk of non-communicable diseases (NCDs) such as hypertension, diabetes and obesity which are growing health concerns among Malaysians. Our operations in the Serting region are currently implementing a two-year pilot KOSPEN project, involving the screening of 3,000 people by some 300 volunteers trained by the Ministry's medical personnel.

Currently, the programme is in its second phase whereby scheduled activities are held to reduce the risk factors for these NCDs, monitored by a combined team from FGV and the Ministry.

Safety Outreach Programmes

FGV is one of only 16 companies nationwide that has been selected to spearhead the Ministry of Human Resources's OSH-in-Schools programme, OSH Master Plan 2015. The programme aims to introduce OSH in schools and integrate it into their learning modules by way of pairing one school and one mentor-organisation per state.

Under this programme, FGV aids Sekolah Menengah Vokasional Klang by providing safety promotion materials, conducting Hazard Identification, Risk Assessment & Determining Control (HIRADC) as well as Chemical Health Risk Assessments. A possible extension of the programme could see FGV helping the school set-up an OSH Club to heighten OSH awareness and develop young safety champions.



In the area of green technologies, given FGV's in-bred expertise in biogas operations, we have been called upon, and are working closely with the Department of Occupational Safety and Health to develop the National Biogas Safety Policy and Guidelines.

HSE Going Forward

Although our accident statistics are encouraging, FGV believes that we can further improve our performance by benchmarking FGV's safety standards against those in the oil and gas industry, where the standards are highly regulated and maintained. There is a very high likelihood that FGV may collaborate with one of these companies to enhance our safety management practices.

In 2015, we will focus on new areas such as industrial hygiene and environment, even while we continue ensuring legal compliance to various statutory requirement and step up safety-centred engagement programmes. To strengthen our safety management system, our programmes in 2015 will also emphasise safety risk management. This includes the procurement and contract award process of third-parties such as our contractors and structuring an internal framework to ensure safety in emerging technologies such as biogas.

We shall continue to strive for zero fatality. We recognise that this is in itself a challenge given that we are a large conglomerate with close to 250 operational premises located in every state across Malaysia. In realising this goal, we will introduce an online accident reporting system in 2015 to enable faster data input and comprehensive monitoring of incidents at our estates, mills, facilities and depots.

These system will ensure an efficient safety and health management which subsequently make FGV a safer workplace for everyone.



FAST-TRACKING

Along with our growing plantation, we have also established a strong network and supply chain in trading, marketing, logistics & others. At present, as much as 40 percent of the country's palm oil passes through our state-of-the-art bulking terminal prior to export. Our transportation division are also pursuing high value opportunities in the oil and gas, defence and security, energy and utility sectors. And in the pipelines, we are also on the fast track to become an international palm oil trader.



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Felda Global Ventures Holdings Berhad (the Board) is committed towards upholding the highest standard of corporate governance throughout Felda Global Ventures Holdings Berhad's (FGV or Company) Group of Companies (FGV Group or the Group) as promulgated in the 8 Principles and 26 Recommendations of the Malaysian Code on Corporate Governance 2012 (the Code), relevant chapters of the Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Securities) as well as the adoption of better practices as prescribed in the Corporate Governance Guide 2nd edition (the Guide) issued by Bursa Securities.

The Board acknowledges that high standards of corporate governance play an important part towards FGV Group's continued growth and success. The Board is committed to managing the Group's businesses ethically and in a transparent manner to ensure equitable long term value for all its shareholders. The Board is pleased to present this Corporate Governance Statement (Statement) which sets out the Company's application and observation of the principles and recommendations of the Code throughout the financial year ended 31 December 2014 (FYE 2014) and up to 28 April 2015, being the date of approval of this Statement by the Board.

Throughout the FYE 2014, FGV Group continuously reviewed its corporate governance policies and practices which saw the introduction of clearer governance frameworks and structures, new policies and revisions of the Group's existing policies and procedures in order to better align the Group's conduct and activities to best corporate governance and business practices.

FGV's efforts and commitment to strong governance have been recognised when on 9 December 2014, FGV was announced as the winner of "Industry Excellence 2014 – Plantation" during MSWG-ASEAN Corporate Governance Index Findings & Recognition 2014 – The Malaysian Chapter. FGV was also ranked at number 19 for overall performance and the winner for Plantation category in the MSWG-ASEAN CG Transparency Index – The Malaysian Chapter.

The Board of Directors

Roles and Responsibilities of the Board

The Board is collectively responsible for the overall conduct of FGV Group's business and takes full responsibility for the performance of the Company and the Group. The Board

members exercise due diligence and care in discharging their duties and responsibilities and ensure that high ethical standards are applied, through compliance with the applicable rules and regulations, directives and guidelines whilst acting in the best interest of FGV Group and its shareholders.

Formalised Ethical Standards

In discharging its responsibilities, the Board observes the principles of ethical conduct as contained in the Code of Ethics and Conduct (CoEC) and Code of Business Practice (CoBP).

The CoEC and CoBP outlines the ethical standards of behaviour and conduct expected from all Directors of FGV Group. The Board ensures that compliance is monitored through an annual declaration process that requires all Directors to declare their compliance, including any existing and/or potential conflict of interest situations. The Directors' CoEC and CoBP are made available on the Company's corporate website.

The Board Charter

The Board has formally adopted a Board Charter, which provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance.

The Board Charter outlines the roles and responsibilities of the Board, the balance and composition of the Board, the Board's authorities, schedule of matters reserved for the Board, the establishment of the Board Committees, processes and procedures for convening Board meetings, the Board's assessment and review of its performance, compliance with ethical standards, Board's access to information and advice and declarations of conflict of interest.

The Board Charter is made available on the Company's corporate website at www.feldaglobal.com. Broadly, the Board assumes the following principal responsibilities in discharging its fiduciary and leadership duties:

1. Reviewing and adopting a sustainable strategic plan for the Group's business.

Review, challenge and approve the corporate strategic plan for the Group, and consequently monitoring the implementation of the strategic plan.

2. Overseeing the conduct of the Group's business.

Oversee the conduct of the Group's business and evaluate whether the business is properly managed. The Board ensures that there are measures in place to assess the Management's performance.

3. Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures.

Assesses the principal risks of all aspects of the Group's business, recognising that business decisions involve taking appropriate risks. The Board ensures that there are systems in place which effectively monitor and manage these risks.

4. Succession planning, self-evaluation and appointments.

Ensures a succession plan is in place including appointing, training, fixing the compensation of and, where appropriate, replacing Top Management. Ensures that all candidates appointed to Top Management positions are of sufficient calibre and programmes are in place to provide for the orderly succession of Top Management.

5. Overseeing the development and implementation of investor relations programme and stakeholder communications policy.

Ensures that the Company has in place a policy to enable effective communication with its shareholders and other stakeholders.

6. Reviewing the adequacy and the integrity of the Group's Management information and internal controls systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Ensures that there is a sound framework of reporting on internal controls and regulatory compliance.

A formal schedule of matters reserved for the Board to ensure the direction and control of the Company are in its hands, has been provided for in the Board Charter, and includes amongst others, the review of the annual budgets, acquisitions and disposals of undertakings and properties of substantial value, major investments and financial decisions and changes to the Management and control structure within FGV Group including key risk management, treasury, financial and operational policies and delegated authority limits.

The Directors continue to adhere to the highest standards of ethical behaviour as stated in the Board Charter. The Board also supports and encourages policies within FGV Group which require Directors and employees to observe high standards of personal integrity and honesty in their dealings.

The Board appoints members to sit on subsidiary boards, in particular the Cluster boards, namely Felda Global Ventures Plantations Sdn Bhd, Felda Global Ventures Downstream Sdn Bhd, Felda Global Ventures Sugar Sdn Bhd, Felda Holdings Bhd, Felda Global Ventures Rubber Sdn Bhd and FGV R&D and Agri Services Sdn Bhd to maintain oversight and ensure that the operations of the respective subsidiaries are aligned with the Group's strategies and objectives.

Board Balance and Composition

Under the Company's Articles of Association, the number of Directors shall not be less than two (2) and not more than twelve (12). As at the date of this Statement, there are ten (10) members of the Board, comprising five (5) Independent Non-Executive Directors, four (4) Non-Independent Non-Executive Directors and one (1) Non-Independent Executive Director (Group President/Chief Executive Officer), the composition of which is in compliance with paragraph 15.02 of the Bursa Securities Listing Requirements.

The composition of the Board fairly reflects the interest of the significant shareholders, without compromising the interest of the minority shareholders. The Independent Non-Executive Directors on the Board act as caretakers of the minority shareholders and their views carry significant weight in the Board's decision-making process.

STATEMENT ON CORPORATE GOVERNANCE

The presence of Independent Non-Executive Directors fulfils a pivotal role in corporate accountability. Although all the Directors have equal responsibility at the Board level, the roles of these Independent Non-Executive Directors are particularly important as they provide unbiased and independent views, advice as well as judgement to take account of the interests, not only of the Group, but also that of minority shareholders, employees, customers, suppliers and the many communities within which the Group conducts its business.

The Board places great importance on the balance of its Independent Non-Executive Directors since they serve as an essential source of impartial and professional guidance to protect the interest of the shareholders. The Board regularly reviews the composition of the Board and its Committees to ensure appropriate balance and a good mix of skills and experience. The Board members comprise high calibre individuals with diverse professional backgrounds, skills and extensive experience and knowledge in their respective fields. Together, the Directors with their wide range of competencies, capabilities, technical skills and relevant business experience add value in governing the strategic direction of the Group.

The Board encourages female candidates to take up board positions. On 16 July 2013 and 15 March 2014, Datuk Nozirah Bahari and Datuk Dr. Salmiah Ahmad were appointed as directors respectively. However, Datuk Dr. Salmiah Ahmad resigned on 7 August 2014. The Board will continue to seek to appoint capable and competent Directors in order to reach at least 30 percent female representation on the Board in the near term.

With its diversity of skills, the Board has been able to provide clear and effective collective leadership to the Group, and has brought informed and independent judgement to the Group's strategy and performance so as to ensure the highest standards of conduct and integrity are always at the core of the Group. A brief description of the background of each Director is contained in the "Board of Directors' Profiles" section, set out on pages 24 to 35 of this Annual Report.

Board Diversity

Balance of Non-Executive and Executive Directors

• Non-Executive Directors (including Chairman)	9
• Executive Director	1

Board Gender Balance

• Male	9
• Female	1

Division of Roles and Responsibilities between the Chairman and Group President/Chief Executive Officer

The Board appreciates the distinct roles and responsibilities of the Chairman of the Board and the Group President/Chief Executive Officer. This division ensures that there is a clear and proper balance of power and authority. As such, the role of the Chairman and Group President/Chief Executive Officer is separate. The Chairman's main responsibility is to ensure effective conduct of the Board through the execution of the following key roles:

1. Building a high performance Board by leading the evaluation of the Board's performance and ensuring that succession planning is considered on an on-going basis.
2. Managing Board meetings to ensure robust decision making by ensuring the provision of accurate, timely and clear information to all Directors. The Chairman encourages participation and deliberation by Board members to tap the wisdom of all the Board members and to promote consensus building as much as possible.
3. Facilitating the interface between the Board and Management by acting as the conduit between the two parties.
4. Facilitating the selection and appointment of a successor to the Group President/Chief Executive Officer.
5. Acting as a spokesperson for the Board and the Group.

The Chairman has never assumed any executive position in the Company. The Group President/Chief Executive Officer has overall responsibility over the Group's operational and business units, organisational effectiveness and implementation of Board policies, directives, strategies and decisions. In addition, the Group President/Chief Executive Officer, by virtue of his position as a Board member, also functions as the intermediary between the Board and Management. Matters reserved for the Board's approval are clearly established in the Board Charter. The delegation of powers to the Board Committees, the Group President/Chief Executive Officer and Management are aligned to the Board Charter and are expressly set out in an approved Group Discretionary Authority Limits (Group DAL). The Board approved the revised Group DAL on 20 January 2015, which is used consistently throughout FGV and its subsidiaries. The Group DAL establishes a sound framework of authority and accountability within the Group, including segregation of duties, which facilitates timely, effective and quality decision-making at the appropriate levels in the Group's hierarchy.

Senior Independent Director

The Board has identified Dato' Yahaya Abd Jabar as the Senior Independent Non-Executive Director to whom concerns of shareholders and stakeholders may be conveyed. Shareholders and other interested parties may contact Dato' Yahaya Abd Jabar to address any concerns in writing or via telephone, facsimile or electronic mail as follows:

Tel: +603 2859 0003

Fax: +603 2859 0016

Email: ajyahaya@feldaglobal.com

Postal address: Felda Global Ventures Holdings Berhad, Level 45, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur, Malaysia.

Independent Non-Executive Directors

The Board has undertaken an assessment of the Independent Non-Executive Directors, and has concluded that each of them continue to demonstrate behaviour that reflects their independence, which is in accordance with the definition under Paragraph 1.01 of the Bursa Securities Listing Requirements on the definition of Independent Directors. The independence of Non-Executive Directors is reviewed on an annual basis as part of the Directors' evaluation process. The Board is satisfied that all its Independent Non-Executive Directors represent the interest of the minority shareholders by virtue of their roles and responsibilities. The Code's Recommendation on reinforcing independence provides a limit of a cumulative term of nine (9) years tenure for an Independent Director, after which, the said Director may either seek shareholders approval to continue to remain on the Board or be re-designated to a Non-Independent Non-Executive Director. To date, the Independent Non-Executive Directors of FGV Board have served less than nine years and are therefore within this Recommendation.

Role	Responsibilities
Group President/ Chief Executive Officer	<ul style="list-style-type: none"> • Recommends the Group's strategy to the Board. • Implements the Group's strategy. • Makes and implements operational decisions and manages the day-to-day business. • As intermediary between the Board and Management.
Senior Independent Director	<ul style="list-style-type: none"> • Contact person for shareholders to convey their concerns other than through the Chairman or Group President/Chief Executive Officer.
Non-Executive Directors	<ul style="list-style-type: none"> • Effectively and constructively challenges Management. • Appropriate oversight through scrutinising the performance of Management in meeting agreed goals and objectives.

Board Appointment Process

The nominees to the Board, including the Group President/Chief Executive Officer are first considered by the Nomination and Remuneration Committee, before they are recommended to the Board. The Nomination and Remuneration Committee assesses the suitability of candidates, taking into account the required mix of skills, knowledge, character, expertise and experience, professionalism, integrity, competencies, time commitment and other qualities, before recommending their appointment to the Board for approval.

Re-election of Directors

In accordance with the Articles of Association of the Company, at each Annual General Meeting (AGM), 1/3 of Directors shall be subject to retirement by rotation but they shall be eligible for re-election. The Directors to retire in every year shall be those who have been longest in office since their last re-election or appointment and each Director shall retire at least once in every three (3) years. Newly appointed Directors during the year must offer themselves to the shareholders for re-election at the first AGM following their appointment. Directors over the age of seventy (70) years are also required to submit themselves for re-appointment annually, in accordance with Section 129(6) of the Companies Act, 1965. None of the Company Directors have reached the age of seventy years.

Role	Responsibilities
Chairman	<ul style="list-style-type: none"> • Sets the Board Meeting agenda in consultation with the Group President/Chief Executive Officer and Company Secretary. • Facilitates and encourages active engagement and appropriate challenge by Directors. • Facilitates the selection and appointment of the Group President/Chief Executive Officer and his successor.

STATEMENT ON CORPORATE GOVERNANCE

Induction and Continuous Professional Development

Induction programmes were conducted for all newly appointed Directors, which included briefings by Top Management to provide the Directors with the necessary information to assist them in understanding the operations of the Group, current issues and corporate strategies as well as the management structure of the Company and Group. Site visits to the Group's plantation and mills operation, refineries and research centres and various trainings for the Top Management were organised during FYE 2014.

All directors have attended and successfully completed the Mandatory Accreditation Programme as required by the Bursa Securities Listing Requirements. All Directors are encouraged to attend continuous education programmes, talks, seminars, workshops and conferences to enhance their skills and knowledge and to ensure Directors keep abreast with new developments in the business environment and enhance their skills and knowledge. On an ongoing basis, the Company identifies conferences and seminars which are beneficial for the Directors to attend. The Company provides a dedicated training budget for Directors' continuing development. The Directors are also encouraged to attend appropriate external or internal trainings on subject matter that aids the Directors in the discharge of their duties as Directors, at the Company's expense. During the FYE 2014, the Directors have attended the following training programmes, as deemed necessary, to further enhance their knowledge to enable them to discharge their duties and responsibilities more effectively:

1. Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies (Pursuant to Paragraph 15.09 of Bursa Securities Listing Requirements).
2. In-house Directors' Training on ASEAN Corporate Governance Scorecard.
3. Briefing Session on Global Strategy for FGV Board by FGV.
4. Townhall Presentation on Global Strategy Blueprint by FGV.
5. In-house Directors' Training on Related Party Transactions by Messrs. Albar & Partners.
6. World Islamic Economic Forum by World Islamic Economic Forum Foundation.
7. Public Administration and Management Seminar by Commonwealth Association for Public Administration and Management (CAPAM).
8. In-house Directors' Training on ASEAN Corporate Governance Scorecard by MSWG.
9. GST International Seminar 2014.
10. Palm Oil Conference 2014.
11. Dialogue with YAB Prime Minister (Sustainability and Diversity).
12. Globoil India 2014.
13. World Economic Forum Annual Meeting 2014.
14. 3rd OIC Asia Trade and Economic Forum 2014.
15. 6th Annual Corporate Governance Summit.

Board Meetings

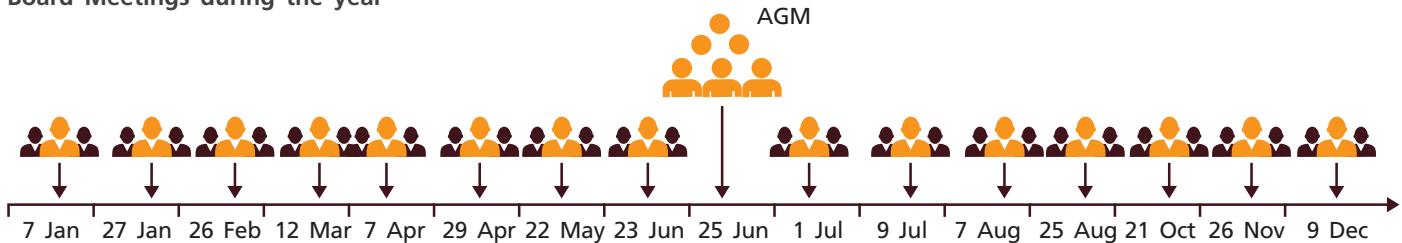
During the FYE 2014, the Board met fifteen (15) times to deliberate and consider a variety of significant matters that required its guidance and approval. The Board requires all members to devote sufficient time to the workings of the Board, to effectively discharge their duties as Directors, and to use their best endeavours to attend meetings. Board Meetings and Board Committee Meetings are scheduled in advance of the new financial year to enable Directors to plan ahead and fit the year's meetings into their schedules. Special Board Meetings are convened between the scheduled meetings to consider urgent proposals or matters that require expeditious decision or deliberation by the Board. The Board has a regular annual schedule of matters which is tabled to the Board for their approval and/or notation which includes business performance updates, unaudited quarterly results, reports from all operating segments and on strategy, investments, financial and investor relations.

In order for the Board Meetings to be more effective and to ensure in-depth deliberations of matters are achieved, the meeting agenda at Board meetings are sequenced taking into account the complexity of the matters for discussion/proposal and/or whether these are items for approval, discussion or notation by the Board. Whenever necessary, Top Management or external advisors are also invited to attend Board and Board Committee Meetings to provide further clarity on agenda items being discussed to enable the Board and/or Board Committees to arrive at a considered and informed decision. All Directors have complied with the requirement that Directors must attend at least 50 percent of Board Meetings held in the FYE 2014 pursuant to the Bursa Securities Listing Requirements. The attendance of the respective Directors in respect of the Board Meetings held during the FYE 2014 is set out below:

Directors	Number of Board Meetings Attended (During The Directors' Tenure)	Percentage
Non-Independent Non-Executive Director		
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	15 out of 15	100%
Datuk Dr. Omar Salim	14 out of 15	93.34%
Datuk Nozirah Bahari	10 out of 15	66.67%
Datuk Haji Faizoull Ahmad (Appointed on 15 March 2014)	8 out of 11	72.73%
Independent Non-Executive Director		
Dato' Yahaya Abd Jabar	15 out of 15	100%
Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah (Resigned on 20 January 2015)	13 out of 15	86.67%
Tan Sri Ismee Ismail (Resigned on 20 January 2015)	8 out of 15	53.34%
YB Datuk Noor Ehsanuddin Mohd Harun Narrashid	15 out of 15	100%
Tan Sri Dr. Sulaiman Mahbob (Appointed on 15 March 2014)	10 out of 11	90.91%
Datuk Dr. Salmiah Ahmad (Appointed on 15 March 2014) (Resigned on 7 August 2014)	4 out of 6	66.67%
Fazlur Rahman Ebrahim (Appointed on 15 March 2014) (Resigned on 20 January 2015)	11 out of 11	100%
Dato' Mohd Zafer Mohd Hashim (Appointed on 20 January 2015)	Not applicable	-
Dato' Mohamed Suffian Awang (Appointed on 20 January 2015)	Not applicable	-
Non-Independent Executive Director		
Dato' Mohd Emir Mavani Abdullah	15 out of 15	100%

Board Activity

Board Meetings during the year



STATEMENT ON CORPORATE GOVERNANCE

Among matters considered throughout the year

- The Company's financial performance of the business, budget, forecasts and key performance targets.
- The Group's financial performance of the business, budget, forecasts and key performance targets.
- The Group President/Chief Executive Officer's report on the Group's global strategic direction and business developments.
- The Group President/Chief Executive Officer's 2015 scorecard.
- Quarterly Results and Audited Financial Statements.
- Appointment of four (4) Non-Executive Directors.
- Change of Company Secretary.
- Executive Director's remuneration.
- Acquisitions.
- Board evaluation and effectiveness.
- Assessment of the Independent Non-Executive Directors.
- The Group's risk register.
- Emerging key risks.
- Internal controls.
- Corporate Social Responsibility.

Access to Information and Advice

The Board regularly reviews reports on progress against financial objectives, business development and also receives regular reports and presentations on strategy, risks profile and material litigation. Regular reports are also provided by Board Committees on their deliberation and recommendations. The agenda for the Board Meetings are set by the Chairman in consultation with the Group President/Chief Executive Officer and the Company Secretary. The agenda and supporting papers are distributed in advance for all Board and Board Committee Meetings to allow time for appropriate review to facilitate full discussion at the meetings. Board Meeting agendas and Board Meeting papers which include, among others, comprehensive management reports, minutes of meetings, project or investment proposals and supporting documents are targeted for dissemination to the Directors at least seven (7) days prior to Board Meetings. However, papers that are deemed urgent may still be submitted to the Company Secretary to be tabled to the Board at the Board Meeting, subject to the approval of the Chairman and the Group President/Chief Executive Officer. Presentations to the Board are prepared and delivered in a manner that ensures a clear and adequate presentation of the subject matter. All issues raised, discussions, deliberations, decisions and conclusions including dissenting views made at Board Meetings along with clear actions to be taken by responsible parties are recorded in the minutes. Where the Board is considering a matter in which a Director has interest, the relevant Director immediately discloses the interest and abstains from participating in any discussion or decision making on the subject matter. The Board is constantly advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities. As and when the need arises, Directors are also provided with ad-hoc reports, information papers and relevant training where necessary to ensure they are appraised on key business, operational, corporate, legal, and regulatory as well as industry matters.

Access to Top Management, Company Secretary and Independent Professional Advice

Complete and unrestricted access is provided to the Board by Top Management. In addition to regular presentations by the Top Management to the Board and Board Committees, Directors may seek briefings from Top Management on specific matters. The Board also has complete and unrestricted access to the advice of the Company Secretary to enable them to discharge their duties effectively. Authority is also given to the Board to seek independent professional advice, if necessary at the Company's expense from time to time in the performance of their duties. All Board Committees also have access to independent professional advice on the same basis.

Board Performance Evaluation

A formal evaluation was conducted to assess the Board's performance as well as to recommend improvement areas and remedial actions to improve the Board's effectiveness. The performance evaluation was conducted for the Board as a whole, its Committees and contributions from each individual Director.

For the FYE 2014, the Board appointed an external consultant to facilitate the Board evaluation process. The evaluation process involved a peer and self-review assessment, where Directors' assessed their own as well as their fellow Directors' performance, taking into consideration the principles as enunciated in the Code as well as the provisions in the Listing Requirements pertaining to the assessment of Directors, including the assessment of the Independent Directors. Peer and self-assessment questionnaires were developed and distributed to all Board members. The questionnaire covered areas that included, amongst others, the responsibilities of the Board in relation to strategic planning, risk management, performance management, financial reporting, external audit and internal control processes, human capital management, corporate social responsibility, communication, corporate governance, and shareholders' interest and value. Other areas that were assessed amongst others, included the Board composition and size, the contribution of each member of the Board during meetings, the quality of Board's decision-making and outcome, information and support rendered to the Board as well as meeting arrangements. Similar topics were covered in the questionnaire pertaining to each Board Committees.

The results of the assessment and its recommendations thereof, were compiled and collectively summarised and reported to the Nomination and Remuneration Committee. The Chairman of the Nomination and Remuneration Committee presented the Board Performance Evaluation results in the ensuing meeting for deliberation. The Board upon assessing the results, identified action plans and initiatives, as part of a continual improvement process in the boardroom.

It is the Board's goal to ensure that it is doing the right things, in the right way and, in doing so, is setting the right tone for the adoption of good governance for FGV and the Group.

Board Evaluation Process

- Assess the effectiveness of the Board, Board Committees and individual Board members
- Conclusions of the evaluation tabled to the Nomination and Remuneration Committee and the Board of Directors
- Focus areas to improve effectiveness and develop an action plan

Directors' Remuneration

The level of Directors' remuneration is generally set to be competitive to attract and retain Directors of such calibre to provide the necessary skills and experience as required and commensurate with the responsibilities for the effective management and operations of the Group. The Board has formalised a Board Remunerations Policy which spells out the policy and framework of FGV Group Directors' remuneration.

• Non-Executive Directors

The Non-Executive Directors' remuneration package reflects the experience, expertise and level of responsibilities undertaken by the Non-Executive Directors. Details of the Non-Executive Directors' remuneration are provided below:

Annual Fees

Board	<ul style="list-style-type: none"> – RM560,000 (Chairman) – RM120,000 (Non-Executive Directors)
Audit Committee	<ul style="list-style-type: none"> – RM64,000 (Chairman) – RM32,000 (Non-Executive Directors)
Nomination Committee, Remuneration Committee, Investment Committee, Board Governance & Risk Management Committee, Steering Committee for Project MI and Board Steering Committee for the Fund Raising Exercise.	<ul style="list-style-type: none"> – RM32,000 (Chairman) – RM16,000 (Non-Executive Directors)
Nomination and Remuneration Committee (effective 20 February 2014)	<ul style="list-style-type: none"> – RM35,000 (Chairman) – RM20,000 (Non-Executive Directors)

Meeting Allowances (Board and all Board Committees)

Local	<ul style="list-style-type: none"> – 2,000
Overseas (Flight time <= 8 hours)	<ul style="list-style-type: none"> – 2,000
Overseas (Flight time > 8 hours)	<ul style="list-style-type: none"> – 5,000
Teleconferencing	<ul style="list-style-type: none"> – 1,000

• Executive Directors

The basic salaries of the Executive Directors are fixed for the duration of their contract. Any revision to the basic salary is reviewed and recommended by the Nomination and Remuneration Committee and approved by the Board, taking into account the individual performance, the inflation price index, and information from independent sources on the rates of salary for similar positions in other comparable companies. The Group operates a bonus scheme for all employees, including the Executive Directors. Bonuses payable to the Executive Directors are reviewed by the Nomination and Remuneration Committee and approved by the Board. The Executive Directors are not entitled to annual Directors' fees nor entitled to receive any meeting allowances for the Board and Board Committee meetings that they attend.

STATEMENT ON CORPORATE GOVERNANCE

Directors' remuneration for the FYE 2014 in aggregate, with categorisation into components, distinguishing between Executive and Non-Executive Directors, are as follows:

Name of Directors	Salary ¹ (RM)	Bonus (RM)	Board (RM)	Audit Committee (RM)	Nomination Committee (RM)
<i>Non-Independent Non-Executive Director</i>					
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	–	–	560,000.00	–	–
Datuk Dr. Omar Salim	–	–	120,000.00	32,000.00	2,192.00
Datuk Nozirah Bahari	–	–	120,000.00	–	–
Datuk Haji Faizoull Ahmad ²	–	–	96,000.00	–	–
<i>Independent Non-Executive Director</i>					
Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah		120,000.00	–	–	–
Dato' Yahaya Abd Jabar		120,000.00	32,000.00	4,384.00	
Tan Sri Ismee Ismail		120,000.00	34,455.00	–	–
YB Datuk Noor Ehsanuddin Mohd Harun Narrashid		120,000.00	–	2,192.00	
Fazlur Rahman Ebrahim ³		96,000.00	46,992.00	–	–
Tan Sri Dr. Sulaiman Mahbob ⁴		96,000.00	–	–	–
Datuk Dr. Salmiah Ahmad ⁵		48,000.00	–	–	–
<i>Executive Director</i>					
Dato' Mohd Emir Mavani Abdullah	1,234,200.00	813,450.00	–	–	–
Total	1,234,200.00	813,450.00	1,616,000.00	145,447.00	8,768.00

Notes:

- 1 Salary not inclusive of the Company's contribution to Employees Provident Fund.
- 2 Datuk Haji Faizoull Ahmad was appointed as Non-Independent Non-Executive Director on 15 March 2014.
- 3 Fazlur Rahman Ebrahim was appointed as Independent Non-Executive Director on 15 March 2014.
- 4 Tan Sri Dr. Sulaiman Mahbob was appointed as Independent Non-Executive Director on 15 March 2014.
- 5 Datuk Dr. Salmiah Ahmad was appointed as Independent Non-Executive Director on 15 March 2014. She had resigned as Director with effect from 7 August 2014.

Annual Fees For Financial Year 2014

Remuneration Committee (RM)	Nomination and Remuneration Committee (RM)	Investment Committee (RM)	Board Governance & Risk Management Committee (RM)	Steering Committee for Project M1 (RM)	Board Steering Committee for The Fund Raising Exercise (RM)	Meeting Allowance (RM)	Total
–	–	–	–	–	–	30,000.00	590,000.00
2,192.00	17,260.00	32,000.00	–	–	–	88,000.00	293,644.00
–	–	–	–	–	16,000.00	26,000.00	162,000.00
–	–	11,748.00	–	–	–	20,000.00	127,748.00
–	–	–	32,000.00	5,216.00	32,000.00	44,000.00	233,216.00
4,384.00	30,205.00	16,000.00	16,000.00	10,433.00	–	103,000.00	336,406.00
–	–	–	–	5,216.00	16,000.00	26,000.00	201,671.00
2,192.00	17,260.00	16,000.00	16,000.00	–	–	84,000.00	257,644.00
–	–	–	–	–	11,748.00	40,000.00	194,740.00
–	–	–	11,748.00	–	–	28,000.00	135,748.00
–	–	–	–	–	–	8,000.00	56,000.00
–	–	–	–	–	–	–	2,047,650.00
8,768.00	64,725.00	75,748.00	75,748.00	20,865.00	75,748.00	497,000.00	4,636,467.00

The number of Directors' whose remuneration band falls within the successive bands of RM50,000 for the FYE 2014 are as follows:

Range of remuneration per annum	Number of Directors	
	Executive	Non-Executive
RM50,001 to RM100,000	–	1
RM100,001 to RM150,000	–	2
RM150,001 to RM200,000	–	2
RM200,001 to RM250,000	–	2
RM250,001 to RM300,000	–	2
RM300,001 to RM350,000	–	1
RM350,001 to RM400,000	–	1
RM400,001 to RM450,000	–	1
RM450,001 to RM500,000	–	1
RM500,001 to RM550,000	–	1
RM550,001 to RM600,000	–	1
RM600,001 to RM650,000	–	1
RM650,001 to RM700,000	–	1
RM700,001 to RM750,000	–	1
RM750,001 to RM800,000	–	1
RM800,001 to RM850,000	–	1
RM850,001 to RM900,000	–	1
RM900,001 to RM950,000	–	1
RM950,001 to RM1,000,000	–	1
RM1,000,001 to RM1,050,000	–	1
RM1,050,001 to RM1,100,000	–	1
RM1,100,001 to RM1,150,000	–	1
RM1,150,001 to RM1,200,000	–	1
RM1,200,001 to RM1,250,000	–	1
RM1,250,001 to RM1,300,000	–	1
RM1,300,001 to RM1,350,000	–	1
RM1,350,001 to RM1,400,000	–	1
RM1,400,001 to RM1,450,000	–	1
RM1,450,001 to RM1,500,000	–	1
RM1,500,001 to RM1,550,000	–	1
RM1,550,001 to RM1,600,000	–	1
RM1,600,001 to RM1,650,000	–	1
RM1,650,001 to RM1,700,000	–	1
RM1,700,001 to RM1,750,000	–	1
RM1,750,001 to RM1,800,000	–	1
RM1,800,001 to RM1,850,000	–	1
RM1,850,001 to RM1,900,000	–	1
RM1,900,001 to RM1,950,000	–	1
RM1,950,001 to RM2,000,000	–	1
RM2,000,001 to RM2,050,000	–	1
TOTAL	1	11

STATEMENT ON CORPORATE GOVERNANCE

Board Committees

The Board delegates certain of its governance responsibilities to the following Board Committees, which operate within clearly defined terms of references, primarily to assist the Board in discharging its responsibilities. Although the Board has granted such discretionary authorities to these Board Committees to deliberate and decide on certain key and operational matters, the ultimate responsibility for final decision lies with the full Board. All deliberations and decisions taken by the Board Committee are documented and approved by the respective Committee Chairman prior to submission as Board papers for deliberation at Board meeting. The Board reviews the Committees' authority and terms of reference from time to time to ensure their relevance. The Board currently has four (4) main Board Committees as follows:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Investment Committee; and
4. Board Governance & Risk Management Committee.

On 20 February 2014, the Nomination Committee and the Remuneration Committee were combined and renamed as the Nomination and Remuneration Committee.

• Audit Committee

The Audit Committee assists the Board in fulfilling the following key responsibilities:

1. Assessing the risks and control environment;
2. Overseeing financial reporting;
3. Evaluating the internal and external audit process; and
4. Reviewing conflict of interest situations and related party transactions.

The Audit Committee's Terms of Reference, composition and activities are summarised in the Report on the Audit Committee as stated on page 139 of this Annual Report.

• Nomination and Remuneration Committee

The Nomination and Remuneration Committee is comprised of the following members:

1. **Dato' Yahaya Abd Jabar**
Chairman of Nomination and Remuneration Committee
(*Senior Independent Non-Executive Director*)
2. **Datuk Dr. Omar Salim**
Member
(*Non-Independent Non-Executive Director*)
(*Resigned as Member on 20 January 2015*)

3. **YB Datuk Noor Ehsanuddin Mohd Harun Narrashid**

Member
(*Independent Non-Executive Director*)

4. **Dato' Mohamed Suffian Awang**

Member
(*Independent Non-Executive Director*)
(*Appointed as Member on 20 January 2015*)

Under the Code, the Board is recommended to establish a Nomination Committee which should comprise exclusively of Non-Executive Directors, a majority of whom must be independent. FGV's Nomination and Remuneration Committee is comprised exclusively of Non-Executive Directors and all its members are Independent Directors. The Chairman of the Nomination and Remuneration Committee is a Senior Independent Non-Executive Director. The Board believes that the current Nomination and Remuneration Committee's composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of all shareholders and to meet the needs of the Group.

Before combination, the Nomination Committee held one (1) meeting during the FYE 2014. The details of attendance are as follows:

Members	Number of Meetings Attended in 2014
Dato' Yahaya Abd Jabar	1 out of 1
Datuk Dr. Omar Salim	1 out of 1
YB Datuk Noor Ehsanuddin Mohd Harun Narrashid	1 out of 1

After combination, the Nomination and Remuneration Committee held nine (9) meetings during the FYE 2014. The details of attendance are as follows:

Members	Number of Meetings Attended in 2014
Dato' Yahaya Abd Jabar	9 out of 9
Datuk Dr. Omar Salim	8 out of 9
YB Datuk Noor Ehsanuddin Mohd Harun Narrashid	9 out of 9
Dato' Mohamed Suffian Awang	Not applicable

The purpose of the Nomination and Remuneration Committee is to assist the Board in fulfilling its corporate governance responsibilities in regards to:

1. Recommending the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company and Group.
2. Reviewing and proposing new nominees to the Board, Board Committees and subsidiaries' Boards.
3. Recommending the Board nomination and election process of Directors' and establishing the criteria used by the Committee in the selection process.
4. Recommending or approving the extension of contracts of the Group President/Chief Executive Officer and the Group's Top Management.
5. Facilitating the annual board effectiveness assessment, through the Board, Board Committees and Directors' self-evaluation forms, including determining the criteria to be used for such assessment.
6. Periodically reporting to the Board on succession planning for the Group President/Chief Executive Officer.
7. Ensuring Directors' induction programmes and continuing development.
8. Ensuring that the Board fulfills its diversity obligations.
9. Undertaking an assessment of its Independent Directors annually.
10. Assisting the Board in fulfilling its oversight responsibility to shareholders by ensuring that the Company has coherent remuneration policies and practices that fairly and responsibly reward individuals having regard to performance, the Group's risk management framework and the law whilst adhering to the highest standards of governance.
11. Reviewing and making recommendations to the Board in relation to the individual remuneration levels of the Group President/Chief Executive Officer, Non-Executive Directors, Group's Top Management, other executives who report directly to Group President/Chief Executive Officer, other persons whose activities in the Board's opinion affect the financial soundness of FGV, and any other person the Board determines.

12. Reviewing and making recommendations to the Board on short-term and long-term incentive plans for FGV Group Executives.

13. Reviewing and making recommendations to the Board in relation to approving any and all equity based plans.

14. Overseeing general remuneration practices across FGV Group.

The key responsibilities of the Nomination and Remuneration Committee are as follows:

1. To recommend to the Board, matters regarding the appointment, retirement and re-election of Directors;
2. To review the Board Committees' structure and recommend to the Board for its approval, Directors to serve as members of each Board Committee, and as Board Committee Chairman;
3. To assess the necessary and desirable core competencies of Directors so that an appropriate balance of skills, experience, expertise and diversity is maintained;
4. To assess that the Directors have the appropriate mix of competencies to enable the Board to discharge its responsibilities effectively;
5. To recommend or approve, as the case may be, based on the Terms of Reference, the extension of contracts of the Group President/Chief Executive Officer and the Group's Top Management, other persons whose activities in the Board's opinion affect the financial soundness of FGV, and any other person as may be determined by the Board.
6. To review the time commitment required from Non-Executive Directors and whether Directors are meeting that commitment and also to schedule regular Board performance reviews. In reviewing the composition and performance of the Board, the Nomination and Remuneration Committee will ensure that the tenure of an independent Director should not exceed a cumulative term of nine (9) years. If upon completion of the nine years, the independent Director continues to serve on the Board, he or she may do so subject to the re-designation as a non-independent Director. However, the Board may, in exceptional cases and subject to the assessment of the Nomination and Remuneration Committee, decides that an independent Director can remain as an independent Director after serving a cumulative term of nine years. In such a situation, the Nomination and Remuneration Committee must assist the Board to make a recommendation and provide strong justification to the shareholders in a general meeting.

STATEMENT ON CORPORATE GOVERNANCE

7. To annually assess the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual director, including assessing the independence of Independent Non-Executive Directors.
8. To determine and implement the process on annual evaluations of the effectiveness of the Board as a whole, Board Committees and individual Directors, including independent Non-Executive Directors, Group President/Chief Executive Officer as well as Group's Top Management, and report to the Board its findings and recommendations. The Nomination and Remuneration Committee shall ensure that all assessments and evaluations are properly documented.
9. To recommend suitable orientation, education and training programmes to continuously train and equip the existing and new Directors and to ensure a statement is made in the Annual Report by the Board containing a brief description on the type of training attended by Directors during the financial year. In selecting and recommending the appointment of new Directors, the Nomination and Remuneration Committee will recommend candidates who have the appropriate range of skills, experience and expertise that will best complement the Board's effectiveness.
10. To develop succession plans including appointing, training, fixing the compensation of and, where appropriate, replacing Group's Top Management. The Nomination and Remuneration Committee should work with the Board on succession planning.
11. To consider any other matters referred to the Nomination and Remuneration Committee by the Board.
12. To review and make recommendations to the Board in relation to the remuneration policies for:
 - a. Non-Executive Directors of FGV Group, to ensure that remuneration framework, policies and fee levels are adequate to attract, retain and motivate high calibre individuals as Directors;
 - b. The Group President/Chief Executive Officer, Group's Top Management and other executives who report directly to the Group President/Chief Executive Officer.
13. To assess the effectiveness and relevance of the Remuneration Policy annually, and as and when the need arises. In particular, the Committee must be satisfied that:
 - a. All applicable provisions regarding remuneration and its disclosure as set out in relevant laws and regulations are appropriately reflected in the Remuneration Policy.
- b. The Remuneration Policy encourages behaviour that supports FGV's long-term financial soundness, growth and success within an appropriate risk management framework.
- c. The Remuneration Policy demonstrates a clear relationship between individual performance and remuneration.
- d. The Remuneration Policy, where appropriate, specifies an appropriate mix of remuneration, reflecting the short and long-term performance objectives appropriate to FGV's circumstances and goals.
14. To review and make recommendations to the Board annually on the entire specific contractual and remuneration arrangements for the Group President/Chief Executive Officer or Executive Director having regard to the Remuneration Policy, including:
 - a. Fixed remuneration levels;
 - b. Short and long term remuneration targets and outcomes (including performance targets);
 - c. Any termination payments to be made;
 - d. Retention and sign-on rewards;
 - e. The development of any equity based plan to apply to the Group President/Chief Executive Officer; and
 - f. Any other forms of remuneration.
15. To determine and agree with the Board an appropriate performance framework, endorse its application in setting performance targets for the remuneration of the Group President/Chief Executive Officer or Executive Director and assessing their performance against such targets, to determine resultant annual remuneration levels.
16. To evaluate and make recommendations to the Board on the performance of the Group President/Chief Executive Officer in light of his or her goals and objectives.
17. To review and make recommendations to the Board annually on the individual remuneration levels and arrangements for Senior Executives and other executives who are direct reports of the Group President/Chief Executive Officer and any other person the Board determines having regard to the Remuneration Policies; including:
 - a. Fixed remuneration levels;
 - b. Short and long term remuneration targets and outcomes;
 - c. Any termination payments to be made;
 - d. Retention and sign-on rewards;
 - e. All incentive awards to be made to each individual; and
 - f. Any other forms of remuneration.

18. To approve the specific individual contractual arrangements for Group Executives and other executives who are direct reports of the Group President/Chief Executive Officer.
19. To review and recommend to the Board the size of variable reward pools as part of the Group's annual plan based on consideration of pre-determined business performance indicators and the financial soundness of FGV.
20. To review and note annually the remuneration trends across the FGV Group.
21. To be aware of and advise the Board on any major changes in employee benefit structures throughout the FGV Group.

The full details of the Nomination and Remuneration Committee's Terms of Reference are published in the Company's corporate website.

During the FYE 2014, the Nomination and Remuneration Committee considered and made recommendations to the Board on the following matters:

1. Extension of the Fixed Term Contracts for the Group's Top Management;
2. Assessment of the Effectiveness of the Board, Board Committees and Individual Directors;
3. Revision to the Terms of Reference of the Nomination and Remuneration Committee to align with the Amendments to the Bursa Securities Listing Requirements and the MCCG 2012;
4. Proposed appointment of new Directors;
5. Proposed new composition of the Board Committees of FGV;
6. Proposed appointment of new Company Secretary;
7. Revised composition of the Board Committees of FGV;
8. Proposed new composition of the Board in FGV Group of Companies;
9. Reviewed the promotion of the Group's Top Management positions;
10. Re-appointment/re-election of Directors retiring at the 2014 AGM;
11. Annual Assessment of the Independent Directors of FGV Board;
12. Proposed amendments to Board Remunerations Policy;
13. Proposed Bonus Payout for the Financial Year 2013; and
14. Salary Increment Proposals for the Financial Year 2015.

• **Investment Committee**

The Investment Committee was established on 5 August 2010 to assist the Board in performing its duties and discharging its responsibilities in evaluating the Company's investment proposals.

Under its Terms of Reference, the Investment Committee shall comprise of not less than three (3) members whom shall be appointed from members of the Board, a majority of whom must be Independent Non-Executive Directors.

The Investment Committee is comprised of the following members:

1. **Dato' Mohamed Suffian Awang**
Chairman of Investment Committee
(*Independent Non-Executive Director*)
(Appointed as Chairman and Member on 20 January 2015)
2. **Datuk Dr. Omar Salim**
Chairman of Investment Committee
(*Non-Independent Non-Executive Director*)
(Resigned as Chairman and Member on 20 January 2015)
3. **YB Datuk Noor Ehsanuddin Mohd Harun Narrashid**
Member
(*Independent Non-Executive Director*)
4. **Dato' Yahaya Abd Jabar**
Member
(*Senior Independent Non-Executive Director*)
(Resigned as Member on 20 January 2015)
5. **Datuk Haji Faizoull Ahmad**
Member
(*Non-Independent Non-Executive Director*)
(Appointed as Member on 8 April 2014)
(Resigned as Member on 20 January 2015)
6. **Dato' Mohd Zafer Mohd Hashim**
Member
(*Independent Non-Executive Director*)
(Appointed as Member on 20 January 2015)

The Investment Committee, may from time to time, be advised by externally appointed independent advisors, whom as required, are officially appointed by the Board and are contractually bound by an official letter of appointment, which includes amongst others, the confidentiality obligations and contractual agreements under the Confidentiality and Responsibility Statement as signed with the Company. At present, the independent advisors to the Investment Committee are Dato' Zakaria Nordin and Datuk Lim Thean Shiang.

STATEMENT ON CORPORATE GOVERNANCE

The scope and functions of the Investment Committee are as set out below:

1. To evaluate proposals on new investments and disposals of significant value to ensure consistency with the Global Strategy Blueprint and returns in excess of a hurdle rate adjusted for risk and performance premium;
2. To recommend investments of a prescribed amount as determined by the Board from time to time under the Group DAL;
3. To review financial investment portfolios of the Company and Group. This includes and is not limited to existing and new merger and acquisitions, new partnerships, divestments and large capital expenditure projects which are not within the ordinary course of business;
4. To oversee current and future capital and financial resource requirements;
5. To monitor the fund raising activities of FGV Group; and
6. To conduct the annual performance evaluation of FGV Group's investment activities.

The full details of the Investment Committee's Terms of Reference are published in the Company's corporate website.

The Investment Committee held thirteen (13) meetings during the FYE 2014. The details of the attendance are as follows:

Members	Number of Meetings Attended in 2014
Datuk Dr. Omar Salim	13 out of 13
YB Datuk Noor Ehsanuddin	13 out of 13
Mohd Harun Narrashid
Dato' Yahaya Abd Jabar	13 out of 13
Datuk Haji Faizoull Ahmad	2 out of 9
Dato' Mohamed Suffian Awang	Not applicable
Dato' Mohd Zafer Mohd Hashim	Not applicable

• **Board Governance & Risk Management Committee**

The Board Governance & Risk Management Committee was established on 29 August 2013 to assist the Board in fulfilling its statutory and fiduciary responsibilities in relation to governance, ethics and risk management. Under its Terms of Reference, the

Board Governance & Risk Management Committee shall comprise of not less than three (3) members whom shall be appointed from members of the Board, a majority of whom must be Independent Non-Executive Directors.

The Board Governance & Risk Management Committee is comprised of the following members:

1. **Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah**
Chairman of the Board Governance & Risk Management Committee
(*Independent Non-Executive Director*)
(*Resigned as Director on 20 January 2015*)
2. **Tan Sri Dr. Sulaiman Mahbob**
Member
(*Independent Non-Executive Director*)
(*Appointed as Member on 8 April 2014*)
(*Appointed as Chairman on 24 February 2015*)
3. **Dato' Yahaya Abd Jabar**
Member
(*Senior Independent Non-Executive Director*)
4. **YB Datuk Noor Ehsanuddin Mohd Harun Narrashid**
Member
(*Independent Non-Executive Director*)
(*Resigned as Member on 20 January 2015*)
5. **Dato' Mohd Emir Mavani Abdullah**
Member
(*Non-Independent Executive Director*)
(*Resigned as Member on 20 January 2015*)
6. **Datuk Dr. Omar Salim**
Member
(*Non-Independent Non-Executive Director*)
(*Appointed as Member on 20 January 2015*)

The Board Governance & Risk Management Committee's responsibilities shall include the review of the following areas and report of the same to the Board:

1. **Governance and Ethics**

In relation to governance and ethics, to undertake the following:

- a. To direct and oversee the formulation of the Group's governance framework with a view to inculcate an ethical and governance climate consistent with the Board's risks appetite, guided by the Recommendations of the Code.

- b. To direct and oversee the formulation of the Group's programmes and policies to support the implementation of the Group's governance framework and endorse the blueprints and policies for the Board's approval.
- c. To review reports on the status and availability of related procedures by the Group's operations and subsidiaries to implement the Group's policies.
- d. To monitor the status and progress of formulation and implementation of the related governance framework, blueprints and policies; and accordingly report to the Board the status.
- e. To recommend to the Board the approval of and/or amendments to the Group governance framework, blueprints and policies.

2. Risk Management

In relation to the risk management, to undertake the following:

- a. To direct and oversee the formulation of the Group's overall enterprise risk management framework and strategies, including policies, procedures, systems, capability and parameters to identify, assess and manage risks to ensure their relevance and appropriateness to the Group's position and business.
- b. To advise and report to the Board, the overall risk appetite, tolerance and strategy on managing business risks.
- c. To report to the Board, key business risks and seeks its approval on the management of key business risks that are aligned to the Group's risk appetite.
- d. To monitor the effectiveness and progress of management of key business risks and accordingly report to the Board the status of the key business risks.
- e. To recommend to the Board, the approval of and/or amendments to the Group risk management framework and strategies, including policies, procedures, systems, capability and parameters, as relevant.

3. Governance and Risk Reporting to the shareholders and relevant authorities

To review any reporting of matters relating to the Group's governance ethics, and risk management to the shareholders and relevant authorities, including in the Company's Annual Reports.

- 4. The Committee will ensure proper follow up is undertaken on the Audit Committee's observations and decisions in relation to the sufficiency or effectiveness of the Group's overall enterprise governance, ethics and risk management framework, strategies, policies, procedures and systems.
- 5. The Committee shall undertake any such other functions as may be determined by the Board from time to time.

The full details of the Board Governance & Risk Management Committee's Terms of Reference are published in the Company's corporate website.

The Board Governance & Risk Management Committee held six (6) meetings during the FYE 2014. The details of the attendance are as follows:

Members	Number of Meetings Attended in 2014
Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah	6 out of 6
Dato' Yahaya Abd Jabar	6 out of 6
YB Datuk Noor Ehsanuddin Mohd Harun Narrashid	4 out of 6
Dato' Mohd Emir Mavani Abdullah	6 out of 6
Tan Sri Dr. Sulaiman Mahbob	4 out of 4
Datuk Dr. Omar Salim	Not applicable

• Steering Committee for Project MI

The Steering Committee for Project MI was established on 16 July 2013 and mandated by the Board to manage and provide guidance to ensure successful execution of Project MI which refers to the proposed acquisition of a majority stake in Felda Holdings Bhd.

The Steering Committee for Project MI did not hold any meeting during the FYE 2014.

Following the completion of the acquisition of Felda Holdings Bhd on 27 December 2013, the Steering Committee for Project MI was abolished on 29 April 2014.

STATEMENT ON CORPORATE GOVERNANCE

• Board Steering Committee for the Fund Raising Exercise

The Board Steering Committee for the Fund Raising Exercise was established on 9 December 2013 and mandated by the Board to manage and provide guidance to ensure successful execution of Project GLIP (Global Liquidity Program).

The Board Steering Committee for the Fund Raising Exercise held three (3) meetings during the FYE 2014. The details of the attendance are as follows:

Members	Number of Meetings Attended In 2014
Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah	3 out of 3
Tan Sri Ismee Ismail	1 out of 3
Datuk Nozirah Bahari	3 out of 3
Fazlur Rahman Ebrahim	2 out of 2

The Board Steering Committee for the Fund Raising Exercise was abolished on 24 February 2015.

Company Secretary

The Company Secretary has the prerequisite qualifications and experience to support the Board. The Company Secretary organises and attends all Board and Board Committee meetings and ensures meetings are properly convened; accurate and proper records of the proceedings and resolutions passed are maintained accordingly at the registered office of the Company; and produced for inspection, if required.

The Company Secretary is responsible for advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Group, as well as best practices of governance. The Company Secretary is also responsible for advising the Directors of their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving prohibition on dealing in securities and restrictions on disclosure of price-sensitive information.

All Directors have unrestricted access to the advice and services of the Company Secretary. The Board through the Board evaluation assessment questionnaire evaluated the support and services of the Company Secretary for the financial year under review. The removal of the Company Secretary is a matter for the Board, as a whole.

Insider Trading

In line with the Bursa Securities Listing Requirements and the relevant provisions of the Capital Markets & Services Act 2007, Directors, key management personnel and principal officers of the Group are prohibited from trading in securities or any kind of property based on price sensitive information and knowledge, which have not been publicly announced. Notices on the closed period for trading in FGV's shares are circulated to Directors, key management personnel and principal officers who are deemed to be privy to any price sensitive information and knowledge, in advance of whenever the closed period is applicable.

Further information on prohibitions relating to insider trading is codified in the Directors' CoEC and CoBP. The Directors' CoEC and CoBP is made available on the Company's corporate website.

Conflict of Interest

It has been the practice of the Company to require that members of the Board to make a declaration in the event that they have interests in proposals being considered by the Board, including where such interest arises through close family members, in line with various statutory requirements on the disclosure of Director's interest.

Any interested Directors shall abstain from deliberations and decisions of the Board on the subject proposal and, where appropriate, excuse themselves from being physically present during such deliberations.

Further information on conflict of interest is codified in the Directors' CoEC and CoBP. The Directors' CoEC and CoBP is made available on the Company's corporate website.

Shareholder Communication

The Board recognises the importance of promoting an effective communications channel with all shareholders while ensuring consistency and clarity of disclosures at all times. An effective communications channel is aimed at providing shareholders with transparent and accurate information of the Group's financial performance and position.

In this respect, the Company thrives in maintaining a high standard for the dissemination of relevant and material information of the Group. The Group Corporate Disclosure Policy provides the proper framework and guidelines to govern the release of material and sensitive information so as not to mislead the public and shareholders. Information that is price sensitive or may be regarded as undisclosed material information about the Group is not disclosed to any party until it is already in the public domain through proper disclosure.

FGV's Investor Relations programme ensures a planned and balanced engagement with its current and potential shareholders providing a variety of forum including meetings, conference calls, investor conferences and management presentations. All investor relations activities are conducted by the Management, including the Group President/Chief Executive Officer and Chief Financial Officer.

The full report on the Investor Relations unit activities are as stated on page 62 of this Annual Report.

Quarterly Results Analyst Briefings

The Company holds media and analyst results briefings and/or conference calls chaired by the Group President/Chief Executive Officer and/or Chief Financial Officer immediately after each announcement of quarterly results to Bursa Securities. The briefings provide a platform for analysts to receive a balanced and complete view of FGV Group's performance and the issues faced.

Investor Meetings

The Investor Relations unit has frequent one-on-one and group meetings with analysts, investors and potential investors throughout the year to provide constant communications with the investment community. Reasonable access to Top Management is also provided to ensure analysts and important investors are able to meet with key management within the Group.

In 2014, FGV conducted 340 meetings with investors and analysts via face-to-face meetings and conference calls.

Investor queries may be addressed to the unit through the following contact:

Raja Zamilia Raja Dato' Seri Mansur
Head of Group Investor Relations
Level 24, Menara Felda
Platinum Park
No. 11, Persiaran KLCC
50088 Kuala Lumpur
Malaysia.
Tel : +603 2859 0000
Fax : +603 2859 0016
Website : www.feldaglobal.com
E-mail : fgv.investors@feldaglobal.com

Corporate Website

FGV's corporate website at www.feldaglobal.com provides quick access to information about the Group. The information on the Company's corporate website includes corporate profile, Board and Key Management profiles, announcements to Bursa Securities, press releases, share and dividend information, investor presentations, financial results, and corporate news. The Company's corporate website is updated periodically to provide current and comprehensive information about FGV Group.

Annual Report

FGV's Annual Report 2014 is its third Annual Report produced since its listing on Bursa Securities on 28 June 2012. The Annual Report provides a comprehensive report on the Group's operations and financial performance. The Annual Reports are also printed in summary form together with a digital version of the Annual Report in CD-ROM format. An online version of the Annual Report is also available on FGV's corporate website.

Media Coverage

Media coverage on the Group and Top Management, either through print media or television coverage, is also initiated proactively at regular intervals to provide wider publicity and improve the general understanding of the Group's business among investors and the public.

General Meetings

The Group's AGM and Extraordinary General Meetings (EGM) represent the primary platforms for direct two-way interaction between the shareholders, Board and Management of the Group and acted as a principal forum for dialogue with all shareholders.

The Company sends out the Notice of the AGM and related circulars to shareholders at least 21 days before the meeting as required under the Bursa Securities Listing Requirements. The Notice of AGM is also advertised in Malaysian newspapers in dual language, English and Bahasa Malaysia. The venue of the AGM is located in Kuala Lumpur and is easily accessible.

The Chairman, the Board members and Management, are in attendance to respond to questions raised and provide clarifications as required by the shareholders.

STATEMENT ON CORPORATE GOVERNANCE

Before the commencement of the AGM proceedings, the Chairman informs shareholders of their right to a vote by poll. Subsequently the responses to questions submitted in advance by the Minority Shareholder Watchdog Group are shared.

All shareholders were encouraged and given sufficient opportunity to enquire about the Group's activities and prospects as well as their expectations and concerns. Shareholders were also encouraged to participate in the Question and Answer session on the resolutions to be proposed or about the Group's operations in general. Shareholders who were unable to attend are allowed to appoint proxies in accordance with the Company's Articles to attend and vote on their behalf.

A press conference is held immediately after the AGM where the Chairman and Group President/Chief Executive Officer provide updates to the media representatives on the resolutions passed and answer questions on matters pertaining to the Group. The outcome of the AGM is announced to Bursa Securities on the same day. FGV had made available the minutes of the 2014 AGM in its corporate website.

Dividend Policy

The Company presently adopts a dividend pay-out ratio of at least 50 percent of its profit after tax (PAT) attributable to shareholders excluding nonrecurring income. The dividend policy also takes into consideration the level of cash, gearing, return on equity and retained earnings, expected financial performance, projected levels of capital expenditure and other investment plans and working capital requirements, general financial condition, contractual obligations and other factors considered relevant by the Board.

As the Company is an investment holding company, its income and therefore its ability to pay dividends is dependent upon the dividends received from its subsidiaries, which in turn would depend on the subsidiaries' distributable profits, operating results, financial condition, capital expenditure plans and other factors deemed relevant.

Whilst the dividend policy reflects the Board's current views on FGV Group's financial and cash flow position, the dividend policy will be reviewed from time to time. It is the policy of the Board, in recommending dividends, to allow shareholders to participate in the Company's profit, as well as to retain adequate reserves for future growth.

Dividends paid during the FYE 2014 were as follows:

Dividend	Date Paid	Tax Exempt Dividend (Single Tier)	Total Dividend (RM'Million)	Dividend Payout Ratio (%)
Final Dividend FYE 2013	11 July 2014	10 sen	364.82	37.14%
Interim Dividend FYE 2014	29 September 2014	6 sen	218.89	67.25%

Financial Reporting and Disclosure

The Board ensures that shareholders are presented with a clear, balanced and comprehensive view of FGV Group's financial performance and prospects through the audited financial statements, quarterly announcement of results, the Chairman's Statement, the Group President/Chief Executive Officer's Business Review in the Annual Report as well as corporate announcements on significant developments affecting the Company and Group in accordance with the Bursa Securities Listing Requirements. Timely release of announcements reflects the Board's commitment to provide up-to-date and transparent information on the Group's performance.

In the preparation of the financial statements, the Directors have considered compliance with all applicable Financial Reporting Standards, provisions of the Companies Act, 1965 and relevant provision of laws and regulations in Malaysia and the respective countries in which the subsidiaries, associates and joint venture companies operate. The Audit Committee assists the Board in reviewing both annual financial statements and the quarterly announcements of results to ensure reports reflect a true and fair view of the state of affairs of the Group and Company.

Statement of Directors' Responsibility in preparing Audited Financial Statements

The Companies Act, 1965 requires the Directors to prepare financial statements for each financial year in accordance with the applicable approved accounting standards and places responsibility on the Directors to ensure that the financial statements provide a true and fair view of the financial position of the Group and the Company and its financial performance and cash flows for the financial year ended.

The Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Company's position and prospects in the Directors' Report on pages 158 to 161 and the Financial Statements set out on pages 165 to 323 of this Annual Report.

Internal Controls

The Board recognises that the ultimate responsibility for ensuring FGV Group's sound internal control system and reviewing its effectiveness lies with the Board. The Statement on Risk Management and Internal Control which provides the key features of the risk management framework and an overview of the internal control system of FGV Group is set out on pages 150 to 155 of this Annual Report.

Whistleblowing Mechanism

In line with the Whistle-blower Protection Act 2010, the Board had on 7 December 2012, established a Whistleblowing Policy and Procedures ("Policy") to encourage transparent and ethical conduct within the Group. The Company has continuously reviewed the Policy, and the latest version was approved by the Board on 24 February 2015.

The main objectives of this Policy are:

1. To provide avenues for employees to disclose any acts of wrongdoing.
2. To assure the employees that they will be protected from reprisals, discrimination or victimisation for whistleblowing in good faith.
3. To provide a formal mechanism for action on all reports made.

This Policy allows individuals to report on alleged acts of wrongdoing within the Group such as, but not exhaustive to, the following:

1. Malpractice, impropriety, fraud and embezzlements.
2. Misappropriation of assets and funds.
3. Criminal breach of trust.
4. Illicit and corrupt practices.
5. Questionable or improper accounting.
6. Misuse of confidential information.
7. Acts or omissions, which are deemed to be against the interest of the Group, laws, regulations or public policies.
8. Breaches of any Group policies or Code of Ethics and Employee Conduct.
9. Attempts to deliberately conceal any of the above or other acts of wrongdoing.

STATEMENT ON CORPORATE GOVERNANCE

Dedicated channels of reporting have been set-up as secure mechanisms to report any concerns as follows:

1. Hotlines administered directly by the Head of Investigation from the Group's Internal Audit function through:
 - a. Email to alert@feldaglobal.com
 - b. Posting through e-Alert form on the Group's portal.
 - c. Call to the following hotline number:

Country	Hotline Number
Indonesia	001 803 60 1940
USA	1 855 503 0531
Thailand	1 800 060 162
Canada	1 855 526 8551
Malaysia	1 800-888-717

2. In writing or via email to specific Key Management identified in the Whistleblowing Policy.

All reports or complaints received are treated with strict confidentiality and the reporting individual shall not be at risk of victimisation or retaliation for reporting in good faith. All reports are investigated by the Group's internal audit function. Updates and the conclusions of the investigations are provided to the Audit Committee and Board Governance and Risk Management Committee on a quarterly basis.

Related Party Transactions and Recurrent Related Party Transactions Mechanism

The Company had established its Related Party Transactions and Recurrent Related Party Transactions Policy on 7 December 2012. The Company has continuously reviewed the Policy, and the latest version was approved by the Board on 25 August 2014.

The objectives of this Policy are as follows:

1. To set out the framework for the identification, monitoring, evaluation, reporting and approval of Related Party Transactions and Recurrent Related Party Transactions of FGV Group.

2. To put in place the guidelines and processes to ensure that Related Party Transactions and Recurrent Related Party Transactions are undertaken on terms not more favourable to the Related Parties than generally available to the public, and are not detrimental to the minority shareholders and in the best interest of FGV Group.

The Company had sought its shareholders' ratification and mandate at the previous AGM in 2014 for Recurrent Related Party Transactions of a revenue or trading nature. At the forthcoming AGM, the Company will seek shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.

The details of the Recurrent Related Party Transactions requiring shareholders' mandate are provided in the Circular to Shareholders which will be sent together with the Annual Report.

Relationship with External Auditors

The Group's transparent and professional relationship with the external auditors is primarily maintained through the Audit Committee and the Board. The key features underlying the Audit Committee's relationship with the external auditors are detailed in the Report on the Audit Committee of this Annual Report on pages 139 to 148.

The Audit Committee works closely with the Group's Management in assessing the suitability and independence of the external auditors and has obtained confirmation from the external auditors that they are, and have been, independent throughout the conduct of the audit engagement with the Group in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

The terms of engagement of the Group's external auditors are reviewed by the Audit Committee prior to submission to the Board for approval.

Fees paid/payable to Messrs. PricewaterhouseCoopers (PwC) in 2014	RM'000
Audit Fees	
• PwC Malaysia	3,259
• Member firm of PwC International Limited (PwCIL)	377
.....
Audit Related Fees	
• PwC Malaysia and member firm of PwCIL	1,234
.....
Other non-audit fees paid to PwC Malaysia and member firm of PwCIL	2,284
Total	7,154

On 25 March 2015, FGV established an External Auditor Policy to clearly state the Group's stand on engagement, assessment and rotation of the Group's external auditors and the boundaries for their engagement for non-audit services to maintain their independence.

Corporate Integrity Pledge

Since the signing of the Malaysian Corporate Integrity Pledge on 9 April 2012, FGV remains committed to uphold the integrity principles and strive towards creating a business environment that is free from corruption in the conduct of its business and in its interactions with its business partners and the authorities.

In 2014, FGV, has undertaken several integrity initiatives:

1. Integrity Awareness Road Show 2013/2014 ("Jelajah Integriti");
2. FGV Integrity Day 2014;
3. Launch of FGV Integrity Plan;
4. Integrity slogan contest;
5. Revision of Employee's CoEC;
6. Revision of Gift, Entertainment & Hospitality Policy;
7. Distribution of Integrity Posters to all Clusters, corporate centres and subsidiaries;

8. Launch of Integrity Website and Portal on 27 January 2014;
9. Development of Integrity Handbook;
10. Review of Asset Declaration Policy; and
11. Special Integrity Course.

Governance Initiatives

Further, with the view of strengthening its corporate governance, FGV embarked on a new FGV Corporate Governance System. The key components of FGV Corporate Governance System are as follows:

1. FGV Corporate Governance Checklist

FGV has completed the 1st Phase of Corporate Governance Checklist in FYE 2014. FGV launched its Board of Directors' Manual on 26 November 2014.

2. FGV – Code on Corporate Governance (FGV-CoGC)

FGV-CoGC shall strengthen the board structure and effective stewardship and guarding of FGV Group, set strategic direction, oversee the conduct of the business, comply with laws and ethical values and maintain an effective governance structure to manage risk and internal control appropriately. FGV-CoGC shall act as another controlling tool and guard rail as FGV Group's businesses expand worldwide. The FGV-CoGC is on track for completion in FYE 2015.

3. FGV Corporate Governance Plan (FGV-CGP)

FGV-CGP consists of a set of policies, roles, responsibilities and processes established within FGV Group. It guides, directs and controls business decisions and activities to enable FGV Group to achieve sustainable business. FGV-CGP will drive the FGV Group to focus on processes and structure in order to achieve business prosperity and discharges corporate accountability with the ultimate objective of long term value realisation for shareholders and stakeholders. The two key components of FGV-CGP are as follows:

STATEMENT ON CORPORATE GOVERNANCE

a. FGV-Compliance Plan (FGV-CP)

FGV-CP is an action plan to ensure all business actions, decisions and transactions to be in full compliance to all laws and regulations, policies and procedures and enable FGV Group to achieve sustainable business globally within the legal and regulatory requirements (of the respective countries where the business dealings take place). The FGV-CP is on track for implementation on core Clusters assessment in FYE 2015.

b. FGV Integrity Plan (FGV-IP)

FGV-IP is an integrated comprehensive action plan to uphold integrity within FGV Group. It is drawn up based on the principles of National Integrity Plan and feedback from FGV Integrity Champions. The objective of the FGV-IP is to promote and increase ethical working values and cultural integrity.

4. FGV-Corporate Governance Scorecard (FGV-CGS)

FGV-CGS is a strategy performance management tool for simplified corporate governance tracking and monitoring within FGV Group. The FGV-CGS is on track for completion in FYE 2015.

5. FGV CG Award (FGV-CGA)

The Group completed the pilot testing of FGV Corporate Governance Award Initiative on Research & Development and Agri-Services Cluster in FYE 2014. FGV had created its internal CG Index based on the pilot testing on R&D and Agri-Services Cluster. FGV is scheduled to hold the first FGV-CGA competition for its six (6) core Clusters in FYE 2015.

6. FGV ISO 9001:2008

Total Quality Management Department has coordinated the compilation of a group-wide corporate and operating policies and formulated Standard Operating Procedures for FGV Group. This complemented the ISO certification for the whole Group as various subsidiaries and departments have their own ISO certifications.

FGV has also undertaken the following corporate governance initiatives as follows:

1. Organise FGV Governance Day 2014;
2. Launched FGV CoBP during FGV Governance Day 2014; and
3. Launched FGV Board of Directors' Manual.

Sustainability

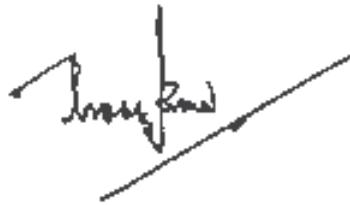
The FGV Group manages its business responsibly by managing the environmental, social and governance aspects of its operations. As a company aspiring to be a globally integrated, diversified multi-national corporation, FGV is committed to all three principles of sustainability i.e. people, planet and profit (triple bottom line). FGV has always encouraged a balance between its triple bottom line and its role as a responsible corporate citizen whilst approaching it from the four dimensions of marketplace, community, workplace and environment.

FGV has published its first Sustainability Report in 2014 which is available on FGV's corporate website. The report represents a new chapter in FGV's journey and builds on its legacy and commitment to sustainable business practices. As FGV ramps up its effort towards implementing the Global Strategic Blueprint, it is important for FGV to demonstrate transparency in its commitment to sustainability through measurable and accountable environmental and social targets towards its stakeholders.

Statement by the Board

This Statement is made in accordance with a resolution of the Board of Directors and approved at the Board meeting dated 28 April 2015.

On behalf of the Board



YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad
Chairman

REPORT ON THE AUDIT COMMITTEE

The Board of Directors of Felda Global Ventures Holdings Berhad (FGV) is pleased to present the Report on the Audit Committee for the financial year ended 31 December 2014.

Composition and Meetings

The Audit Committee held eight (8) meetings during the financial year ended 31 December 2014.

The members of the Audit Committee during the financial year 2014 and up to 28 April 2015 and the record of their attendance are as follows:

Directors	Date of appointment in the Audit Committee	Designation	Number of meetings attended in 2014
Dato' Mohd Zafer Mohd Hashim (Independent Non-Executive Director)	20 January 2015	Chairman	Not applicable
Fazlur Rahman Ebrahim (Independent Non-Executive Director)	8 April 2014 (Resigned as Chairman/Member on 20 January 2015)	Chairman	7 out of 7
Tan Sri Ismee Ismail (Independent Non-Executive Director)	17 April 2013 (Appointed as Chairman on 12 March 2014) (Resigned as Chairman on 8 April 2014) (Resigned as Member on 20 January 2015)	Member	5 out of 8
Datuk Dr. Omar Salim (Non-Independent Non-Executive Director)	30 January 2012 (Resigned as Member on 20 January 2015)	Member	8 out of 8
Dato' Yahaya Abd Jabar (Senior Independent Non-Executive Director)	7 December 2012	Member	8 out of 8
Datuk Nozirah Bahari (Non-Independent Non-Executive Director)	20 January 2015	Member	Not applicable

REPORT ON THE AUDIT COMMITTEE

The Audit Committee was established on 25 March 2010 to act as a Committee of the Board.

The Audit Committee comprises exclusively of Non-Executive Directors, a majority of whom are Independent Non-Executive Directors.

Tan Sri Ismee Ismail is a Fellow of The Chartered Institute of Management Accountants ("CIMA") and a member of the Malaysian Institute of Accountants ("MIA").

Dato' Mohd Zafer Mohd Hashim is a Fellow of Institute of Chartered Accountants In England and Wales ("ICAEW") and a member of the Malaysian Institute of Accountants ("MIA"). All members of the Audit Committee are financially literate and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities.

The Audit Committee, therefore, meets the requirements of paragraph 15.09(1)(c) of the Listing Requirements which stipulates that at least one (1) member of the Audit Committee must be a qualified accountant.

The Audit Committee held eight (8) meetings in the financial year ended 31 December 2014. During the financial year, the Group President/Chief Executive Officer, Chief Financial Officer, Chief Internal Auditor and various Management attended the meetings upon the invitation of the Audit Committee.

The Audit Committee Chairman reported to the Board on principal matters deliberated at Audit Committee Meetings. Minutes of each meeting were circulated to the Board at the most practicable next Board Meeting.

The external auditors briefed the Audit Committee on matters relating to the external audit at five (5) Audit Committee Meetings held during the financial year.

The Audit Committee has the right to meet the external and internal auditors without the presence of the Executive Directors and Management. The Audit Committee had two (2) private sessions with the external auditors without the presence of the Management during the financial year.

Terms of Reference of the Audit Committee

1. Purpose

The purpose of the Audit Committee is to assist the Board in fulfilling the following key responsibilities:

- i. Assessing the risks and control environment;
- ii. Overseeing financial reporting;
- iii. Evaluating the internal and external audit process and outcome;
- iv. Reviewing conflict of interest situations and related party transactions (including recurrent related party transactions); and
- v. Undertake any such other functions as may be determined by the Board from time to time.

The existence of the Committee does not diminish the Board's ultimate statutory and fiduciary responsibility for decision making relating to the functions and duties of the Committee.

2. Membership

- i. The Audit Committee members shall be appointed by and from the Board of FGV and shall comprise of not less than three (3) members.
- ii. All the members of the Audit Committee must be Non-Executive Directors and a majority of whom must be independent Directors free from any business or other relationship that, in the opinion of the Board, would materially interfere with the exercise of his or her independent judgement as a member of the Committee.
- iii. No Alternate Director shall be appointed as a member of the Committee.
- iv. At least one member of the Committee:
 - a. must be a member of the Malaysian Institute of Accountants; or

- b. if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' relevant working experience and:
 - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- c. fulfills such other requirements as prescribed by Bursa Malaysia.
- v. All members of the Committee shall be financially literate.
- vi. In the event a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the resulting that 2(i), 2(ii), 2(iii) and 2(iv) is not complied with, the Board shall within three (3) months of that event appoint such number of new members as may be necessary to make up the requirements.
- vii. Quorum
 - a. In order to form a quorum for the Committee meeting, at least three (3) of the members of the Committee must be present at the meeting, with the majority of Independent Non-Executive Directors;
 - b. In the absence of the Chairman of the Committee, the members present shall elect a Chairman for the meeting, who shall be an Independent Non-Executive Director from amongst the members present.

3. Authority

The Board has authorised the Committee, within the scope of its duties and responsibilities set out in this TOR to:

- i. Investigate any activity or matter within its terms of reference;
- ii. Acquire the resources which are required to perform its duties;
- iii. Have full and unrestricted access to anyone in the Group in order to conduct any investigation and any information pertaining to the Group;
- iv. Have full and unrestricted access to information pertaining to the Group, their records, properties and personnel;

- v. Maintain direct communication channels with the external auditors and the FGV Chief Internal Auditor (or his/her equivalent), as well as the Chairman of the Whistleblowing Committee;
- vi. Obtain independent professional or other advice to assist the Committee or any individual member of the Committee in performing its responsibilities and duties, at the expense of the Company and in accordance with the delegation of authority of the Committee;
- vii. Convene meetings with the external auditors, internal auditors or both, without the presence of other directors and employees of the Group, whenever deemed necessary; and
- viii. Meet exclusively among itself, whenever deemed necessary.

The Committee may empower one or more of its members to meet or communicate with the external auditors and/or internal auditors independently.

4. Chairman of the Committee

The Chairman of the Committee must be an Independent Non-Executive Director and shall be appointed by the members of the Committee.

5. Secretaries of the Committee

- i. The FGV Company Secretary and the FGV Chief Internal Auditor shall be the Secretaries of the Audit Committee;
- ii. The Secretaries of the Committee shall be present to record proceedings of the Committee meetings; and
- iii. The Secretaries of the Committee shall have the following responsibilities:
 - a. Ensuring meetings are arranged and held accordingly;
 - b. Assisting the Chairman of the Audit Committee in planning and drafting the Committee's activities for the financial year;
 - c. Drawing up meeting agenda in consultation with the Chairman of Audit Committee and circulate the agenda, together with the relevant papers, at least seven (7) days prior to each of the Committee meeting;
 - d. Ensuring structured communication (i.e formal and prompt reporting) between the Board and the Audit Committee;

REPORT ON THE AUDIT COMMITTEE

- e. Ensuring proceedings of meetings are minuted and endorsed by the Chairman of the Audit Committee before disseminating them to all Board members; and
- f. Ensure the Committee's recommendations presented to the Board are supported by explanatory papers, including report of the Audit Committee or minutes that explain the rationale of the Audit Committee's recommendations.

6. Responsibilities and Duties

6.1 Assessing the Risks and Control Environment

- i. To review the sufficiency and effectiveness of the Group's overall enterprise risk management framework, strategies, policies and systems;
- ii. To assess the effectiveness of the system of internal control vis-a-vis the risks, control environment and compliance requirements of the Group, based on the results of the external and internal audits and assurances from the respective responsible persons.

6.2 Oversee Financial Reporting

- i. To review the quarterly results and the year-end financial statements of the Group prior to approval by the Board, focusing particularly on:
 - a. changes in or implementation of major accounting policies;
 - b. significant and unusual events and adjustments; and
 - c. compliance with the applicable financial reporting standards and other legal requirements.
- ii. To review and recommend any changes in accounting policies or improvement in the system of internal control, where deemed necessary.
- iii. To review the Audit Committee Report for inclusion in the Company's Annual Report and recommend to the Board for approval.

6.3 Evaluating the Internal and External Audit Process and Outcome

- i. To review with the external auditors the following:
 - a. their audit plan and ensure coordination where more than one audit firm is involved;

- b. their evaluation of the system of internal controls;
- c. their audit reports;
- d. problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
- e. the management letter and management's response; and
- f. the adequacy of assistance given by Group employees to the external auditor;
- ii. to review any letter of resignation from the external auditors and report the same to the Board;
- iii. to review whether there is any reason that the external auditors is not suitable for reappointment, and make relevant recommendation to the Board;
- iv. to recommend the nomination of a person or persons as external auditors, including matters relating to the audit fee;
- v. to ensure the proper policies and procedures are established to assess the suitability and independence of external auditors including obtaining written assurance from the external auditors confirming they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of reference of all relevant professional and regulatory requirement.
- vi. to set policy on non-audit services which may be provided by the external auditors, conditions and procedures which must be adhered to by the external auditors in the provision of such services;
- vii. to review engagement of non-audit services by the external auditors to ensure that their independence is maintained;
- viii. In relation to the Group's internal audit function, to undertake the following:
 - a. review the adequacy of the scope, functions, competency, resources and budget of the Group's internal audit function and that it has the necessary authority to carry out its work, and report or make relevant recommendation to the Board;

- b. approve the internal audit plan and review the results of the internal audit plan or investigation undertaken and whether or not appropriate action is taken on the recommendations of the Group's internal audit function, and report or make relevant recommendation to the Board;
- c. review the effectiveness of the Group's internal audit function including compliance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and make recommendations necessary for improvement of the internal audit function;
- d. review any appraisal of or assessment of the performance of the Group's internal audit function;
- e. approve any appointment or removal of the FGV Chief Internal Auditor;
- f. appraise the performance and approve the remuneration (including annual increment and bonus) of the FGV Chief Internal Auditor; and
- g. take cognisance of resignation of FGV Chief Internal Auditor and provide the resigning individual an opportunity to submit his/her reasons for resigning.

6.4 Reviewing Conflict of Interest Situations and Related Party Transactions (including Recurrent Related Party Transactions)

- i. To review any conflict of interests situation and Related Party Transactions that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- ii. In respect of Related Party Transactions, including Recurrent Related Party Transactions, to:
 - a. ensure that the Group has adequate procedures and processes to identify, and where relevant, monitor and track the Related Party Transactions in a timely manner, and to review these procedures and processes annually;
- b. assess the sufficiency of the procedures, policies and terms of the Related Party Transactions to ensure that the transactions are fair, reasonable and on normal commercial terms; are not more favourable to the Related Party than those generally available to the public and are not detrimental to minority shareholders and in the best interest of the Group; and
- c. where the Related Party Transactions are not comparable to quotations or comparative pricing with unrelated third parties, to review the basis of the transaction price determined by the management in comparison to transactions by/to unrelated parties for substantially similar type transactions for approval by the FGV Board.
- iii. The Related Party Transactions and conflict of interest situations should be a permanent agenda item of the Committee meetings.

6.5 Other Responsibilities and Duties

- i. To review arrangements by which employees may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action to be taken. This would include any whistleblowing complaints and investigative reports received from the whistleblowing committee;
- ii. To maintain and keep under review the whistleblowing mechanism of the Company, as well as an effective and efficient set of investigation procedures, which aims to provide protection and confidentiality;
- iii. To consider any concerns raised by external auditors pertaining to a breach or non-performance of any requirement of any rules or matters that may materially affect the financial position of FGV Group.
- iv. Where the Audit Committee is of the view that a matter reported by it to the Board of Directors of FGV has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee must promptly report such matter to Bursa Malaysia; and
- v. To undertake such other functions as may be agreed to by the Audit Committee and the Board.

REPORT ON THE AUDIT COMMITTEE

7. Relationship with Listed Subsidiaries' Audit Committees

- i. FGV's Audit Committee delegates the functions under its terms of reference, in respect of its subsidiaries which are listed on Bursa Malaysia (the listed subsidiaries) and the Companies directly held by the listed subsidiaries, to the Audit Committees of the listed subsidiaries;
- ii. Nevertheless, the conduct of the delegated functions under its terms of reference should be consistently maintained, particularly in the adoption of accounting policies, by the Audit Committee of the listed subsidiaries;
- iii. FGV's Audit Committee reserves the right to establish the orderly conduct of the duties and authority across the Audit Committee of the listed subsidiaries and reserves its right to be apprised of any significant issues reported by the listed subsidiaries' Audit Committee and any other matters it deems appropriate.

8. Reporting

- i. The Committee shall regularly update the Board about its activities and make appropriate recommendations including through:
 - a. copies of minutes of each meeting of the Committee supported by explanatory papers and being circulated to all Board members once endorsed by the Chairman of the Committee;
 - b. the Chairman of the Committee drawing to the Board's attention any matter of major importance.
- ii. At the discretion of the Chairman of the Committee and members of the Committee, any relevant matters deemed to be of major importance shall be referred to the Board for its attention.
- iii. The Committee shall be responsible in ensuring that the Company discloses in its annual report an Audit Committee Report for the financial year, pursuant to the Listing Requirements.

9. Meeting Administration

9.1 Frequency and Attendance

- i. Meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate;

- ii. The Chairman of the Committee, in consultation with the Secretaries of the Committee, shall determine the frequency of the Committee meeting and discuss the schedule of meetings with the members of the Committee;
- iii. In addition to the regular scheduled meeting, the Chairman of the Committee shall call a meeting of the Committee if so requested by any member of the Committee or by the Chairman of the Board;
- iv. Resolutions of the members of the Committee at a meeting or adjourned meeting of the Committee shall be adopted by a majority of votes of all members present. In the event matters requiring the Committee's decision arise between meetings, such matters shall be resolved through circular resolution which shall be supported by relevant papers setting out details of the subject matters. The members of the Committee may obtain more information from management and express their view points by facsimile, electronic mail or any other mean of telecommunication before arriving at a decision on the subject matter. All such resolutions shall be signed by all the members of the Committee and shall be submitted for confirmation at a meeting of the Committee following the passing of the circular resolutions;
- v. The Committee meeting shall normally be conducted in a face-to-face manner to enable effective discussion. Nevertheless, if a member of the Committee is unable to be physically present, the member may choose to participate via video-conferencing or tele-conferencing, or other appropriate means as determined by the Committee;
- vi. The Group President/Chief Executive Officer, the FGV Chief Financial Officer and the FGV Chief Internal Auditor may attend the meetings upon invitation of the Committee. Participation for the Group President/Chief Executive Officer, the FGV Chief Financial Officer or FGV Chief Internal Auditor may not be required for full duration of the meeting;
- vii. The Audit Committee may invite any of the Audit Committee member of its listed subsidiaries or other Senior Executive of the Listed subsidiaries to attend its meetings to provide any clarification of matters related to listed subsidiaries.

- viii. Other members of the Board or Top Management or any other employee may be invited to the meeting for a specific agenda or clarification on matters for discussion;
- ix. The Audit Committee shall meet with the external or internal auditors without executive board members and management present at least twice a year;
- x. Any of the Committee member or invited participant with conflicting interest shall abstain from the said discussion and must not be physically present during the discussion. A Committee member shall abstain and excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation(s) for him/her, including matters regarding Related Party Transactions;
- xi. The Chairman of the Committee shall exercise the right to request those who are in attendance to leave the room if matters discussed are confidential or may be impaired due to the presence of individuals concerned.

9.2 Notice and Agenda

- i. Proper notice shall be issued for any of the Audit Committee meeting and the Chairman shall ensure that proper agenda is prepared for the Committee meeting;
- ii. The agenda and relevant papers for the Audit Committee meeting must be issued at least seven (7) days prior to each Committee meeting.

9.3 Minutes of the meeting

- i. The discussions and conclusions of the Audit Committee meetings shall be minuted, in a clear, accurate, consistent, complete and timely manner;
- ii. The minutes shall be entered into the minutes Register kept by the FGV Company Secretary together with the attendance sheet;
- iii. Keeping of the minutes must comply with the requirements of the relevant law and regulations, e.g. Companies Act, 1965 and Income Tax Act, 1967; and
- iv. Reproduction of any part of the minutes can only be performed through/by the FGV Company Secretary.

10. The Committee's Performance

On an annual basis, the Board shall evaluate the Committee's performance and extent to which the Committee has met the requirements of its Terms of Reference, including the term of office and performance of the Committee and each of its members. This performance assessment may constitute part of the annual Board Effectiveness Assessment, pertaining to the assessment of Board Committees.

11. The Committee's Ethics and Procedure

- i. All members of the Committee shall safeguard all internal communications and treat them as strictly private and confidential, and for the use of the Committee members only.
- ii. The Committee shall work diligently amongst the members of the Board and adhere to all applicable laws and regulations as well as the prescriptions rendered in the Directors' Code of Ethics and Conduct and the Code of Business Practice.

12. Review of Terms of Reference

- i. The Committee Terms of References and work plans shall be reviewed at least annually and as and when required. This review shall be facilitated by FGV Company Secretary, Head of Governance and Risk Management Department, the FGV Chief Internal Auditor and the FGV Chief Financial Officer.
- ii. All amendments to the Terms of References of the Committee must be approved by the FGV Board.

Performance Review

The Audit Committee's performance was assessed as part of the Board's annual effectiveness review.

Summary of activities of the Audit Committee

The Chairman of the Audit Committee reported every quarterly to the Board on the activities carried out and principal matters deliberated by the Audit Committee in the discharge of its duties and responsibilities as set out in the Terms of Reference. The minutes of each meeting were circulated to the Board at the most practicable next Board Meeting.

In the discharge of its responsibilities and duties, the Audit Committee undertook the following principal activities during the financial year:

REPORT ON THE AUDIT COMMITTEE

1. Assessing the Risks and Control Environment

- Reviewed the internal audit report on assessment of the risk management process of the Group.
- Evaluated the adequacy and effectiveness of the system on internal controls by reviewing the outcomes of work performed by internal and external auditors and discussions with the key Management.
- Reviewed the proposal for the establishment of a Management Audit Committee with the objective to resolve all outstanding internal and external audit issues.

2. Overseeing Financial Reporting

Reviewed the following matters and subsequently recommended their approval to the Board:

- The Quarterly Unaudited Financial results and the related announcements for the financial year.
- The Audited Financial Statements of FGV Group for the financial year 2013 to ensure that the financial reports presented a true and fair view of the Company's financial performance and complied with regulatory requirements.
- The dividend proposals by the Company.
- The assumptions for calculation of Land Lease Liability and its impact to the financial statements.
- The Report on the Audit Committee, Statement of Risk Management and Internal Control and Statement on Corporate Governance to be included in the Annual Report for the financial year 2013.

3. Reviewing the External Audit Process

- Reviewed and approved the external auditor's terms of engagement, audit plan and coordination with other audit firms involved in auditing the Group's operations for the financial year.
- Reviewed and evaluated factors relating to the independence of the external auditors.
- Reviewed the external audit fees proposed in respect of the scope of work required for the financial year and recommended the same for approval by the Board.
- Reviewed the results and issues arising from the external audit for financial year 2013 and from quarterly reviews of the 2014 financial statements including resolution of the issues highlighted in their report to the Audit Committee and the Management's responses. The external auditors were present at five (5) Audit Committee Meetings during the financial year for this purpose.

- Reviewed the assessment of the external auditors for financial year 2013 for reappointment and recommended the same for approval by the Board.
- Met with the external auditors in private meetings without the presence of Management twice during the year to confirm that there were no restrictions on the scope of their audit and to discuss any related matter.
- Subsequent to the financial year, the Audit Committee undertook the following to strengthen the external audit process:
 - Reviewed the External Auditor Policy covering the appointment, assessment, independence maintenance, partner rotation every 5 years and non-audit services and recommended the same for approval by the Board.
 - Reviewed the non-audit services provided by the external auditor during the year.

4. Reviewing the Internal Audit Process

- Reviewed and approved the revision of the Group Internal Audit Charter for clarity of the purpose, authority and responsibility of Group Internal Audit.
- Reviewed the Annual Group Internal Audit plan, which was prepared on a priority ranking system based on a risk assessment of the audit universe to provide sufficient audit coverage.
- Reviewed the adequacy of competency and resources of Group Internal Audit to execute the Annual Group Internal Audit Plan, including monitoring the progress of recruitment for vacant positions.
- Reviewed the reports issued by Group Internal Audit on the effectiveness and adequacy of governance, risk management and control processes.
- Reviewed the monitoring of the resolution of issues and recommendations from reports issued by the Management Audit Committee.
- Reviewed the outcome of investigations, including investigative reports arising from whistleblowing complaints, and monitored the progress and outcome of action taken by the Management on confirmed misconduct, fraud and non-compliances.
- Reviewed the report on the External Quality Assurance Review by the Institute of Internal Auditors (IIA) Malaysia on the conformity to IIA's International Standards for the Professional Practise of Internal Auditing, efficiency and effectiveness in carrying out its mission and opportunities to enhance Group Internal Audit's role.

- Appraised the performance and approve the remuneration (including the contract review, annual increment and bonus) of the FGV Chief Internal Auditor.
- Prior to the Audit Committee meetings, the Chairman held private meetings and discussions with the Chief Internal Auditor on the internal audit reports and any related matters.

5. Reviewing the Related Party Transactions

- Reviewed the revision of the Group's policy and procedures on Related Party Transactions and Recurrent Related Party Transactions and recommended the same for approval of the Board.
- Reviewed the quarterly report on Recurrent Related Party Transactions to monitor the transactions against the shareholders' mandate.
- Reviewed the draft Circular to the shareholders to seek mandate on new and existing Recurrent Related Party Transactions of the Group and recommend the same for approval of the Board.
- Reviewed the internal audit report on Recurrent Related Party Transactions.

6. Reviewing the Whistleblowing Process

- Reviewed the revision of the Group's Whistleblowing Policy and Procedures and recommended the same for approval of the Board.
- Reviewed the reports on analysis and status of whistleblowing complaints.

7. Other activities

- Reviewed the Terms of Reference of the Audit Committee and recommended the same to the Board for approval.
- Reviewed the progress of specific IT initiatives having significant impact on the accounting processes.

Training

During the year, the Audit Committee members attended various conferences, seminars and training programmes.

Summary of activities of Group Internal Audit

The FGV Group has an in-house Group Internal Audit function, which is independent and reports functionally direct to the Audit Committee and administratively to the Group President/Chief Executive Officer. The conduct of Group Internal Audit is based on a Group Internal Audit Charter, which is established consistent with the requirements of the Institute of Internal Auditors' International Standards for the Professional Practise of Internal Auditing and approved by the Audit Committee.

Group Internal Audit provides independent and objective assurance of the adequacy and effectiveness of risk management, controls and governance processes of the Group locally and overseas covering all operations where the Group has management control and where partners consent for jointly controlled entities. In addition to the assurance role, Group Internal Audit also undertakes consulting role and investigative role. In its consulting role, Group Internal Audit undertakes policy and procedures review, participate in work groups to provide input on policy development, systems development and several initiatives of the Group. Investigative audits are undertaken where there are improper, illegal and dishonest acts reported through the Whistleblowing Channel of the Group or from other sources. To maintain the objectivity of the assurance role, a dedicated investigative audit team is allocated for the investigative audits.

The assurance internal audits are planned on a risk based approach which prioritises the audit requirements of the Group's diverse and distributed business operations. Based on the risk assessment, priority ranking was assigned to each operating unit to arrive at the audit plan over 3 years. The 3-year audit plan is reviewed every year and forms the basis to derive the Annual Group Internal Audit Plan. The 3-year audit planning mechanism and Annual Group Internal Audit Plan is approved by the Audit Committee before commencement of each financial year.

Each internal audit assignment is undertaken based on a careful planning to focus on covering management of risks to achieve objectives; economy, efficiency and effectiveness of operations; safeguard of assets; accuracy, reliability and timeliness of reported information; and compliance with laws, regulations and internal policies and procedures.

REPORT ON THE AUDIT COMMITTEE

During the financial year, Group Internal Audit has undertaken the following main activities:

- a. Carried out internal audits according to the Annual Group Internal Audit Plan approved by the Audit Committee and reported the findings, recommendations and management's corrective action to the Audit Committee every quarterly.
- b. Undertook investigative audits based on the Audit Committee's, Management's and Whistleblowing Committee's requirements and reported the outcome of such investigations to the Audit Committee and Management.
- c. Undertook selective follow-up audits and implemented periodical follow-up mechanisms for all audit recommendations. The status of implementation tracked were reported to the Management Audit Committee monthly and accordingly reported to the Audit Committee every quarterly.
- d. Undertook follow-up of the matters reported by the external auditor in its Audit Committee report.
- e. Undertook Recurrent Related Party Transactions review for the purpose of supporting the Audit Committee's statement in the Circular to the shareholders to seek mandate on new and existing Recurrent Related Party Transactions of the Group.
- f. Underwent External Quality Assurance Review by the Institute of Internal Auditors (IIA) Malaysia.
- g. Participated in working groups and reviewed draft documents to provide input in periodical policy review exercises or new formulation of the Board Charter, the Terms of Reference of the Board Committees, various Group level policies, the Statement on Risk Management and Internal Control 2013, the Report on the Audit Committee 2013 and the Statement on Corporate Governance 2013.
- h. Undertook validation reviews of the newly developed e-RML system for plantation operations.
- i. Facilitated the establishment of an internal Operational Compliance Unit within Palm Upstream Cluster to enhance compliance culture within the operations.
- j. Undertook relevant recruitment, training and development activities to be adequately resourced.

The total cost incurred for Group Internal Audit for the financial year ended 31 December 2014 is RM11.05 million (2013: RM11.59 million).

Statement by the Board

This Report is made in accordance with a resolution of the Board of Directors and approved at the Board meeting dated 28 April 2015.

STATEMENT ON CORPORATE INTEGRITY

FGV is committed to a culture of integrity. The Code of Ethics & Conduct (COEC) and Code of Business Practice (COBP) set out the principles of business ethics and the ethical business practices to be observed, adopted and embedded in all operations and businesses of FGV and its Group of Companies. This is to ensure that FGV Group conducts its businesses globally in compliance with laws and ethical values.



Our Integrity Initiative shall enable the FGV Group achieve its target by year 2020, as outlined in its Global Strategic Blueprint (GSB).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board remains committed to maintaining a sound system of risk management and internal controls to safeguard shareholders' investments and FGV Group's (the Group) assets.

This Statement on Risk Management and Internal Control ("Statement") outlines the Group's risk management framework and internal control and is intended to provide our stakeholders and users of this Annual Report with meaningful, high-level information about the adequacy and state of the Group's system of risk management and internal control for the financial year under review.

This Statement is made pursuant to Paragraph 15.26(b) of the Bursa Securities Berhad's Main Market Listing Requirements and in accordance with The Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

Responsibility and Accountability

The Board acknowledges its overall responsibility in the establishment and overseeing the Group's risk management framework and internal control systems. It is committed to ensure the existence of effective risk management framework and internal control systems within the FGV Group and continuously reviews and evaluates the adequacy of these systems. However, the Board recognises that such systems are designed to manage and reduce, rather than eliminate, the risks identified to an acceptable level of risk appetite. As such, the risk management framework and internal controls of the Group are designed to identify the risks and manage such risks within the tolerable level of risk appetite set and approved by the Board. The internal controls implemented can only provide reasonable, but not an absolute, assurance against the risk of failure to achieve the Group's business objectives and/or occurrence of material financial misstatement or loss.

There are three (3) committees at Board level that support the Board in its risk management and internal control responsibilities:

- i. Board Governance and Risk Management Committee (BGRMC) which is tasked with overseeing risk management and governance aspects of the Group;

- ii. Audit Committee (AC) which is tasked with assessing the risks and control environments and overseeing financial reporting, including the external and internal audit; and
- iii. Investment Committee (IC) which is tasked with ensuring investments undertaken are aligned to the Group's vision and overall risk appetite.

These Committees are empowered by clearly established and approved terms of reference in the above mentioned responsibilities.

Risk Management

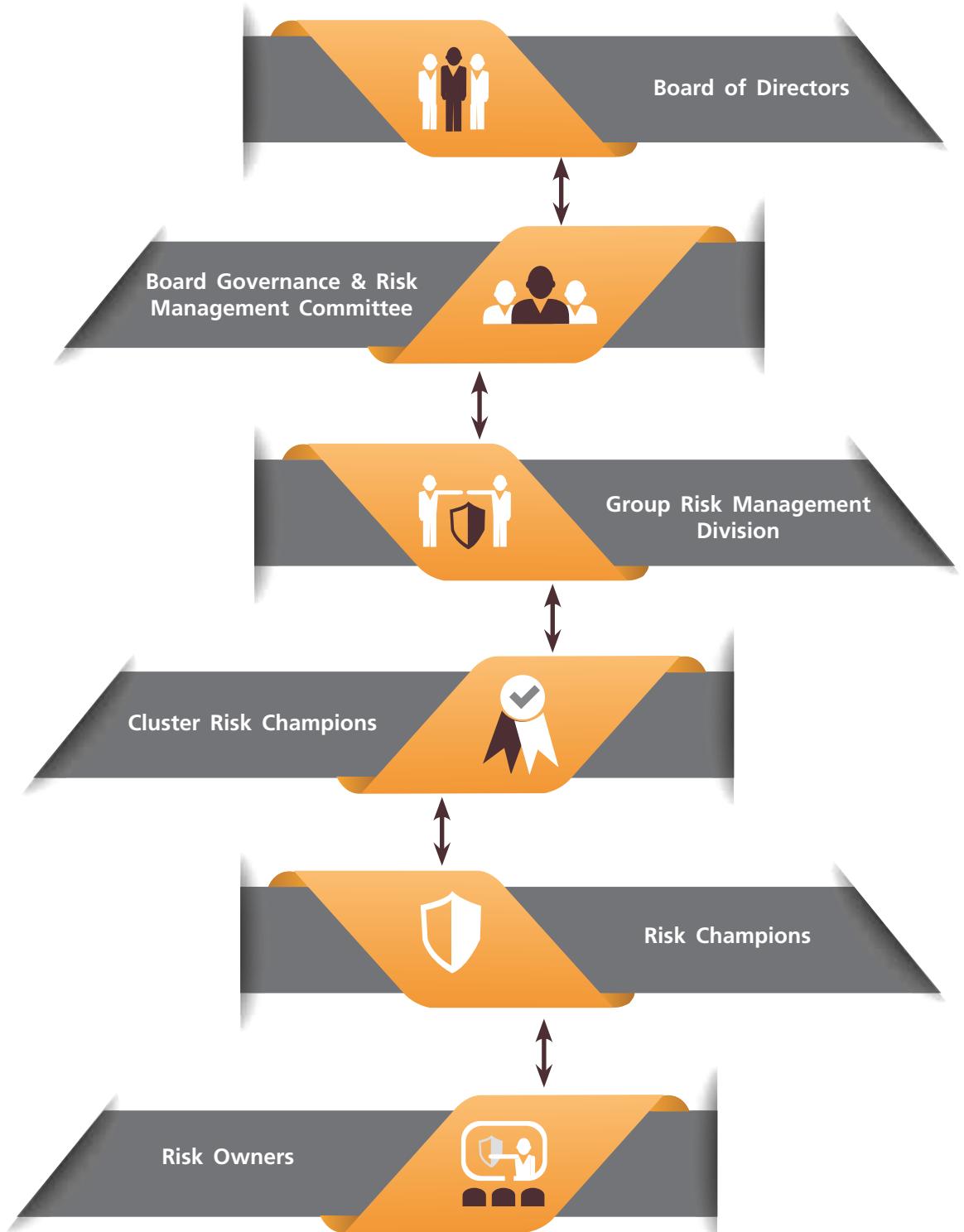
FGV has a dedicated Group Risk Management Division (GRMD) which undertakes the following responsibilities:

- Reviewing, assessing, enhancing and monitoring the Group's Risk Management Framework including risk management policies and procedures;
- Maintaining the Risk Register for the Group;
- Providing guidance to all Group's operations in identifying and assessing the risks, developing relevant and effective mitigation strategies to manage risks;
- Preparing risk reports to BGRMC and the Board;
- Undertaking analyses on specific risks and where necessary, reporting the same to BGRMC and the Board; and
- Overseeing the Group's Business Continuity Management.

Risk Management Framework and Approach

GRMD is supported by Cluster Risk Champions and Risk Champions. The Cluster Risk Champions and Risk Champions are individuals nominated as representatives of the respective Clusters, corporate centres and subsidiaries, to coordinate with the Risk Owners in identifying, evaluating, managing and monitoring their respective key risks. They are also tasked with ensuring the implementation of the action plans to effectively mitigate the risks identified.

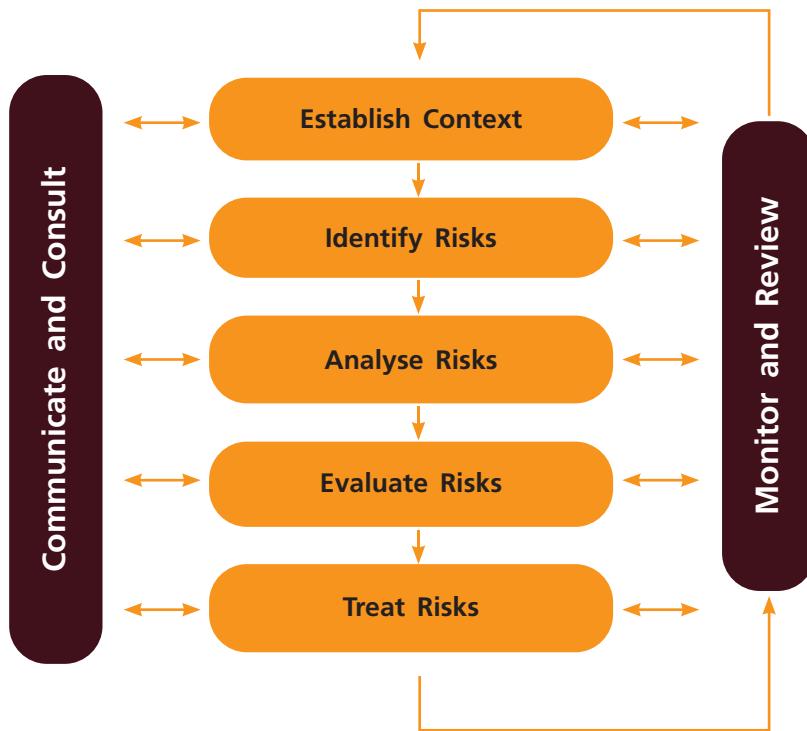
An overview of the Group's risk management framework is depicted below:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

GRMD has in place policies and procedures which are consistent with the ISO 31000 Risk Management Standard, developed to aid relevant personnel in undertaking their risk management responsibilities.

The process of risk management adopted by the Group is illustrated below:



Key Risk Management Activities For 2014

Key risk management activities undertaken during the financial year under review are as follows:

- **Development of Enterprise Risk Management System**

The Enterprise Risk Management System was successfully rolled out during the year and is currently being used by all relevant personnel.

- **Quarterly Reporting of Enterprise Risk**

Key enterprise risks were reported every quarter to BGRMC. All Clusters, corporate centres and subsidiaries within the Group update the Risk Registers through the Enterprise Risk Management System and reported to BGRMC through GRMD.

- **Development of Risk Management Culture and Awareness**

GRMD's activities are designed to instil the importance of a strong and effective risk management culture within the Group. Enterprise Risk Management and Business Continuity Management awareness and training sessions were conducted for targeted groups. Additionally, a review and feedback session was conducted at the end of the year to assess the level of acceptance and understanding of the risk management related activities conducted throughout the year.

- **Business Continuity Management (BCM)**

BCM is prepared to support the Group to respond and recover from significant unexpected events. The BCM documentation including Business Continuity Plans, Business Impact Analyses, and Risk Assessments were reviewed to maintain robust plans to protect the interests of the stakeholders. Additionally, BCM testing has been conducted at the relevant corporate centres and subsidiaries.

- **Review of Policies and Procedures**

All GRMD policies and procedures were reviewed and updated to cater for changes in the Group.

- **GRMD Risk Management Audit**

GRMD Risk Management Audits were undertaken to ensure relevant and effective risk reporting.

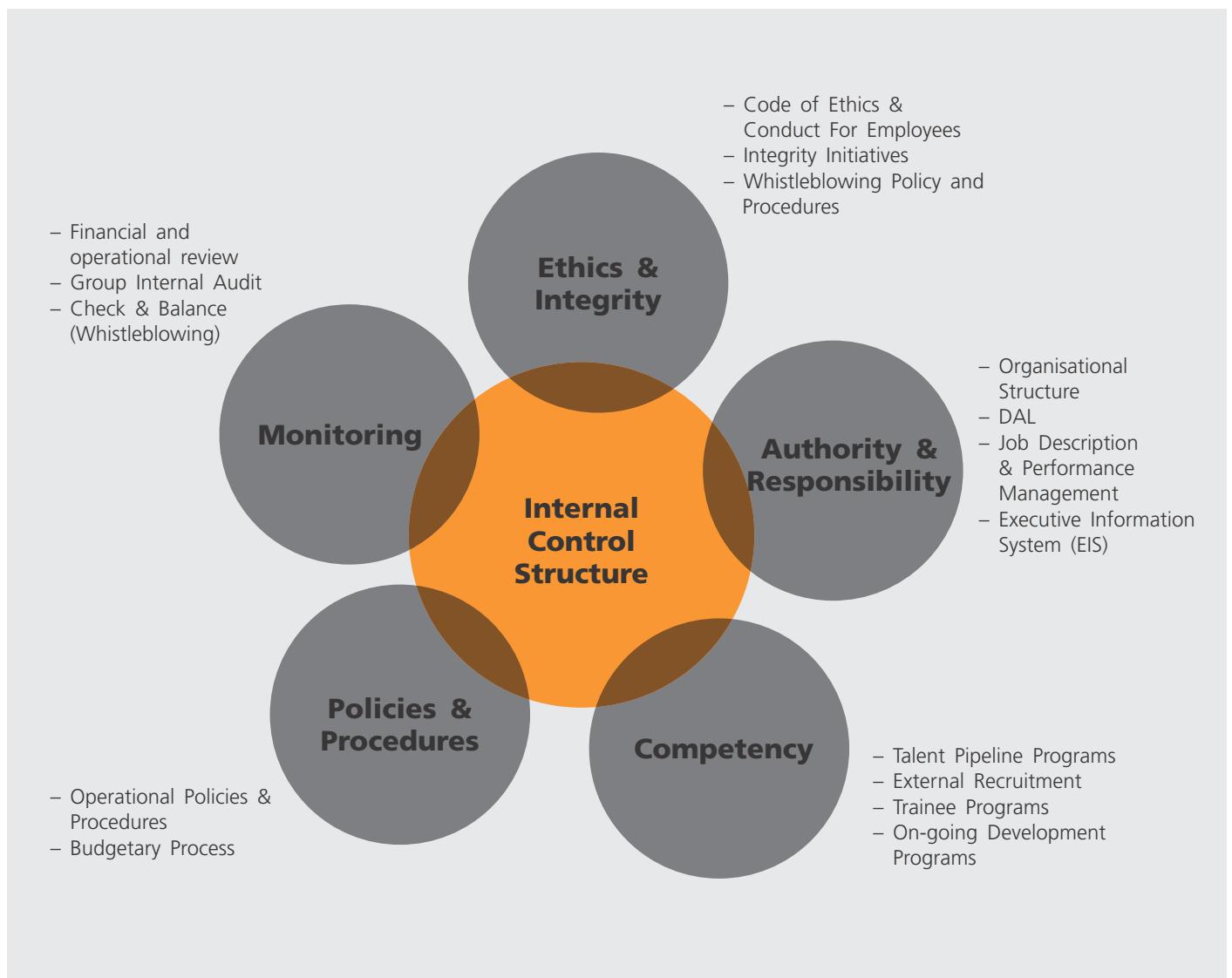
Risk Approach for FGV Listed Subsidiary

MSM, as a listed subsidiary of FGV, reports its risk management activities to MSM's Audit Committee for subsequent deliberation at MSM Board. Any risks identified as having significant impact on FGV Group is reported to BGRMC and where it has direct impact to the financials of the Group, is reported directly to AC, and subsequently to FGV Board.

INTERNAL CONTROL FRAMEWORK

FGV Group manages its risks by implementing various internal control mechanisms. The mechanism applies to all subsidiaries within the Group and excludes joint venture companies and associates not managed by FGV. However, the Group ensures that its interests and investments are safeguarded by having Board representation(s) and/or nominated appointee(s) in the respective joint ventures and/or associates.

The key elements of the Group's internal control structure are as follows:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. Ethics and Integrity

- *Code of Ethics and Conduct for Employees*

The Group has Code of Ethics and Conduct for Employees (the Code), which sets out the principles to guide its employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity. The Code covers areas such as compliance, integrity, conduct in the workplace, business conduct, protection of the Group's assets, confidentiality and conflict of interest. The Code is available to all employees via the Group's internal portal.

- *Integrity Initiatives*

As one of the signatories to the Corporate Integrity Pledge with the Malaysian Anti-Corruption Commission (MACC), the Group is committed to enhance its business environment by emphasising on transparency, integrity and good governance. In 2014, the Group has undertaken the following integrity awareness initiatives:

- Integrity Awareness road show tour program
- Integrity Plan was launched on 27 January 2014
- Integrity Portal was launched on 27 January 2014

FGV Group has also extended its integrity initiative to its partners by implementing a group-wide Integrity Pact. This pact requires registered vendors and contractors to sign a pledge to uphold integrity principles in their dealings with the Group. As at 31 December 2014, a total of 7,151 registered vendors have signed the Integrity Pact.

- *Whistleblowing Policy and Procedures*

FGV Group has a Whistleblowing Policy and Procedures that serves as an official channel for its employees to raise their concerns in a secure and confidential manner.

2. Authority and Responsibility

- *Organisation Structure*

The Group organises its operations into six (6) business Clusters supported by corporate centres at FGV level. The organisation structure provides clear lines of reporting and functions which promotes ownership, accountability and forms the basis for delegation of authority and responsibility.

- *Group Discretionary Authority Limits (DAL)*

Consistent with the spirit of continually enhancing the internal control, the Group DAL was reviewed and updated to promote organisational efficiency while ensuring that it is aligned to the Board's risk appetite. The Board approved the revised DAL on 20 January 2015.

- *Job Description/Role Charter*

Each role in the organisation structure is supported by clear description of the job responsibilities which are linked to the vision and goals of the Group. With clarity of responsibilities and relationship between functions, collaboration across the Group is enhanced to move the Group towards operational efficiency.

3. Competency

As an organisation that views its employees as invaluable assets, FGV Group is committed to its employees personal and professional development at all levels. In sync with the Group's continual improvement culture, the Group has developed several programmes to ensure adequate supply of skilled and knowledgeable workforce, which would then be groomed to take on leadership positions, for strong, sustainable and balanced growth.

The programmes are holistic in nature, aiming to enhance both professional and behavioural competencies by incorporating elements such as integrity, governance as well as the Group's core values P-R-I-D-E.

The programmes available are as follows:

- a. **Leadership Development Programme**

These programmes aim to ensure that FGV Group has a strong leadership succession plan to meet future leadership demands of the Group. The programmes offered are:

- The Green Talent Global Leaders Programme
- Senior Management Development Programme

- b. **Trainee Programmes**

These programmes are designed for fresh graduates in an effort to provide continuous supply of high calibre talents to the Group. The programmes are as follows:

- Management Trainee Programme
- Accountant Trainee Programme
- Cadetship in Plantation Management
- Cadetship in Palm Oil Mill Engineering Programme

- c. **Others**

- *Certificate in Planting Industry Management*

This programme is for non-executive new recruits, designed to equip them with essential skills and knowledge in the plantation industry.

4. Policies and Procedures

- *Operational Policies and Procedures*

The Group operates based on existing policies and procedures. Operational Policies and Procedures ('the Policy') are reviewed periodically to remain effective and relevant to support the Group's business activities at all times as it continues to grow and transform locally and across borders. The Policy also facilitates compliance to regulations, listing and governance requirements.

- *Budgetary Process*

Business Planning, which is coordinated and aligned to specific objectives, is essential to direct the activities and initiatives of each Clusters and Corporate Head Office towards meeting the Group's short term and long term objectives. With this view, the Group emphasises on a comprehensive annual budgeting process to ensure that the Group's business plans are in line with the approved Felda Global Ventures Holdings Berhad (FGV) Global Strategic Blueprint (GSB). The GSB covers a longer period and is an approved document that shall guide Management in the investment and capital allocation decision in the execution the Group's strategy.

5. Monitoring

The Group's performance against its business plan and annual budget is measured and monitored through the following mechanisms:

- *Executive Information System (EIS)*

EIS is an online performance dashboard that provides the Management information to monitor the performance the Group and its six (6) business Clusters. The system measures performance against targets and identifies performance gap to facilitate the Management in making business decisions with the view to achieve the Group's organisational goals.

- *Financial and Operational review*

Financial and Operational Review is a mechanism adopted to measure the Group's actual performance against its business plan, previous year and the annual budget. The Financial and Operational review is undertaken on a regular basis by Executive Committee comprising of top management of the Group.

The Group President and Group Chief Financial Officer present the Group Quarterly Financial Statements and the Operational Performance analysis to the AC prior to the Board for approval and subsequent release to Bursa Malaysia.

Review of Statement by External Auditors and Group Internal Audit (GIA)

Pursuant to Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed this Statement for inclusion in the 2014 Annual Report. Their review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants.

The External Auditor had reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy of the risk management and system of internal control.

Conclusion

Based on the processes and measures undertaken by the Board and its Committees during the financial year and assurance provided by the Group President/Chief Executive Officer and Chief Financial Officer, the Board is of the view that the risk management framework and internal control system as described in this Statement is sound and effective to safeguard the shareholders' investment and the FGV Group's assets.

This Statement is made in accordance to the resolution of the Board dated 28 April 2015.

STATEMENT ON DIRECTORS' RESPONSIBILITY

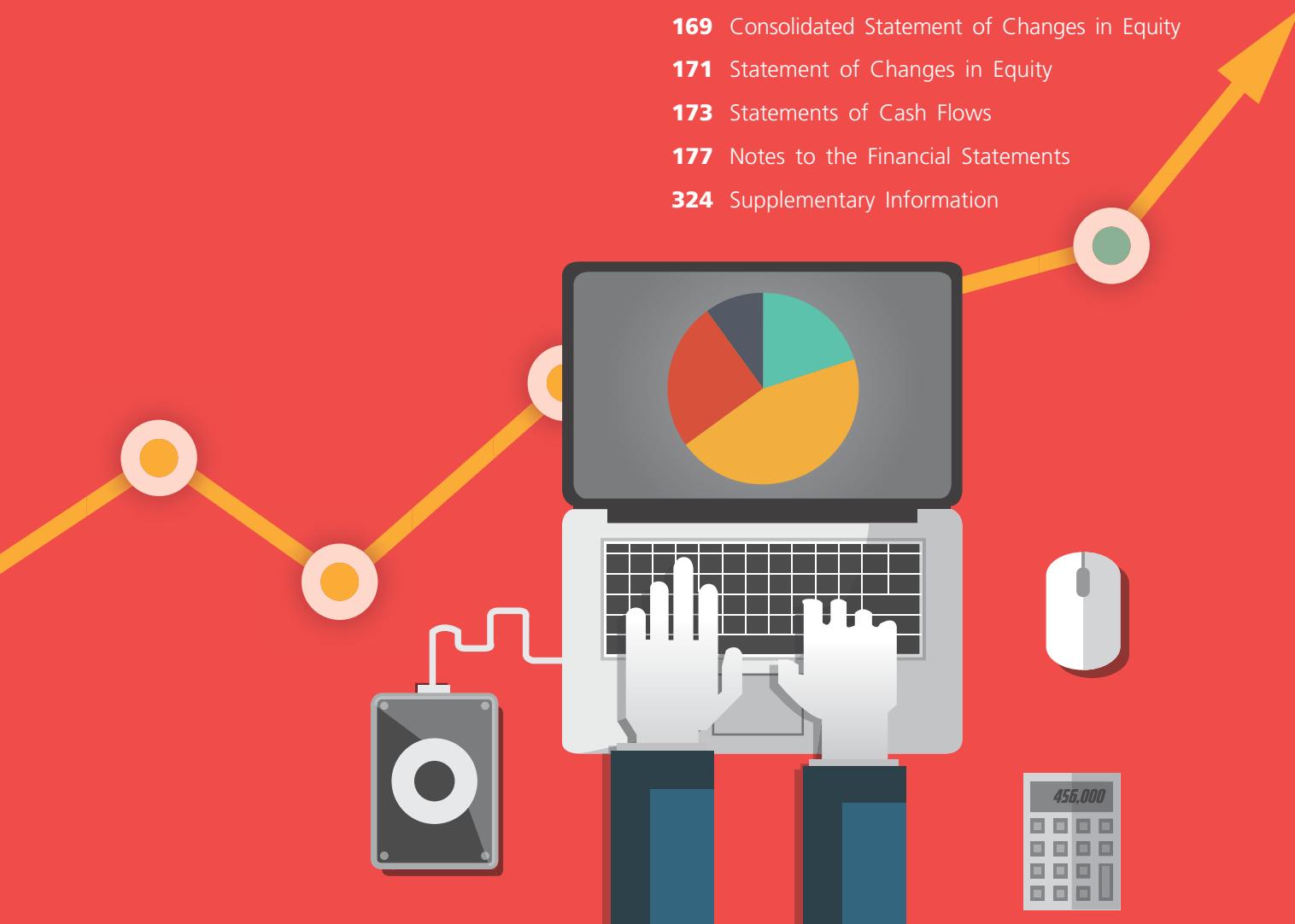
The Directors are required by the Companies Act, 1965 (Act) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and the results and the cash flows of the Group and the Company for the financial year. As required by the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the Financial Reporting Standards issued by the Malaysian Accounting Standards Board and the provisions of the Act.

The Directors consider that in preparing the financial statements for the financial year ended 31 December 2014 set out on pages 165 to 323, the Group has used the appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Directors have responsibility for ensuring that the Group and the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and enable them to secure the financial statements comply with the Act. The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statements is made in accordance with a resolution of the Board of Directors dated 25 March 2015.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report to the members together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2014.

Principal Activities

The Company is principally an investment holding company with investments primarily in oil palm plantation and its related downstream activities, sugar refining, trading, logistics, marketing, rubber processing, research and development activities and related agribusiness activities. The principal activities of the subsidiaries are stated in Note 22 to the financial statements.

There have been no significant change in the nature of these activities of the Group and the Company during the financial year other than as disclosed in Note 56 to the financial statements.

Financial Results

	Group RM'000	Company RM'000
Profit attributable to owners of the Company	325,487	450,500
Non-controlling interests	213,165	–
Profit for the financial year	538,652	450,500

Dividends

Dividends on ordinary shares paid or declared by the Company since 31 December 2013 are as follows:

	RM'000
In respect of the financial year ended 31 December 2013:	
– Final single tier dividend of 10.0 sen per share, paid on 11 July 2014	364,815
In respect of the financial year ended 31 December 2014:	
– Interim single tier dividend of 6.0 sen per share, paid on 29 September 2014	218,889
Total	583,704

The Board of Directors are recommending the payment of a final single tier dividend of 4.0 sen per ordinary share amounting to RM145.93 million, which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act, 1967, and which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

Reserves and Provisions

All material transfers to or from reserves or provisions during the financial year are shown in the financial statements.

Directors

The Directors who have held office since the date of the last report are as follows:

Tan Sri Hj Mohd Isa Dato' Hj Abdul Samad	(Chairman)
Tan Sri Dr. Sulaiman Bin Mahbob	
Dato' Mohd Emir Mavani Abdullah	
Datuk Dr. Omar Salim	
Dato' Yahaya Abd Jabar	
Datuk Nozirah Bahari	
Datuk Noor Ehsanuddin Mohd Harun Narrashid	
Datuk Hj. Faizoull Bin Ahmad	
Dato' Mohd Zafer Bin Mohd Hashim	(Appointed on 20 January 2015)
Dato' Mohamed Suffian Bin Awang	(Appointed on 20 January 2015)
Tan Sri Ismee Ismail	(Resigned on 20 January 2015)
Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah	(Resigned on 20 January 2015)
Fazlur Rahman Bin Ebrahim	(Resigned on 20 January 2015)
Datuk Dr. Salmiah Binti Ahmad	(Resigned on 7 August 2014)

Directors' Benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than as disclosed in Note 12 to the financial statements) by reason of a contract made by the Company or a related corporation with the Directors or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' Interest in Shares and Debentures

According to the Register of Directors' Shareholdings, the Directors who held office at the end of the financial year and their interests in shares of the Company and its related corporations are as follows:

Shareholdings in Felda Global Ventures Holdings Berhad

	Number of ordinary shares of RM1.00 each			
	At 1.1.14	Acquired	(Disposed)	At 31.12.14
Tan Sri Hj Mohd Isa Dato' Hj Abdul Samad	180,000	–	–	180,000
Tan Sri Dr. Sulaiman Bin Mahbob	50,000	–	–	50,000
Dato' Mohd Emir Mavani Abdullah	150,000	–	–	150,000
Datuk Dr. Omar Salim	150,000	–	–	150,000
Datuk Nozirah Bahari	150,000	–	–	150,000
Datuk Noor Ehsanuddin Mohd Harun Narrashid	150,000	–	–	150,000
Datuk Hj. Faizoull Bin Ahmad	110,000	–	–	110,000

DIRECTORS' REPORT

Directors' Interest in Shares and Debentures (continued)

Shareholdings in MSM Malaysia Holdings Berhad, a subsidiary of the Group

	Number of ordinary shares of RM0.50 each			
	At 1.1.14	Acquired	(Disposed)	At 31.12.14
Tan Sri Hj Mohd Isa Dato' Hj Abdul Samad	20,000	–	–	20,000
Tan Sri Dr. Sulaiman Bin Mahbob	20,000	–	–	20,000
Datuk Dr. Omar Salim	20,000	–	–	20,000

Other than as disclosed above, according to the Register of Directors' Shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares and options over shares in the Company, or shares, options over shares and debentures of its related corporations during the financial year.

Statutory Information on the Financial Statements

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

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had 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 amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

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

- any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

Statutory Information on the Financial Statements (continued)

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 which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in Note 56 to the financial statements; and
- (b) 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 to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made, other than as disclosed in Note 57 to the financial statements.

Auditors

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

Signed on behalf of the Board of Directors in accordance with a resolution dated 25 March 2015.



TAN SRI HJ MOHD ISA DATO' HJ ABDUL SAMAD

Chairman



DATO' MOHD EMIR MAVANI ABDULLAH

Director

Kuala Lumpur

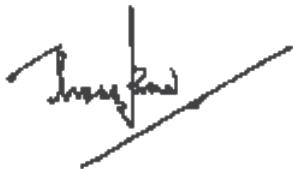
STATEMENT BY DIRECTORS

Pursuant To Section 169(15) Of The Companies Act, 1965

We, Tan Sri Hj Mohd Isa Dato' Hj Abdul Samad and Dato' Mohd Emir Mavani Abdullah, two of the Directors of Felda Global Ventures Holdings Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 165 to 323 are drawn up so as to give a true and fair view of the financial position of the Group and Company as at 31 December 2014 and of the financial performance and cash flows of the Group and Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia.

The supplementary information set out in Note 60 on page 324 have been prepared in accordance with the 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.

Signed on behalf of the Board of Directors in accordance with a resolution dated 25 March 2015.



TAN SRI HJ MOHD ISA DATO' HJ ABDUL SAMAD
Chairman

Kuala Lumpur



DATO' MOHD EMIR MAVANI ABDULLAH
Director

STATUTORY DECLARATION

Pursuant To Section 169(16) Of The Companies Act, 1965

I, Ahmad Tifli Dato' Mohd Talha, the Officer primarily responsible for the financial management of Felda Global Ventures Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 165 to 323 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



AHMAD TIFLI DATO' MOHD TALHA

Subscribed and solemnly declared by the abovenamed Ahmad Tifli Dato' Mohd Talha in Kuala Lumpur on 25 March 2015, before me.

COMMISSIONER FOR OATHS



INDEPENDENT AUDITORS' REPORT

To The Members Of Felda Global Ventures Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of Felda Global Ventures Holdings Berhad on pages 165 to 323, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of comprehensive income, changes in equity and 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 notes, as set out on Notes 1 to 59.

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 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 judgment, 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 the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of Companies Act, 1965 in Malaysia.

Report on other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 22 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The 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.

INDEPENDENT AUDITORS' REPORT

To The Members Of Felda Global Ventures Holdings Berhad

Other Reporting Responsibilities

The supplementary information set out in Note 60 on page 324 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 Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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



PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants



AZIZAN BIN ZAKARIA
(No. 2930/05/16 (J))
Chartered Accountant

Kuala Lumpur, Malaysia
25 March 2015

STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<u>Continuing Operations</u>					
Revenue	6	16,369,273	12,568,008	762,765	550,360
Cost of sales		(14,249,104)	(11,689,738)	(53,120)	(132,581)
Gross profit		2,120,169	878,270	709,645	417,779
Other operating income	7	205,969	508,820	47,711	343,826
Selling and distribution costs		(339,942)	(208,183)	—	—
Administrative expenses		(859,786)	(193,180)	(175,847)	(61,680)
Other operating expenses	8	(111,452)	(2,181)	(143)	(12,396)
Other (losses)/gains, net	9	(129,687)	494,261	—	—
Operating profit		885,271	1,477,807	581,366	687,529
Finance income	10	131,746	164,172	—	—
Finance costs	10	(189,176)	(103,429)	(134,475)	(93,168)
Share of results from associates	23	9,320	83,368	—	—
Share of results from joint ventures	24	21,375	(85,596)	—	—
Profit before zakat and taxation	11	858,536	1,536,322	446,891	594,361
Zakat	13	(13,184)	(32,612)	—	—
Taxation	14	(277,456)	(366,659)	3,609	16,990
Profit for the financial year from continuing operations		567,896	1,137,051	450,500	611,351
<u>Discontinued Operations</u>					
Loss from discontinued operations	15	(29,244)	(28,753)	—	—
Profit for the financial year		538,652	1,108,298	450,500	611,351
Other comprehensive income/(loss):					
<u>Items that will not be reclassified to profit or loss</u>					
Actuarial (loss)/gain on defined benefit plan		(193)	(212)	(83)	19
<u>Items that may be subsequently reclassified to profit or loss</u>					
Currency translation differences		22,926	26,645	—	—
Share of other comprehensive loss of associates		—	(9,411)	—	—
Share of other comprehensive income of joint ventures		39,853	14,924	—	—
Fair value changes in available-for-sale financial assets		17,665	—	—	—
		80,444	32,158	—	—
Total other comprehensive income/(loss) for the financial year, net of tax		80,251	31,946	(83)	19
Total comprehensive income for the financial year		618,903	1,140,244	450,417	611,370

STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit attributable to:					
Owners of the Company		325,487	982,251	450,500	611,351
Non-controlling interests		213,165	126,047	–	–
		538,652	1,108,298	450,500	611,351
Total comprehensive income attributable to:					
Owners of the Company		388,929	1,014,304	450,417	611,370
Non-controlling interests		229,974	125,940	–	–
		618,903	1,140,244	450,417	611,370
Total comprehensive income attributable to equity shareholders arises from:					
– Continuing operations		418,173	1,043,057	450,417	611,370
– Discontinued operations		(29,244)	(28,753)	–	–
		388,929	1,014,304	450,417	611,370
Basic and diluted EPS (sen)	17				
– From continuing operations		9.7	27.7		
– From discontinued operations		(0.8)	(0.8)		
		8.9	26.9		

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2014

	Note	Group		Company		
		2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000	
ASSETS						
Non-current assets						
Property, plant and equipment	19	6,348,754	5,711,516	10,277	9,547	
Investment properties	20	144,544	147,582	8,642	—	
Intangible assets	21	1,534,397	988,516	6,144	5,965	
Investment in subsidiaries	22	—	—	8,731,021	8,024,403	
Interests in associates	23	215,754	213,118	—	—	
Interests in joint ventures	24	745,042	634,762	—	—	
Prepaid lease payments	25	49,961	40,969	—	—	
Receivables	27	165,273	84,441	86,624	—	
Biological assets	29	2,777,245	2,447,265	—	—	
Deferred tax assets	48	1,254,586	1,281,465	24,873	21,257	
Available-for-sale financial assets	30	243,685	225,305	—	—	
		13,479,241	11,774,939	8,867,581	8,061,172	
Current assets						
Inventories	31	1,763,695	1,788,499	—	—	
Biological assets	29	50,697	41,491	—	—	
Receivables	27	1,089,410	1,351,537	20,080	173,912	
Amount due from a significant shareholder	28	79,233	81,923	2,308	377	
Amounts due from subsidiaries	28	—	—	101,761	58,584	
Amounts due from joint ventures	28	328,941	421,838	—	—	
Amount due from an associate	28	36	37	—	—	
Amounts due from other related companies	28	63,964	29,060	1,571	61	
Loan due from a subsidiary	36	—	—	1,062	1,062	
Tax recoverable		129,407	177,575	18,891	18,617	
Financial instruments at fair value through profit or loss	32	21,431	12,955	—	—	
Derivative financial assets	33	15,337	3,499	—	—	
Deposits, cash and bank balances	34	3,673,415	5,028,986	629,119	1,902,463	
		7,215,566	8,937,400	774,792	2,155,076	
Assets held for sale	35	28,619	159,920	—	—	
		7,244,185	9,097,320	774,792	2,155,076	
Total assets		20,723,426	20,872,259	9,642,373	10,216,248	

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2014

	Note	Group		Company		
		2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000	
EQUITY AND LIABILITIES						
<u>Capital and reserves</u>						
Share capital	37	3,648,152	3,648,152	3,648,152	3,648,152	
Share premium	38	3,371,685	3,371,685	3,371,685	3,371,685	
Foreign exchange reserve	39	(12,865)	(62,801)	—	—	
Reorganisation reserve	40	(2,088,969)	(2,088,969)	—	—	
Available-for-sale reserve	41	32,456	13,739	—	—	
Other reserves	41	10,052	10,052	10,052	10,052	
Retained earnings	42	1,415,722	1,679,150	215,394	348,681	
Equity attributable to owners of the Company		6,376,233	6,571,008	7,245,283	7,378,570	
Non-controlling interests		2,447,532	2,358,245	—	—	
Total equity		8,823,765	8,929,253	7,245,283	7,378,570	
<u>Non-current liabilities</u>						
Borrowings	43	434,461	11,801	—	—	
Loans due to a significant shareholder	44	1,980,405	2,473,828	1,980,405	2,473,828	
Land lease agreement ("LLA") liability	45	4,309,308	4,458,623	—	—	
Provisions	46	30,610	32,291	—	—	
Provision for defined benefit plan	47	39,720	34,686	540	101	
Deferred tax liabilities	48	734,185	743,919	—	—	
		7,528,689	7,755,148	1,980,945	2,473,929	
<u>Current liabilities</u>						
Payables	50	1,417,503	1,392,694	52,642	19,705	
Loans due to a significant shareholder	44	222,515	223,962	222,515	223,962	
Amount due to a significant shareholder	28	240,444	386,921	6,623	3,833	
Amounts due to subsidiaries	28	—	—	134,011	88,734	
Amounts due to joint ventures	28	—	23,000	—	—	
Amounts due to other related companies	28	9,136	4,723	354	563	
Derivative financial liabilities	33	32,392	15,361	—	—	
Borrowings	43	2,065,545	1,638,109	—	—	
Provisions	46	87	82	—	—	
Current tax liabilities		11,829	21,900	—	—	
LLA liability	45	371,521	385,767	—	—	
Financial guarantee contract	49	—	—	—	26,952	
		4,370,972	4,092,519	416,145	363,749	
Liabilities related to assets held for sale	35	—	95,339	—	—	
		4,370,972	4,187,858	416,145	363,749	
Total liabilities		11,899,661	11,943,006	2,397,090	2,837,678	
Total equity and liabilities		20,723,426	20,872,259	9,642,373	10,216,248	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2014

Group 2014	Note	Share capital (Note 37) RM'000	Share premium (Note 38) RM'000	Foreign exchange reserve (Note 39) RM'000	Re- organisation reserve (Note 40) RM'000	Other reserves (Note 41) Available for sale reserve RM'000	Retained earnings (Note 42) RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2014, as restated										
Profit for the financial year		3,648,152	3,371,685	(62,801)	(2,088,969)	13,739	10,052	1,679,150	6,571,008	2,358,245
Other comprehensive income for the financial year, net of tax:								325,487	325,487	213,165
Items that will not be reclassified to profit or loss										538,552
– actuarial loss on defined benefit plan										
Items that may be subsequently reclassified to profit or loss										
– currency translation differences				–	20,520	–	–	–	20,520	2,406
– fair value changes in available-for-sale financial assets					–	–	3,164	–	3,164	14,501
– share of other comprehensive income/(loss) of joint ventures					–	29,416	–	15,553	–	17,665
						–	49,936	–	18,717	–
								(5,116)	(5,116)	39,853
								–	–	–
								–	–	–
Total comprehensive income for the financial year								18,717	–	320,276
Transactions with owners									–	388,929
Acquisition of subsidiaries	22(b)									22,926
Dividends paid for the financial year ended										
– 31 December 2013 (final)										
– 31 December 2014 (interim)	16									
Dividends paid to non-controlling interests of subsidiaries										
Others										
Total transactions with owners								–	–	–
At 31 December 2014		3,648,152	3,371,685	(12,865)	(2,088,969)	32,456	10,052	1,415,722	6,376,233	2,447,532
										8,823,765

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2014

Group 2013 (Restated)	Note	Share capital (Note 37) RM'000	Share premium (Note 38) RM'000	Foreign exchange reserve (Note 39) RM'000	Re- organisation reserve (Note 40) RM'000	Other reserves (Note 41)		Retained earnings (Note 42) RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
						Available for sale reserve RM'000	Capital redemption reserve RM'000				
At 1 January 2013		3,648,152	3,371,685	(84,016)	(2,088,969)	20,027	10,052	33,615	1,191,818	6,102,364	857,815
Profit for the financial year		-	-	-	-	-	-	-	982,251	982,251	126,047
Other comprehensive income for the financial year, net of tax.											1,108,298
Items that will not be reclassified to profit or loss											
- actuarial loss on defined benefit plan											
Items that may be subsequently reclassified to profit or loss											
- currency translation differences				26,752	-	-	-	-	-	26,752	(107)
- share of other comprehensive (loss)/income of associates				(190)	-	(9,881)	-	-	660	(9,411)	-
- share of other comprehensive (loss)/income of joint ventures				(9,885)	-	24,809	-	-	-	14,924	-
				16,677	-	14,928	-	-	660	32,265	(107)
											32,158
Total comprehensive income for the financial year				16,677	-	14,928	-	-	982,699	1,014,304	125,940
Transactions with owners											
Acquisition of subsidiaries	22(c)			4,538	-	(21,216)	-	-	(16,678)	1,446,495	1,429,817
Dividends paid for the financial year ended	16			-	-	-	-	-	(310,093)	(310,093)	-
- 31 December 2012 (final)				-	-	-	-	-	(218,889)	(218,889)	(218,889)
- 31 December 2013 (interim)				-	-	-	-	-			
Dividends paid to non-controlling interests of subsidiaries				-	-	-	-	-	(33,615)	33,615	-
Others				-	-	-	-	-	-	-	(72,005)
Total transactions with owners				4,538	-	(21,216)	-	(33,615)	(495,367)	(545,660)	1,374,490
At 31 December 2013		3,648,152	3,371,685	(62,801)	(2,088,969)	13,739	10,052	-	1,679,150	6,571,008	2,358,745
											8,929,253

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2014

Company 2014	Note	Non-distributable			Distributable	Total RM'000
		Share capital (Note 37) RM'000	Share premium (Note 38) RM'000	Capital redemption reserve (Note 41) RM'000		
At 1 January 2014		3,648,152	3,371,685	10,052	348,681	7,378,570
Profit for the financial year		–	–	–	450,500	450,500
Other comprehensive loss for the financial year, net of tax:						
<u>Items that will not be reclassified to profit or loss</u>						
– actuarial loss on defined benefit plan		–	–	–	(83)	(83)
Total comprehensive income for the financial year		–	–	–	450,417	450,417
<u>Transactions with owners</u>						
Dividends paid for the financial year ended:	16					
– 31 December 2013 (final)		–	–	–	(364,815)	(364,815)
– 31 December 2014 (interim)		–	–	–	(218,889)	(218,889)
Total transactions with owners		–	–	–	(583,704)	(583,704)
At 31 December 2014		3,648,152	3,371,685	10,052	215,394	7,245,283

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2014

Company 2013	Note	Non-distributable				Distributable	Total RM'000
		Share capital (Note 37) RM'000	Share premium (Note 38) RM'000	Capital contributed (Note 41) RM'000	Capital redemption reserve (Note 41) RM'000		
At 1 January 2013		3,648,152	3,371,685	1,459	10,052	264,834	7,296,182
Profit for the financial year		–	–	–	–	611,351	611,351
Other comprehensive income for the financial year, net of tax:							
<u>Items that will not be reclassified to profit or loss</u>							
– actuarial gain on defined benefit plan		–	–	–	–	19	19
Total comprehensive income for the financial year		–	–	–	–	611,370	611,370
<u>Transactions with owners</u>							
Dividends paid							
for the financial year ended:	16						
– 31 December 2012 (final)		–	–	–	–	(310,093)	(310,093)
– 31 December 2013 (interim)		–	–	–	–	(218,889)	(218,889)
Others		–	–	(1,459)	–	1,459	–
Total transactions with owners		–	–	(1,459)	–	(527,523)	(528,982)
At 31 December 2013		3,648,152	3,371,685	–	10,052	348,681	7,378,570

STATEMENTS OF CASH FLOWS

As At 31 December 2014

	Note	Group		Company		Foreword to Shareholders
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit for the financial year		538,652		1,108,298	450,500	611,351
Adjustments for:						
Continuing operations						
Taxation		277,456		366,659	(3,609)	(16,990)
Zakat		13,184		32,612	—	—
Negative goodwill arising from business combinations		—		(67,581)	—	—
Gain on fair value remeasurement on acquisition of a subsidiary		—		(263,280)	—	—
Depreciation of property, plant and equipment		391,064		98,818	1,037	779
Impairment loss on property, plant and equipment		5,264		40,000	—	—
Reversal of impairment of property, plant and equipment		(16,379)		—	—	—
Property, plant and equipment written off		26,466		2,335	2,735	5
Gain on disposal of property, plant and equipment		(754)		(5,978)	—	—
Loss on disposal of property, plant and equipment		20,177		2,032	—	—
Depreciation of investment properties		11,746		224	73	—
Impairment loss in investment property		—		1,622	—	—
Gain on disposal of investment properties		—		(4,508)	—	—
Amortisation of intangible assets		33,526		11,064	1,652	1,608
Intangible assets written off		272		—	—	—
Amortisation of prepaid lease payments		2,799		150	—	—
Impairment loss on prepaid lease payments		76		—	—	—
Prepaid lease payments written off		2		—	—	—
Biological assets consumed		33,566		25,945	—	—
Accelerated depreciation of biological assets		9,356		8,682	—	—
Impairment loss on biological assets (net)		872		663	—	—
Impairment of amount due from a significant shareholder		2,066		—	—	—
Biological assets written off		3,590		32,195	—	—
Loss/(gain) on disposal of assets held for sale		2,497		(5,381)	—	—
(Reversal of)/impairment loss in a subsidiary		—		—	(12,391)	12,391
Gain on disposal of an associate		—		(26,673)	—	(343,822)
Gain on disposal of a joint venture		(12,618)		—	—	—
(Reversal of)/impairment loss on investment in joint ventures (net)		(58,797)		—	—	—
Impairment of receivables (net)		180		611	—	—
Write down of inventory to net realisable value		13,605		1,012	—	—
Share of results from associates		(9,320)		(83,368)	—	—
Share of results from joint ventures		(21,375)		85,596	—	—
Net unrealised foreign exchange loss/(gain)		8,335		26,683	(8,360)	—

STATEMENTS OF CASH FLOWS

As At 31 December 2014

	Note	Group		Company		
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)						
<u>Continuing operations (continued)</u>						
Dividend from subsidiaries		–	–	(606,538)	(273,819)	
Dividend from associates		–	–	–	(76,863)	
Dividend from available-for-sale financial assets		(4,283)	–	–	–	
Finance expense		189,176	103,429	134,475	93,168	
Finance income		(131,746)	(164,172)	(46,495)	(123,796)	
Other losses/(gains), net		129,687	(494,261)	–	–	
Provision for retirement benefits		6,759	563	78	(32)	
Reversal of provision		(2,000)	–	–	–	
Reversal of impairment of loan due from other related party		(26,952)	–	–	–	
Reversal of financial guarantee contract		–	–	(26,952)	–	
Operating profit/(loss) before working capital changes		1,436,149	833,991	(113,795)	(116,020)	
Changes in working capital:						
Inventories		63,363	(180,075)	–	–	
Receivables		306,122	107,583	(16,400)	(1,034)	
Intercompany		(47,015)	31,557	(23,573)	7,925	
Payables		(32,296)	60,300	33,192	(12,530)	
Cash generated from/(used in) operation		1,726,323	853,356	(120,576)	(121,659)	
Finance income		94,080	144,306	46,526	123,796	
Taxation paid		(238,992)	(261,462)	(281)	(413)	
Zakat paid		(13,184)	(32,612)	–	–	
Retirement benefit paid		(1,840)	(1,544)	–	(34)	
Net cash generated from/(used in) operating activities		1,566,387	702,044	(74,331)	1,690	

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(652,150)	(252,269)	(4,502)	(9,780)
Purchase of investment properties		(8,774)	–	(8,715)	–
Purchase of prepaid lease payments		(11,788)	–	–	–
Additions of biological assets		(166,903)	(67,319)	–	–
Purchase of intangible assets		(16,338)	(8,364)	(1,831)	(1,824)
Additions of financial instruments at fair value through profit or loss		(10,718)	–	–	–
Proceeds from disposal of a joint venture		9,641	–	–	–
Proceeds from disposal of an associate		–	551,435	–	551,435
Net cash outflow from acquisition of subsidiaries/business	22	(593,018)	(1,578,276)	(567,898)	(3,536,008)
Additional investments in subsidiaries		–	–	(101,922)	–
Acquisition of an associate		(1,461)	–	–	–
Additions of available-for-sale financial assets		(715)	–	–	–
Payment for asset retirement obligations		(74)	(43)	–	–
Payment for restructuring costs		–	(105)	–	–
Proceeds from disposal of property, plant and equipment		8,385	6,116	–	–
Proceeds from disposal of investment properties		–	43,040	–	–
Proceeds from sales of biological assets		19,705	–	–	–
Proceeds from assets held for sale		95,825	6,513	–	–
Repayment of loan to a joint venture		–	75,033	–	–
Additional investment in a joint venture		(80,082)	–	–	–
Deposits for acquisition of subsidiaries		(86,624)	(12,719)	(86,624)	–
Dividend received from subsidiaries		–	–	776,739	400,930
Dividend received from joint ventures		45,725	–	–	–
Dividend received from associates		9,450	76,863	–	76,863
Dividend received from available-for-sale financial assets		4,283	–	–	–
Increase in restricted cash		(111,592)	–	(111,592)	–
Net cash used in investing activities		(1,547,223)	(1,160,095)	(106,345)	(2,518,384)

STATEMENTS OF CASH FLOWS

As At 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of loan from a significant shareholder		–	1,067,400	–	1,067,400
Repayment of loan to a significant shareholder		(499,286)	(214,286)	(499,286)	(214,286)
Drawdown of borrowings		5,524,256	1,573,884	–	–
Repayment of borrowings		(5,281,169)	(1,624,955)	–	–
Repayment of LLA liability		(336,401)	(325,894)	–	–
Dividends paid to shareholders		(583,704)	(528,982)	(583,704)	(528,982)
Dividends paid to non-controlling interests		(146,417)	(72,005)	–	–
Finance expense paid		(177,620)	(96,213)	(129,630)	(88,680)
Decrease in fixed deposits pledged for bank facilities		–	15,369	–	–
Net cash (used in)/generated from financing activities		(1,500,341)	(205,682)	(1,212,620)	235,452
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,481,177)	(663,733)	(1,393,296)	(2,281,242)
Effect of foreign exchange rate changes		14,014	19,716	8,360	–
CASH AND CASH EQUIVALENTS					
AT BEGINNING OF FINANCIAL YEAR		5,028,986	5,673,003	1,902,463	4,183,705
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	34	3,561,823	5,028,986	517,527	1,902,463

Significant non-cash transactions:

(a) Financial year ended 31 December 2014

Company

(i) On 31 October 2014, the Company subscribed for 24,406,589 ordinary shares of RM1.00 each from Felda Global Ventures Plantations Sdn. Bhd. ("FGVP"), a wholly owned subsidiary of the Company, by conversion of an amount due from FGVP of RM24,406,589.

(b) Financial year ended 31 December 2013

Company

(i) On 14 November 2013, the Company subscribed for 23,206,521 ordinary shares of RM1.00 each from Felda Global Ventures Downstream Sdn. Bhd. ("FGVD"), a wholly owned subsidiary of the Company, by conversion of amount due from FGVD of RM23,206,521.

(ii) On 18 December 2013, the Company subscribed for 8,874,529 ordinary shares of RM1.00 each from Felda Global Ventures Plantation Sdn. Bhd. ("FGVP"), a wholly owned subsidiary of the Company, by conversion of amount due from FGVP of RM8,874,529.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

1 General Information

The Company is principally an investment holding company with investments primarily in oil palm plantation and its related downstream activities, sugar refining, trading, logistics, marketing, rubber processing, research and development activities and related agribusiness activities. The principal activities of the subsidiaries are stated in Note 22 to the financial statements. There have been no significant change in the nature of these activities of the Group and the Company during the financial year other than as disclosed in Note 56 to the financial statements.

The Company is incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at Level 45, Menara Felda, Platinum Park, No.11 Persiaran KLCC, 50088 Kuala Lumpur.

2 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRS") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the individual policy statements in Note 3 to the financial statements.

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions. It requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

It also requires management to exercise judgment in the process of applying the Group and the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(i) Amendments to published standards and interpretations adopted by the Group and the Company as at 1 January 2014:

- Amendments to FRS 132 'Offsetting Financial Assets and Financial Liabilities'
- Amendments to FRS 10 'Consolidated Financial Statements', FRS 12 'Disclosure of Interests in Other Entities' and FRS 127 'Separate Financial Statements' – Investment entities
- IC Interpretation 21 'Levies'
- Amendments to FRS 139 'Novation of Derivatives and Continuation of Hedge Accounting'

The adoption of the above amendments to published standards and interpretations did not have a significant financial impact to the Group and Company.

(ii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective and have not yet been early adopted:

Effective for annual periods beginning on or after 1 January 2015 with earlier application permitted

- Annual Improvements to FRSs 2010-2012 Cycle (Amendments to FRS 2 'Share-based Payment', FRS 3 'Business Combinations', FRS 8 'Operating Segments', FRS 13 'Fair Value Measurement', FRS 116 'Property, Plant and Equipment', FRS 124 'Related Party Disclosures' and FRS 138 'Intangible Assets')
- Annual Improvements to FRSs 2011-2013 Cycle (Amendments to FRS 1 'First-time Adoption of Financial Reporting Standards', FRS 3 'Business Combinations', FRS 13 'Fair Value Measurement' and FRS 140 'Investment Property')
- Amendments to FRS 119 'Employee Benefits' – Defined benefits plans: Employee contributions

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

2 Basis of Preparation (continued)

(ii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective and have not yet been early adopted: (continued)

Effective for annual periods beginning on or after 1 January 2016 with earlier application permitted

- Amendments to FRS 11 'Accounting for Acquisitions of Interests in Joint Operations'
- Amendments to FRS 116 'PPE' and FRS 138 'Intangible Assets' – Clarification of acceptable methods of depreciation and amortisation
- Amendments to FRS 10 'Consolidated Financial Statements' and FRS 128 'Investment in Associates and Joint Ventures' – Sale or contribution of assets between an investor and its associates/joint ventures
- Amendments to FRS 127 'Separate Financial Statements' – Equity accounting in separate financial statements
- Annual Improvements to FRSs 2012 – 2014 Cycle (Amendments to FRS 5 'Non-current Assets Held for Sale and Discontinued Operations', FRS 7 'Financial Instruments: Disclosures', FRS 119 'Employee Benefits' and FRS 134 'Interim Financial Reporting')

Effective for annual periods beginning on or after 1 January 2017 with earlier application permitted

- MFRS 15 'Revenue'
- MFRS 141 'Agriculture: Bearer Plants' (effective 1 January 2016, but adopted by the Group after 1 January 2017 upon MFRS adoption)

Effective for annual periods beginning on or after 1 January 2018 with earlier application permitted

- MFRS 9 'Financial instruments'

The effects of the above amendments to published standards are currently being assessed by the Directors.

3 Significant Accounting Policies

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of consolidation and investment in subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of financial year. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Acquisition accounting

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of the non-controlling interests. The Group recognises any non-current controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. At the end of reporting period, non-controlling interests consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(a) Basis of consolidation and investment in subsidiaries (continued)

Acquisition accounting (continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss (Note 3(d)).

Predecessor accounting

Acquisitions of subsidiaries and businesses under common control that meet the conditions of a merger are accounted for using the predecessor basis of accounting. The acquisitions of Felda Global Ventures Indonesia Sdn. Bhd. ("FGVI"), Felda Global Ventures North America Sdn. Bhd. ("FGVNA") and plantation estates owned by Federal Land Development Authority ("FELDA") (Note 22) in previous financial year which met the conditions of a merger are accounted for using that basis.

Under the predecessor basis of accounting, the results of subsidiaries and businesses under common control are presented as if the business combination had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the business combination is cancelled with the values of the shares received. Any resulting credit or debit difference is classified as reorganisation reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the combined entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated, unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency with the policies adopted by the Group.

Non-controlling interests is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interests in the acquiree at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interests consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences or other reserves that relate to the subsidiary and is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(a) Basis of consolidation and investment in subsidiaries (continued)

Predecessor accounting (continued)

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interests, even if the attribution of losses to the non-controlling interests results in a debit balance in the non-controlling interests.

In the Company's financial statements, investments in subsidiaries are shown at cost less accumulated impairment losses.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (Note 3(h)).

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

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

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

(d) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries, associates and joint ventures over the Group's share of the fair value of their identifiable net assets including contingent liabilities at the date of acquisition. Goodwill on acquisition in respect of a subsidiary is included in the consolidated statement of financial position as intangible assets, or if arising in respect of an associate or joint ventures, is included in investments in associates or joint ventures. Negative goodwill represents the total of consideration transferred, non-controlling interest recognised and previously held interest measured being less than where the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(e) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates includes goodwill identified on acquisition.

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

The Group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in profit or loss.

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

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

Where necessary, in applying the equity method, appropriate adjustments are made to the associates' financial statements to ensure consistency with the Group's accounting policies.

In the Company's financial statements, investments in associates are shown at cost less accumulated impairment losses.

Where an indication of impairment exists, the carrying amount of the investments in associates is assessed and written down immediately to its recoverable amount (Note 3(h)).

On disposal of the associates, the difference between net disposal proceeds and its carrying amount is charged/credited to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(f) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

Joint ventures

The Group's interest in joint ventures is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

Joint operations

In relation to the Group's interest in joint operations, the Group recognises its assets (including its share of any assets held jointly), liabilities (including its share of any liabilities incurred jointly), revenue from the sale of its share of the output arising from the joint operation (including share of the revenue from the sale of the output by the joint operation) and expenses (including its share of any expenses incurred jointly).

Where necessary, appropriate adjustments are made to the joint arrangements' financial statements to ensure consistency with the Group's accounting policies.

In the Company's financial statements, investments in joint arrangements are shown at cost.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (Note 3(h)).

On disposal of a joint arrangement, the difference between net disposal proceeds and its carrying amount is charged/credited to profit or loss.

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(g) Financial assets

Classification

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group did not apply hedge accounting during the financial year.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables are as disclosed in Note 52.

(iii) Available-for-sale financial assets

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

Recognition and initial measurement

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

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Subsequent measurement – gains and losses

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(g) Financial assets (continued)

Subsequent measurement – gains and losses (continued)

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment losses (see accounting policy Note 3(h)) and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in profit or loss, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value changes.

Finance and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Dividend income on available-for-sale financial assets are recognised in profit or loss when the Group's right to receive payment is established.

De-recognition

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

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

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

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(h) Impairment of financial assets

Assets carried at amortised cost

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

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(h) Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

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

Assets classified as available-for-sale financial assets

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

The Group uses criteria and measurement of impairment loss applicable for 'assets carried at amortised cost' above. In addition to the criteria for 'assets carried at amortised cost' above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised directly in the available-for-sale reserve is removed and recognised in profit or loss.

The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

(i) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective finance method except for the LLA liability and derivatives in a loss position which are measured at fair value through profit and loss.

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(i) Financial liabilities (continued)

Gains or losses arising from changes in fair value of the LLA liability and derivatives are recognised in profit or loss within other gains/losses, net. Net gains or losses on derivatives include exchange differences.

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

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

Foreign exchange differences are capitalised to the extent of the capitalisation of the related borrowing costs.

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

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

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

(j) Property, plant and equipment

Property, plant and equipment are initially stated at cost. All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

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

Major spare parts, stand-by equipment and servicing equipment are classified as property, plant and equipment rather than inventory when they are expected to be used during more than one period.

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(j) Property, plant and equipment (continued)

Freehold land is not depreciated as it has an infinite life. Spare parts or servicing equipment recognised as property, plant and equipment would be depreciated over a period that does not exceed the useful life of the assets to which they relate. All property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to their residual values over their estimated useful lives as follows:

<u>Property, plant and equipment</u>	<u>Estimated useful lives (years)</u>
Leasehold land	50 to 933
Buildings, structures and renovations	3 to 60
Plant and machinery	3 to 30
Motor vehicles	3 to 30
Office equipment, tools and other equipment	2 to 33

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Depreciation on property, plant and equipment ceases at the earlier of derecognition and classification as held for sale. Depreciation on assets under construction commences when the assets are ready for their intended use.

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

At each statement of financial position date, the Group assess whether there is any indication of impairment. If such an indication exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See significant accounting policies Note 3(o) on impairment of non-financial assets.

(k) Investment properties

Investment properties are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group. Investment property is measured initially at its cost, including related transaction costs and borrowing costs if the investment property meets the definition of qualifying asset.

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses. Freehold land is not depreciated as it has an infinite life. All investment properties are depreciated on a straight line basis to write off the cost of each asset to their residual values over their estimated useful lives as follows:

<u>Investment properties</u>	<u>Estimated useful lives (years)</u>
Leasehold land	50 to 99
Buildings	20 to 50

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(k) Investment properties (continued)

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

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in "other operating income" in profit or loss.

At each statement of financial position date, the Group assess whether there is any indication of impairment. If such an indication exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See significant accounting policies Note 3(o) on impairment of non-financial assets.

(l) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. If such an indication exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See significant accounting policies Note 3(o) on impairment of non-financial assets.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each statement of financial position date.

Intangible assets with indefinite useful lives and intangible assets under development are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

Intangible assets are amortised using the straight line basis over their estimated useful lives as follows:

Brand	20 years
Completed technology	9 years
Lease agreement	18 years
Customer relationships	9 years
Software	3 – 5 years
Intellectual property rights	10 years

Amortisation on intangible assets under development commences when the assets are ready for their intended use.

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(l) Intangible assets (continued)

The nature of the intangible assets are as follows:

- (i) Brand is related to a sugar brand 'Prai' acquired as part of the acquisition of the sugar business.
- (ii) Completed technology is related to a license for a subsidiary to use certain technologies involved with producing oleic tallow.
- (iii) Lease agreement is related to a lease agreement for a subsidiary to lease several assets to a customer, acquired as part of a business combination. Twin Rivers Technologies Holdings, Inc. ("TRTH"), is the lessor of a portion of its facility to a tenant under a non-cancellable operating lease. This property includes natural oil tanks and an oil pipeline system.
- (iv) Customer relationships are related to contracts for a subsidiary to sell its product to several customers.
- (v) Software relates to information technology ("IT") used within the Group.
- (vi) Intellectual property rights relates to patents for the commercialisation of high quality graphene.
- (vii) Intangible assets under development relates to IT system under development and land use rights for oil palm plantations in Indonesia, that is still subject to relevant approvals from the authorities.

(m) Biological assets

Oil palm and rubber plantation estates

Biological assets are new development costs which are accounted for under the capital maintenance method. Under the capital maintenance method, planting development costs incurred (for example land clearing and upkeep of trees) up to the maturity period of zero (0) to three (3) years for oil palm and zero (0) to seven (7) years for rubber are capitalised and not amortised, and are shown as a non-current asset net of accumulated impairment losses.

Biological assets will be subject to accelerated depreciation if the existing planted area has been earmarked by the Directors for replanting with a different crop, after writing down the carrying amount to its recoverable amount.

Replanting expenses are charged to profit or loss in the year in which they are incurred.

When the planted area is replanted with a different crop, the carrying value of the existing biological assets is expensed off in profit or loss and the planting development costs in respect of the new crop is capitalised.

For land reclaimed by FELDA in accordance with the provisions of the LLA, the carrying value of the biological assets on the said land is derecognised in profit or loss based on areas reclaimed by FELDA, recognised when vacant possession of the land is transferred.

Additional land acquired from FELDA under the LLA is recorded at the lower of the present value of minimum lease payments payable or its fair value.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(m) Biological assets (continued)

Nursery

Nursery costs comprise costs of oil palm and rubber seedlings and the associated development costs incurred (for example fertilising and weeding) in preparing the nursery. Nursery costs relating to new planting are transferred to oil palm and rubber plantations upon reaching a certain level of maturity, which is between ten (10) to twelve (12) months for oil palm and five (5) to six (6) months for rubber, while other types (resold or replanted) are charged to profit or loss.

Livestock

(i) Cattle

Cattle are raised for grazing purposes, of which there is no management over the transformation of the biological assets. Purchased cattle are initially stated at cost. Cattle are stated at cost less accumulated depreciation and impairment losses. The cost of a cattle initially recognised includes its purchase price and any cost that is directly attributable to bringing the cattle to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition or production of a qualifying asset.

New-born cattle are stated at standard cost based on market value of cattle ageing below 3 months as at valuation date. Cattle are depreciated on a straight line basis to write off the cost over their estimated useful lives of 5 years.

(ii) Canine

Canine are bred and trained for security purposes. All direct costs for canine are accumulated until it matures. Subsequent to that, the costs that have been capitalised are amortised based on a straight line method over its expected useful productive life. The estimate maturity period for canine are 2 years old, having completed all required training and applying 8 years as the period of amortisation.

Where an indication of impairment exists, the carrying amount of the biological asset is assessed and written down immediately to its recoverable amount. See significant accounting policies Note 3(o) on impairment of non-financial assets.

(n) Inventories

Inventories which consist of commodities based products and their related derivatives are stated at the lower of cost and net realisable value. Cost is determined using the weighted average and first-in first-out basis.

The cost of raw materials comprises direct costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity. It excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(o) Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible asset not ready to use, are not subject to amortisation and are tested annually for impairment, or when events or circumstances occur indicating that impairment may exist. Property, plant and equipment and other non-current non-financial assets, including intangible assets with definite useful lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The impairment loss is charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impaired assets, except goodwill, are reviewed for possible reversal of impairment at each reporting date.

(p) Zakat

The Group recognises its obligations towards the payment of zakat on business. Zakat for the current period is recognised as and when the Group has a current zakat obligation as a result of a zakat assessment. The amount of zakat expense shall be assessed when a company within the Group has been in operation for at least 12 months, i.e. for the period known as "haul (eligible period)".

Zakat expense is determined based on the Group's financial results for the year. The amount of zakat paid is recognised as an expense in the financial year in which it is incurred.

(q) Current and deferred income tax

Tax expenses for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current and deferred tax is measured using the tax rates that have been enacted or substantially enacted at the statement of financial position date in the countries where the Group's subsidiaries, joint ventures and associates operate generate taxable income.

Deferred tax is provided for on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Tax benefits arising from reinvestment allowance and investment tax allowance is recognised when the tax credit is utilised.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(r) Foreign currencies

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss.

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

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

Group companies

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

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statement of comprehensive income are translated at average rate (unless this average is not reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in the foreign exchange reserve as a separate component of equity.

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and long-term advances are taken to the foreign exchange reserve within equity. When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on disposal.

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(s) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are recognised in profit or loss over the periods to match the related costs for which the grants are intended to compensate.

Government grants relating to the purchase of assets are presented as a reduction of the carrying amount of the related assets. The government grant is recognised in profit or loss over the life of the related property, plant and equipment as a reduced depreciation expense.

(t) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is presented net of goods and services tax, returns, rebates and discounts and after eliminating sales within the Group.

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

The following specific recognition criteria must also be met before revenue is recognised:

(i) Revenue from sales of goods

Revenue is typically recognised upon the delivery of goods, when significant risks and rewards from ownership of the goods are transferred to the buyer.

(ii) Revenue from rendering of services

Revenue from rendering of services, including management fees, tolling arrangements and construction are recognised when the related services are performed, by reference to completion of the specific services.

(iii) Subsidy from Government

Subsidy received from the Government of Malaysia for certain products sold relates to the difference between estimated market price and the controlled price determined by the Government for sale of the product in the domestic market, limited to the amount agreed with the Government on an annual basis. This subsidy is credited to profit or loss and recognised as part of revenue in the accounting period in which the corresponding sales of goods are recognised.

(iv) Dividend income

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

(v) Finance income

Finance income is recognised using the effective finance method. When a loan or a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective finance rate of the instrument, and continues unwinding the discount as finance income. Finance income on impaired loan and receivables are recognised using the original effective finance rate.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(t) Revenue recognition (continued)

(vi) Rental income

Rental income related to rental of properties and plants are recognised over the period of tenancy or usage, as appropriate.

(vii) Compensation receivable

Compensation receivable is estimated based on areas reclaimed by FELDA, recognised when vacant possession of the land is transferred.

(u) Dividend distribution

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the statement of financial position date. A dividend proposed or declared after the statement of financial position date, but before the financial statements are authorised for issue, is not recognised as a liability at the statement of financial position date.

(v) Deposits, cash and bank balances

Deposits, cash and bank balances includes cash in hand, deposit held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(w) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Operating leases – the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Initial direct costs incurred by the Company in negotiating and arranging operating leases are recognised in profit or loss when incurred.

Payment for rights to use land and buildings over a predetermined period is classified as prepaid lease payments and is stated at cost less accumulated amortisation and accumulated impairment losses. The prepaid lease payments are amortised on a straight-line basis over the lease period of up to 49 years.

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(w) Leases (continued)

(iii) Operating leases – the Group as lessor

Assets leased out under operating leases are presented on the statement of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note 3(t)(vi)). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(iv) Finance leases – the Group as lessee

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of finance on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The finance element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of finance on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

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

(x) Employee benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred.

(iii) Defined benefit plan

A defined benefit plan is a retirement plan that defines an amount of retirement benefits to be paid, usually as a function of one or more factors such as age, years of service or compensation.

Certain companies within the Group operate non-funded defined benefit retirement plans. Under the plan, retirement benefits are determinable by reference to employees' earnings, designation and years of service and payable upon attaining the normal retirement age.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(x) Employee benefits (continued)

(iii) Defined benefit plan (continued)

The liabilities in respect of defined benefit plans are the present value of the defined benefit obligations at the statement of financial position date less the fair value of plan assets, together with adjustments for actuarial gains/losses and unrecognised past service costs. The Group determines the present value of the defined benefit obligations with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the statement of financial position date.

The defined benefit obligations, calculated using the projected unit credit method, are determined by independent actuaries, considering the estimated future cash outflows using market yields at statement of financial position date of government securities that are denominated in the currency in which the benefits will be paid and that have terms of maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Current service costs, past service costs and finance costs are recognised in immediately in profit or loss.

(iv) Termination benefits

The Group pays termination benefits in cases of termination of employment within the framework of a restructuring. Termination benefits are recognised as a liability and an expense when the Group has a detailed formal plan for the termination and is without realistic possibility of withdrawal.

(y) Contingent liabilities

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

(z) Equity instruments

Ordinary shares and special share are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

The transaction costs of an equity transactions are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(aa) Segment reporting

Segment information is presented in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee.

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(ab) Financial guarantee contracts

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

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

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

Where financial guarantee contracts in relation to loans and payables are granted to subsidiaries, joint ventures and associates by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries, joint ventures and associates.

(ac) Provisions

Provisions are recognised when:

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

When it is probable that costs will exceed total contract revenue, a provision for onerous contract is recognised.

Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(ad) Non-current assets and disposal groups held for sale

Non-current assets and disposal groups (a group of assets to be disposed of in a single transaction and liabilities directly associated with those assets) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for sale in its immediate condition. Management must be committed to the sale, which should be expected within one year from the date of classification as held for sale.

Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter, the assets (or disposal group) are recognised at the lower of their carrying amount and fair value less cost to sell. Assets classified as held for sale, or included within a disposal group that is classified as held for sale, are not depreciated. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are included in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

Results from operations qualifying as discontinued operations are presented separately as a single amount on the income statement. Results from operations qualifying as discontinued operations as of the balance sheet date for the latest period presented, that have previously been presented as results from continuing operations, are represented as results from discontinued operations for all periods presented.

In case conditions for classification of non-current assets and disposal groups as held for sale are no longer met, classification as held for sale ceases. Accordingly, results of operations, previously presented in discontinued operations, are reclassified and included in result from continuing operations for all periods presented. Non-current assets that ceases to be classified as held for sale are remeasured at the lower of their carrying amount before classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset or disposal group not been classified as held for sale, and its recoverable amount at the date of the subsequent decision to sell.

(ae) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated based on the consolidated profit after taxation attributable to equity shareholders of the Company and divided by the weighted number of ordinary shares in issue. Diluted EPS is calculated based on the consolidated profit after taxation attributable to equity shareholders of the Company and divided by the weighted number of ordinary shares in issue, assuming conversion of the outstanding RCPS and RCCPS into ordinary shares of RM1 each.

(af) Construction contracts

Contracts costs are recognised when incurred. When the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised over the period of the contract as revenue and expenses respectively. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to recognise in a given period. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total costs for the contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

3 Significant Accounting Policies (continued)

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. (continued)

(af) Construction contracts (continued)

When the outcome of construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable; contract costs are recognised when incurred.

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

Variations in contract work, claims and incentive payments are included in contract revenue to the extent agreed with the customer and are capable of being reliably measured.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amounts due from customers on construction contracts under trade receivables. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to customers on construction contracts under payables.

(ag) Fair value measurement

Fair value measurement prescribes that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial assets, 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.

4 Financial Risk Management

(a) Financial risk management policies

The Group is exposed to market risk (including foreign currency risk, equity price risk, commodity price risk and finance rate risk), credit risk and liquidity risk arising from its business activities. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses relevant derivative financial instruments to hedge the risk of such commercial exposure. Such derivative financial instruments are generally not held for trade or speculative purposes.

The Board of Directors has overall responsibility for the oversight of financial risk management which include risk identification, operational or strategic, and the subsequent action plans to manage these risks. Management is responsible for identifying, monitoring and managing the Group's risk exposures.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

4 Financial Risk Management (continued)

(a) Financial risk management policies (continued)

Market risk

(i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United State Dollar ("USD"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations but excludes interest in foreign joint ventures and associates. The Group generally manages its currency exposure through foreign currency forward contracts.

A 10% strengthening/weakening of the USD against the Malaysian Ringgit ("RM") at the date of statement of financial position would have a lower/higher impact to Group's profit after tax of approximately of RM26,368,000 (2013: RM16,077,000 higher/lower).

The above exposure mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated deposits, cash and bank balances, trade receivables and payables, financial assets at fair value through profit or loss and foreign exchange losses/gains on translation of foreign currency denominated borrowings. The analysis assumes that all other variables remain constant.

(ii) Price risk

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

Equity price risk

The Group is exposed to equity price risk arising from its investment in quoted and unquoted equity instruments. The quoted equity investments are listed on the Bursa Malaysia and foreign stock exchanges and classified as available-for-sale financial assets or financial asset at fair value through profit or loss based on the purpose for which the quoted equity investments were acquired. Unquoted investments are valued using the Price Earnings ("PE")/Price to Book ("PB") comparative method and classified as available-for-sale financial assets. The sensitivity analysis in relation to equity price risk is as follows:

Group		2014		2013	
Financial assets	Sensitivity factor	Impact to profit after tax RM'000	Impact to equity RM'000	Impact to profit after tax RM'000	Impact to equity RM'000
Available-for:					
– sale					
– unquoted	Comparable PE multiple and PB multiple variance by 5%	–	10,289	–	9,014
– quoted	Share price variance by 5%	–	204	–	205
Fair value through profit or loss					
– quoted	Share price variance by 5%	804	–	680	–
Total impact		804	10,493	680	9,219

4 Financial Risk Management (continued)

(a) Financial risk management policies (continued)

Market risk (continued)

(ii) Price risk (continued)

Commodity price risk

The Group is exposed to commodity price risk since the prices crude palm oil ("CPO"), sugar, soy bean and their derivatives are subject to fluctuations due to unpredictable factors such as weather, change of global demand, global production, crude oil prices and global production of similar and competing crops.

Revenue of the Group is therefore subject to price fluctuations in the commodity market. The Group uses derivative contracts to mitigate a portion of such risks.

As at 31 December 2014, a sensitivity analysis has been performed based on the Group's exposure to commodity prices as at settlement date for the Group's LLA liability and commodity derivative portfolios. A 10% increase in certain commodity price indexes or a RM100 increase in CPO prices assumed in calculating the LLA liability, with all other variables being held constant, would increase or decrease the Group's profit after tax, by type of significant commodity and financial liability, by approximately:

	2014 RM'000	2013 RM'000
– Palm oil	3,986	(8,163)
– Sugar	2,457	–
– LLA liability	(121,950)	(181,000)
	(115,507)	(189,163)

A 10% decrease in certain commodity price indexes or a RM100 decrease in CPO prices assumed in calculating the LLA liability, with all other variables being held constant, would increase or decrease the Group's profit after tax, by type of significant commodity and financial liability, by approximately:

	2014 RM'000	2013 RM'000
– Palm oil	(3,986)	8,163
– Sugar	(2,457)	–
– LLA liability	128,850	193,000
	122,407	201,163

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

4 Financial Risk Management (continued)

(a) Financial risk management policies (continued)

Market risk (continued)

(iii) Finance rate risk

The Group's finance rate risk mainly arises from LLA liability and term loans. LLA liability and term loans issued at variable rates expose the Group to cash flow finance rate risk.

The finance rate profile of the Group's finance bearing financial assets, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Financial assets				
At fixed rate				
Fixed deposits	2,879,777	4,632,239	496,430	1,900,673

The finance rate profile of the Group's finance bearing financial liabilities, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Financial liabilities				
At fixed rate				
Loans due to a significant shareholder	2,202,920	2,697,790	2,202,920	2,697,790
Short term trade financing	2,040,752	1,636,878	—	—
Term loans	271,953	—	—	—
Finance lease liabilities	5,071	—	—	—
	4,520,696	4,334,668	2,202,920	2,697,790
At floating rate (exposed to cash flow finance rate risk)				
LLA liability	4,680,829	4,844,390	—	—
Term loans	182,230	13,032	—	—
	4,863,059	4,857,422	—	—
	9,383,755	9,192,090	2,202,920	2,697,790

4 Financial Risk Management (continued)

(a) Financial risk management policies (continued)

Market risk (continued)

(iii) Finance rate risk (continued)

If finance rates on its floating rate financial liabilities and discount rate on LLA liability increased/decreased by 50 basis points and borrowings increased/decreased by 10 basis points with all other variables held constant, the profit after tax of the Group will increase by RM205,936,0000 (2013: RM242,250,000) and decrease by RM232,186,000 (2013: RM213,000,000) respectively.

Other financial assets and financial liabilities are non-finance bearing, and therefore are not affected by changes in finance rates.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing with customers with an appropriate credit history, and obtaining sufficient security where appropriate, including payments in advance, to mitigate credit risk. The financial assets exposure can be illustrated as follows:

2014	Financial assets RM'000	Collateral held as security RM'000	Net exposure RM'000
Group			
Trade receivables	833,941	173,544	660,397
Other receivables (excluding prepayments)	276,728	–	276,728
Amount due from a significant shareholder	79,233	–	79,233
Amount due from joint ventures	328,941	–	328,941
Amount due from an associate	36	–	36
Amounts due from other related companies	63,964	–	63,964
Derivative financial assets	15,337	–	15,337
Company			
Other receivables (excluding prepayments)	87,975	–	87,975
Amount due from a significant shareholder	2,308	–	2,308
Amounts due from subsidiaries	101,761	–	101,761
Amounts due from other related companies	1,571	–	1,571
Loan due from a subsidiary	1,062	–	1,062

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

4 Financial Risk Management (continued)

(a) Financial risk management policies (continued)

Credit risk (continued)

2013	Financial assets RM'000	Collateral held as security RM'000	Net exposure RM'000
Group			
Trade receivables	1,011,715	246,288	765,427
Other receivables (excluding prepayments)	268,327	–	268,327
Amount due from a significant shareholder	81,923	–	81,923
Amount due from joint ventures	421,838	–	421,838
Amount due from an associate	37	–	37
Amounts due from other related companies	29,060	–	29,060
Derivative financial assets	3,499	–	3,499
Company			
Other receivables (excluding prepayments)	173,470	–	173,470
Amount due from a significant shareholder	377	–	377
Amounts due from subsidiaries	58,584	–	58,584
Amounts due from other related companies	61	–	61
Loan due from a subsidiary	1,062	–	1,062

Trade receivables, amount due from an associate, joint ventures and other related parties exposure are closely monitored and continuously followed up. The Group generally has no significant concentration of credit risk due to the Group's large number of customers other than sales transactions made to certain related parties as disclosed in Note 28 and Note 53.

The Group's deposits, cash and bank balances were largely placed with major financial institutions in Malaysia. The Directors are of the view that the possibility of non-performance by these financial institutions, including those non-rated financial institutions, is remote on the basis of their financial strength.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations due to shortage of funds. The Group maintains a sufficient level of cash and cash equivalents to meet the Group's working capital requirements by closely monitoring its cash flows. Due to the nature of its business, the Group has adopted prudent liquidity risk management in maintaining and obtaining sufficient credit facilities from financial institutions.

Cash flow forecasting is performed in the operating entities of the Group and then aggregated by management. Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statements of financial position ratio targets and, if applicable, external regulatory or legal requirements – for example, currency restrictions.

4 Financial Risk Management (continued)

(a) Financial risk management policies (continued)

Liquidity risk (continued)

Surplus cash is invested in profit bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining maturity periods at the reporting date to the contractual maturity dates. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The table below summaries the maturity profile of the Group's and Company's financial liabilities based on the remaining maturity periods at the statement of financial position date. The amounts disclosed in the table are based on contractual undiscounted cash flows.

Group	Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000	Total RM'000
<u>At 31 December 2014</u>					
Loans due to a significant shareholder	322,155	308,264	860,710	1,326,218	2,817,347
LLA liability	371,521	366,797	1,077,888	88,796,607	90,612,813
Amount due to a significant shareholder	240,444	–	–	–	240,444
Amounts due to other related companies	9,136	–	–	–	9,136
Derivative financial liabilities	1,778,697	–	–	–	1,778,697
Borrowings	2,065,545	66,610	239,506	267,820	2,639,481
Payables	1,417,503	–	–	–	1,417,503
Total undiscounted financial liabilities	6,205,001	741,671	2,178,104	90,390,645	99,515,421
<u>At 31 December 2013</u>					
Loans due to a significant shareholder	343,916	333,236	935,628	1,908,881	3,521,661
LLA liability	385,767	366,844	1,130,085	96,115,434	97,998,130
Amount due to a significant shareholder	386,921	–	–	–	386,921
Amount due to joint ventures	23,000	–	–	–	23,000
Amounts due to other related companies	4,723	–	–	–	4,723
Derivative financial liabilities	1,120,132	–	–	–	1,120,132
Borrowings	1,638,109	1,665	4,995	4,899	1,649,668
Payables	1,392,694	–	–	–	1,392,694
Total undiscounted financial liabilities	5,295,262	701,745	2,070,708	98,029,214	106,096,929

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

4 Financial Risk Management (continued)

(a) Financial risk management policies (continued)

Liquidity risk (continued)

Company	Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000	Total RM'000
<u>At 31 December 2014</u>					
Loans due to a significant shareholder	322,155	308,264	860,710	1,326,218	2,817,347
Amounts due to subsidiaries	134,011	–	–	–	134,011
Amount due to a significant shareholder	6,623	–	–	–	6,623
Amounts due to other related companies	354	–	–	–	354
Payables	52,642	–	–	–	52,642
Total undiscounted financial liabilities	515,785	308,264	860,710	1,326,218	3,010,977
<u>At 31 December 2013</u>					
Loans due to a significant shareholder	343,916	333,236	935,628	1,908,881	3,521,661
Amounts due to subsidiaries	88,734	–	–	–	88,734
Amount due to a significant shareholder	3,833	–	–	–	3,833
Amounts due to other related companies	563	–	–	–	563
Payables	19,705	–	–	–	19,705
Financial guarantee contract	26,952	–	–	–	26,952
Total undiscounted financial liabilities	483,703	333,236	935,628	1,908,881	3,661,448

(b) Capital risk management policies

The Group's primary objectives on capital management policies are to safeguard the Group's ability to maintain healthy capital ratios to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2014 and 31 December 2013.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity attributable to owners of the Company. The Group includes borrowings, loans due to a significant shareholder and LLA liability within its total debt. Equity attributable to owners of the Company includes share capital, redeemable preference shares, share premium, reserves and retained earnings.

4 Financial Risk Management (continued)

(b) Capital risk management policies (continued)

The gearing ratio analysis for the Group and the Company are as disclosed below:

Group	2014 RM'000	2013 RM'000
<u>With LLA liability</u>		
Borrowings	2,500,006	1,649,910
Loans due to a significant shareholder	2,202,920	2,697,790
LLA liability	4,680,829	4,844,390
Total debt	9,383,755	9,192,090
Equity attributable to owners of the Company	6,376,233	6,571,008
Gearing ratio	147%	140%
<u>Without LLA liability</u>		
Borrowings	2,500,006	1,649,910
Loans due to a significant shareholder	2,202,920	2,697,790
Total debt	4,702,926	4,347,700
Equity attributable to owners of the Company	6,376,233	6,571,008
Gearing ratio	74%	66%

The increase in the gearing ratio during the financial year ended 31 December 2014 resulted primarily from net increase in borrowings arising from subsidiaries acquired during the financial year and dividend payments to shareholders.

Company	2014 RM'000	2013 RM'000
Loans due to a significant shareholder	2,202,920	2,697,790
Total equity	7,245,283	7,378,570
Gearing ratio	30%	37%

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

4 Financial Risk Management (continued)

(c) Fair value estimation

Amounts that are measured in the statement of financial position at fair value are disclosed by the following fair value measurement hierarchy:

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

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2014 and 31 December 2013:

Group 2014	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at fair value through profit or loss:				
(i) Derivatives				
– Foreign exchange forward contracts	–	529	–	529
– Commodities futures contracts	14,808	–	–	14,808
(ii) Trading securities	21,431	–	–	21,431
Available-for-sale financial assets	24,846	–	218,839	243,685
Total assets	61,085	529	218,839	280,453
Liabilities				
Financial liabilities at fair value through profit or loss:				
(i) LLA liability	–	–	4,680,829	4,680,829
(ii) Derivatives				
– Foreign exchange forward contracts	–	15,271	–	15,271
– Commodities futures contracts	17,121	–	–	17,121
Total liabilities	17,121	15,271	4,680,829	4,713,221

4 Financial Risk Management (continued)

(c) Fair value estimation (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2014 and 31 December 2013: (continued)

Group 2013	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at fair value through profit or loss:				
(i) Derivatives				
– Foreign exchange forward contracts	–	1,841	–	1,841
– Commodities futures contracts	1,658	–	–	1,658
(ii) Trading securities	12,955	–	–	12,955
Available-for-sale financial assets	24,273	–	201,032	225,305
Total assets	38,886	1,841	201,032	241,759
Liabilities				
Financial liabilities at fair value through profit or loss:				
(i) LLA liability	–	–	4,844,390	4,844,390
(ii) Derivatives				
– Foreign exchange forward contracts	–	13,631	–	13,631
– Commodities futures contracts	1,730	–	–	1,730
Total liabilities	1,730	13,631	4,844,390	4,859,751

Disclosures for property, plant and equipment and investment in a joint venture measured at fair value are disclosed at Note 19 and Note 24 respectively.

The Company has no financial assets and liabilities that are measured at fair value at 31 December 2014 and 31 December 2013.

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

(i) Financial instruments in Level 1

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

(ii) Financial instruments in Level 2

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

4 Financial Risk Management (continued)

(c) Fair value estimation (continued)

(iii) Financial instruments in Level 3

The following table present the changes in recurring Level 3 financial instruments during the financial year:

	2014 RM'000	2013 RM'000
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LLA liability

At 1 January	4,844,390	5,664,769
Fair value changes charged/(credited) to profit or loss	115,240	(494,485)
Repayment during the year	(336,401)	(325,894)
Additional land acquired during the year	57,600	–
At 31 December	4,680,829	4,844,390

	2014 RM'000	2013 RM'000 (Restated)
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Available for sale financial assets

At 1 January, as restated	201,032	–
Acquisition of a subsidiary	–	201,032
Fair value gains transferred to available-for-sale reserves	17,807	–
At 31 December	218,839	201,032

(d) Offsetting financial assets and financial liabilities

There are no offsetting of financial assets and financial liabilities during the year for the Group and Company.

5 Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated by 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 assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) LLA liability

The fair value of the LLA liability is measured using a discounted cash flow calculation using cash flow projections based on financial budgets approved by the Directors covering a 96 year period. As a result of the fair value assessment, the Group has recognised a LLA liability of RM4,680,829,000 (2013: RM4,844,390,000). The key assumptions and the sensitivity analysis are as disclosed in Note 45 to the financial statements.

(ii) Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units ("CGU") to which the goodwill is allocated. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amounts of CGUs were determined based on the higher of fair value less cost to sell or value in use calculations. As a result of these impairment assessments, the Group did not recognise any impairment. The key assumptions and the sensitivity analysis are as disclosed in Note 21 to the financial statements.

(iii) Intangible assets (other than goodwill), property, plant and equipment, investment properties and biological assets

The Group tests intangible assets (other than goodwill), property, plant and equipment, investment properties and biological assets for impairment if there is any objective evidence of impairment. Management have assessed that certain intangible assets other than goodwill, property, plant and equipment, investment properties and biological assets may be potentially impaired or the existing impairment may be reversed. The recoverable amounts of these assets were determined based on the higher of fair value less cost to sell or value in use calculations.

As a result of the assessment, the Group has recognised a net reversal of impairment of RM10,167,000 (2013: net impairment of RM42,285,000) against certain property, plant and equipment, investment properties, prepaid lease payments and biological assets, and accelerated depreciation of RM9,356,000 (2013: RM8,682,000) against its biological assets. The key assumptions and the sensitivity analysis are as disclosed in Notes 19, 21 and 29 to the financial statements.

(iv) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised. The amount of deferred tax assets arising from tax losses recognised amounted to RM135,883,000 (2013: RM120,802,000) and RM23,966,000 (2013: RM18,919,000) for the Group and Company respectively.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

6 Revenue

	2014 RM'000	2013 RM'000
Group		
Sales of crude palm oil ("CPO")	4,690,955	6,973,533
Sales of refined bleached deodorised ("RBD") products	4,356,192	–
Sales of refined sugar and molasses	2,281,449	2,202,424
Sales of fertiliser, packed products and others	1,272,536	–
Sales of vegetable oil and protein meal	1,110,976	304,190
Sales of fatty acids	752,937	647,597
Sales of rubber products	739,832	38,263
Sales of crude palm kernel oil ("CPKO")	357,830	–
Sales of biodiesel products	225,014	46,687
Sales of palm kernel ("PK")	50,438	6,613
Tolling arrangement services	–	21,782
Services rendered	492,220	60,034
Sales of fresh fruit bunches ("FFB")	25,189	2,265,150
Others	13,705	1,735
	16,369,273	12,568,008
Company		
Dividend from subsidiaries:		
– unquoted	588,022	257,617
– quoted	18,516	16,202
Dividend from associates:		
– unquoted	–	76,863
Management fees	109,715	75,882
Finance income from financial institutions	46,495	123,796
Others	17	–
	762,765	550,360

7 Other Operating Income

	Group		Company		Foreword to Shareholders
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	
Rental income	4,994	4,527	—	—	—
Gain on disposal of property, plant and equipment	754	5,978	—	—	—
Compensation receivable	—	82,938	—	—	—
Reversal of impairment loss on investment in a subsidiary	—	—	12,391	—	—
Reversal of impairment loss on investment in joint ventures	68,657	—	—	—	—
Reversal of impairment of loan due from other related company	26,952	—	—	—	—
Reversal of financial guarantee contract	—	—	26,952	—	—
Gain on disposal of an associate (Note 23)	—	26,673	—	343,822	—
Gain on disposal of a joint venture (Note 24)	12,618	—	—	—	—
Gain on fair value remeasurement on acquisition of a subsidiary	—	263,280	—	—	—
Negative goodwill arising from business combinations	—	67,581	—	—	—
Dividend income from available-for-sale financial assets	4,283	—	—	—	—
Gain on disposal of investment properties	—	4,508	—	—	—
Income from sale of scrap	25,105	—	—	—	—
Reversal of impairment of property, plant and equipment	16,379	—	—	—	—
Foreign currency exchange gains	12,039	30,654	8,360	—	—
Other operating income	34,188	22,681	8	4	—
	205,969	508,820	47,711	343,826	

8 Other Operating Expenses

	Group		Company		Financial Statements
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	
Waiver of compensation receivable	75,503	—	—	—	—
Impairment loss on investment in a joint venture	9,860	—	—	—	—
Impairment loss on investment in a subsidiary	—	—	—	12,391	—
Impairment loss on investment properties	—	1,622	—	—	—
Other operating expenses	26,089	559	143	5	—
	111,452	2,181	143	12,396	

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

9 Other (Losses)/Gains, Net

	Group	
	2014 RM'000	2013 RM'000
Land Lease Agreement ("LLA"):		
– Fair value (losses)/gains (Note 45)	(115,240)	494,485
Foreign currency forward contracts:		
– Fair value (losses)/gains	(11,104)	9,528
Financial assets at fair value through profit or loss		
– Fair value losses (Note 32)	(2,242)	(2,007)
Sugar and oil palm futures contracts:		
– Fair value gains/(losses)	243	(7,745)
Soy and canola futures contracts:		
– Fair value losses	(1,911)	–
Rubber futures contracts:		
– Fair value gains	567	–
	(129,687)	494,261

10 Finance Income and Cost

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Finance income:				
– finance income from financial institutions	131,746	161,377	–	–
– finance income from joint ventures	–	2,795	–	–
Total finance income	131,746	164,172	–	–
Finance costs:				
– loan from a significant shareholder	(134,071)	(93,085)	(134,071)	(93,085)
– short term trade financing	(47,059)	(10,095)	(404)	(83)
– unwinding of discount	(5,835)	–	–	–
– term loans	(2,211)	(249)	–	–
Total finance costs	(189,176)	(103,429)	(134,475)	(93,168)
Net finance (costs)/income	(57,430)	60,743	(134,475)	(93,168)

11 Profit Before Zakat and Taxation

Profit before zakat and taxation is stated after charging/(crediting):

	Group		Company		Foreword to Shareholders
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	
Matured estates operating expenses (collection, upkeep, cultivation and general charges)	318,064	601,593	—	—	—
Replanting expenses	219,024	255,836	—	—	—
Cost of raw materials and chemicals for production	10,690,818	2,079,752	—	—	—
Cost of purchasing CPO and PK and manufacturing cost	39,464	7,065,731	—	—	—
Cost of petrol, diesel and natural gas	145,450	96,057	—	—	—
Service charge on CPO trading	13,150	10,912	—	—	—
Property, plant and equipment (Note 19):					
– Depreciation	391,064	98,818	1,037	779	
– Impairment loss	5,264	40,000	—	—	
– Write offs	26,466	2,335	2,735	5	
– Loss on disposal	20,177	2,032	—	—	
Investment properties (Note 20):					
– Depreciation	11,746	224	73	—	
– Impairment loss	—	1,622	—	—	
Intangible assets (Note 21):					
– Amortisation	33,526	11,064	1,652	1,608	
– Write offs	272	—	—	—	
Prepaid lease payments (Note 25):					
– Amortisation	2,799	150	—	—	
– Impairment loss	76	—	—	—	
– Write offs	2	—	—	—	
Biological assets (Note 29):					
– Accelerated depreciation	9,356	8,682	—	—	
– Impairment loss	872	663	—	—	
– Write offs	3,590	32,195	—	—	
– Biological assets consumed	33,566	25,945	—	—	
Assets held for sale					
– Loss/(gain) on disposal	2,497	(5,381)	—	—	
Impairment of receivables	180	611	—	—	
Write down of inventory to net realisable value	13,605	1,012	—	—	
Rental					
– land and buildings	27,069	7,745	3,769	4,651	
– plant, machinery and storage tanks	19,709	—	—	—	
– other equipment	36,723	1,317	1,961	887	
Repair and maintenance of refining plants and mills	57,071	41,962	—	—	
Repair and maintenance of motor vehicles	14,115	—	—	—	
Principal auditors' remuneration:					
– Audit fee	3,259	1,041	469	324	
– Other assurance services	1,234	2,884	1,136	2,884	
– Non-audit fee	2,284	511	1,004	511	

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

11 Profit Before Zakat and Taxation

Profit before taxation is stated after charging/(crediting): (continued)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other auditors' remuneration:				
– Audit fee	1,732	1,932	–	–
– Non-audit fee	4,668	4,424	4,359	4,003
Staff costs*	1,649,818	1,011,481	68,470	57,093
Professional and technical fees	48,860	36,202	41,977	26,113
Contribution to Yayasan Felda	22,782	9,970	772	50
Net realised foreign exchange loss/(gain)	29,091	(15,859)	405	83
Net unrealised foreign exchange loss/(gain)	8,335	26,683	(8,360)	–
Research and non-capitalised development costs	26,570	–	–	–
Construction cost recognised as an expense	24,317	–	–	–
Provision for defined benefit plan	6,759	563	78	(32)
Cost of inventory sold	561,036	176,292	–	–
Management fees charged by a subsidiary	–	–	40,595	42,216
Reversal of provision	(2,000)	–	–	–
Bad debts	–	–	143	–

* Staff costs (excluding Directors' remuneration) are analysed as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Wages, salaries and bonuses	1,222,008	737,448	47,431	44,901
Defined contribution plan	114,714	58,946	7,618	6,286
Defined benefit plan	6,759	563	78	(32)
Other employee benefits	306,337	214,524	13,343	5,938
	1,649,818	1,011,481	68,470	57,093

Staff costs included in costs of sales amounted to RM1,286,282,000 (2013: RM897,610,000) and RM15,885,000 (2013: RM39,163,000) for the Group and Company respectively.

12 Directors' Remuneration

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fees:				
– Independent Non-Executive	1,384	1,089	1,082	934
– Non-Independent Non-Executive	2,444	1,467	1,009	1,105
– Executive Director	512	151	–	–
	4,340	2,707	2,091	2,039
Salaries and bonuses:				
– Independent Non-Executive	–	100	–	100
– Non-Independent Non-Executive	–	2,013	–	2,013
– Executive Director	2,048	1,249	2,048	1,249
	2,048	3,362	2,048	3,362
Defined contribution plan:				
– Non-Independent Non-Executive	40	367	40	367
– Executive Director	328	200	328	200
	368	567	368	567
Other employee benefits:				
– Independent Non-Executive	357	371	333	371
– Non-Independent Non-Executive	425	596	378	410
– Executive Director	453	146	416	146
	1,235	1,113	1,127	927
	7,991	7,749	5,634	6,895

The estimated monetary value of benefit-in-kind provided to Directors of the Company during the financial year amounted to RM630,000 (2013: RM122,000).

13 Zakat

	Group	
	2014 RM'000	2013 RM'000
Movement of zakat liability:		
At beginning of financial year	–	–
Current financial year's zakat expense	13,184	32,612
Zakat paid	(13,184)	(32,612)
At end of financial year	–	–

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

14 Taxation

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysian income tax:				
– In respect of current financial year	268,879	139,205	–	–
– In respect of prior financial year	9,151	12,557	7	(2,168)
Foreign income tax:				
– In respect of current financial year	(941)	820	–	–
Deferred tax (Note 48)	367	214,077	(3,616)	(14,822)
Tax expense/(income)	277,456	366,659	(3,609)	(16,990)

A reconciliation of income tax expense applicable to profit before taxation after zakat at the Malaysian statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before taxation after zakat	845,352	1,503,710	446,891	594,361
Malaysian corporate tax rate of 25% (2013: 25%)	211,338	375,928	111,723	148,590
Tax effect of:				
– different tax rates in other countries	2,800	3,889	–	–
– expenses not deductible for tax purposes	91,556	25,167	51,949	42,318
– changes in tax rate	1,371	38,687	–	–
– income not subject to tax	(57,785)	(108,376)	(173,007)	(204,575)
– temporary differences not recognised as deferred tax	29,930	20,184	–	–
– under provision of income tax in prior year	9,151	12,557	7	(2,168)
– others	(10,905)	(1,377)	5,719	(1,155)
Tax expense/(income)	277,456	366,659	(3,609)	(16,990)

15 Loss from Discontinued Operations

Financial year ended 31 December 2014

(i) Disposal of Malaysia Cocoa Manufacturing Sdn. Bhd.

In the previous financial year, the Group had approved a proposal to exit the cocoa business of its wholly-owned subsidiary company, Malaysia Cocoa Manufacturing Sdn. Bhd. ("MCM") with the disposal of 100% equity as the preferred option.

The result of MCM in the previous financial year was included as part of the Group's share of results of an associate, Felda Holdings Berhad ("FHB").

In the current financial year, operations ceased with effect from 1 September 2014. Certain property, plant and equipment were reclassified as assets held for sale.

(ii) Cessation of Felda Farm Products Sdn. Bhd.

In the previous financial year, the Board of Directors of a subsidiary company, Felda Farm Products Sdn. Bhd. ("FFP") approved a plan to gradually cease the operations of FFP by way of disposal of assets to a significant shareholder of FGVH and a related company, FGVP. Following the disposal of assets in December 2013, FFP had ceased operations.

The result of FFP in the previous financial year was included as part of the Group's share of results of an associate, FHB.

In the current financial year, the income statement of the discontinued operations of FFP are presented separately from continuing operations, as discontinued operations.

(iii) Profit before taxation from discontinued operations is stated after charging/(crediting) the following:

	2014 RM'000	2013 RM'000
Property, plant and equipment:		
– depreciation	1,780	–
– write offs	14	–
– gain on disposal	(8,088)	–
Staff costs	3,705	–
Voluntary separation scheme payment	6,703	–
Cost of raw materials and consumables used	5,775	–

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

15 Loss from Discontinued Operations (continued)

Financial year ended 31 December 2014 (continued)

(iv) The cash flows of the discontinued operations are as follows:

	2014 RM'000	2013 RM'000
Net cash generated from operating cash flows	32,835	–
Net cash generated from investing cash flows	708	–
Net cash used in financing cash flows	(30,797)	–
Net increase in cash and cash equivalents	2,746	–
Cash and cash equivalents at beginning of financial year	4,546	–
Cash and cash equivalents at end of financial year	7,292	–

(v) The results of the discontinued operations are as follows:

	2014 RM'000	2013 RM'000
Revenue	28,062	–
Cost of sales	(35,296)	–
Gross profit	(7,234)	–
Other operating income	142	–
Other operating expenses	(19,086)	–
Finance costs	(3,066)	–
Share of results from associates	–	(28,753)
Loss after tax	(29,244)	(28,753)

Financial year ended 31 December 2013

In 2013, Twin Rivers Technologies Enterprise De Transformation De Graines Oleagineuses Du Quebec Inc. ("TRT ETGO") terminated its joint venture with Bunge Ventures Canada L.P. ("Bunge").

As at 31 December 2013, the results of Bunge ETGO recognised as a loss from discontinuing operations of RM28,753,000 in the statements of comprehensive income. The discontinued operations were part of the Downstream reportable segment as disclosed in Note 18.

16 Dividend Per Share

Dividends declared and paid are as follows:

	Group and Company			
	2014		2013	
	Dividend per share Sen	Amount of dividend RM'000	Dividend per share Sen	Amount of dividend RM'000
Final single-tier dividend for the financial year ended 31 December 2013, paid on 11 July 2014 (2013: final single-tier dividend for the financial year ended 31 December 2012, paid on 12 July 2013)	10.0	364,815	8.5	310,093
Interim single-tier dividend for the financial year ended 31 December 2014, paid on 29 September 2014 (2013: interim single-tier dividend for the financial year ended 31 December 2013, paid on 27 December 2013)	6.0	218,889	6.0	218,889
	16.0	583,704	14.5	528,982

At the forthcoming Annual General Meeting of the Company, a final single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2014 will be proposed for shareholders' approval. This final dividend will be accrued as a liability in the financial year ending 31 December 2015 when approved by the shareholders.

17 Earnings Per Share

	Group	
	2014	2013
Basic and diluted EPS (sen)		
– From continuing operations	9.7	27.7
– From discontinued operations	(0.8)	(0.8)
	8.9	26.9

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For The Financial Year Ended 31 December 2014

17 Earnings Per Share (continued)

The basic earnings per share ("EPS") has been calculated based on the consolidated profit after taxation attributable to equity shareholders of the Company and divided by the weighted number of ordinary shares in issue.

	Group	
	2014	2013
Profit from continuing operations attributable to equity shareholders (RM'000)	354,731	1,011,004
Profit from discontinued operations attributable to equity shareholders (RM'000)	(29,244)	(28,753)
Profit for the financial year attributable to equity shareholders (RM'000)	325,487	982,251
Weighted average number of ordinary shares in issue (thousands)	3,648,152	3,648,152

18 Segment Reporting

Operating segments are reported in a manner consistent with the internal management reporting provided to the chief operating decision maker ("CODM"), which is the Executive Committee ("EXCO").

The EXCO considers the business by product related activities. The reportable segments for the financial year ended 31 December 2014 have been identified as follows:

- Palm Upstream – Plantation estates activities including cultivation, harvesting and production of fresh fruit bunches ("FFB"), processing of FFB and selling of crude palm oil ("CPO") and palm kernel ("PK").
- Palm Downstream – Refining of CPO, fractionation of refined bleached deodorised palm oil ("RBDPO") and Palm Olein ("PO"), crushing of PK, processing and sales of biodiesel products, production of oleochemicals namely fatty acid and glycerine, crushing of soy and canola, production of graphene and nanotubes and production of consumer bulk and packed products.
- Sugar – Sugar refining and sales and marketing of refined sugar and molasses.
- Others – Trading, bulking and transportation facilities and services, engineering services, information technology, security, travel, rubber processing, research and development activities, fertilisers processing and production and sale of planting materials

The reportable segments have changed from the previous financial year due to the changes in the internal management reporting structure of the CODM. Comparatives have been restated to conform to the revised reportable segments.

In previous financial year, reconciliation to the reportable segments mainly relates to the elimination of Felda Holdings Bhd., an associate of the Group up to 27 December 2013 which was included within the applicable reportable segments, and inclusion of investment holding companies within the Group, which did not form part of the reportable segments.

The discontinuing operations mainly relates to cocoa business, which the Group had previously approved to exit. In previous financial year, the discontinuing operations related to the share of results of a joint venture, Bunge ETGO L.P. (Note 15).

The EXCO assesses the performance of the operating segments based on profit before zakat and taxation.

18 Segment Reporting (continued)

The segment information provided to the EXCO for the reportable segments for the financial year reported is as follows:

2014	Palm Upstream RM'000	Palm Downstream RM'000	Sugar RM'000	Others		Reconciliation RM'000	Total RM'000	Discontinued operations RM'000	Total RM'000
				Trading, logistics, marketing and others RM'000	Others RM'000				
Total segment revenue	18,036,898	7,357,048	2,345,210	1,520,094	1,605,801	(14,495,778)	16,369,273	28,062	16,397,335
Less: Inter-segment revenue	(13,383,720)	(142,514)	(63,717)	(457,774)	(448,053)	14,495,778	-	-	-
Revenue from external customers	4,653,178	7,214,534	2,281,493	1,062,320	1,157,748	-	16,369,273	28,062	16,397,335
Profit before zakat and taxation for the financial year	740,957	(126,606)	372,964	172,719	48,210	(349,708)	858,536	(29,244)	829,292
Zakat							(13,184)	-	(13,184)
Taxation							(277,456)	-	(277,456)
Profit after taxation for the financial year							567,896	(29,244)	538,652
Other information:									
Finance income	16,005	7,283	25,827	2,285	7,491	72,855	131,746	-	131,746
Finance costs	(19,684)	(16,909)	(5,686)	(3,961)	(6,051)	(136,885)	(189,176)	-	(189,176)
Depreciation and amortisation	(205,920)	(83,619)	(47,063)	(76,724)	(31,441)	(3,724)	(448,491)	-	(448,491)
Reversal of/(impairment loss)	1,387	(244)	-	8,360	484	-	9,987	-	9,987
Write-offs/write-down	(19,830)	(17,113)	(709)	(1,058)	(960)	(4,265)	(43,935)	-	(43,935)
Fair value changes in LLA liability	(115,240)	-	-	-	-	-	(115,240)	-	(115,240)
Share of results of joint ventures	(6,777)	20,368	-	6,784	(85)	1,085	21,375	-	21,375
Share of results of associates	704	-	-	6,035	-	2,581	9,320	-	9,320
Capital expenditure	467,062	133,867	81,779	69,956	82,470	2,260	837,394	-	837,394

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

18 Segment Reporting (continued)

The segment information provided to the EXCO for the reportable segments for the financial year reported is as follows (continued):

2013	Palm	Palm	Sugar RM'000	Others		Reconciliation RM'000	Total RM'000	Discontinued operations RM'000	Total RM'000
	Upstream RM'000	Downstream RM'000		Trading, logistics, marketing and others RM'000	Others RM'000				
Total segment revenue	18,073,011	6,583,679	2,249,689	1,189,180	2,022,751	(17,550,302)	12,568,008	-	12,568,008
Less: Inter-segment revenue	(1,694,710)	(159,907)	(47,209)	(381,650)	(155,148)	2,438,624	-	-	-
Revenue from external customers	16,378,301	6,423,772	2,202,480	807,530	1,867,603	(15,111,678)	12,568,008	-	12,568,008
Profit before zakat and taxation for the financial year	1,164,184	(52,481)	387,158	180,460	75,092	(218,091)	1,536,322	(28,753)	1,507,569
Zakat									(32,612)
Taxation									(366,659)
Profit after taxation for the financial year									1,108,298

Other information:									
Finance income	13,076	18,443	27,924	1,197	1,512	102,020	164,172	-	164,172
Finance costs	(11,261)	(7,494)	(4,895)	(4,209)	(11,573)	(63,997)	(103,429)	-	(103,429)
Depreciation and amortisation	(139,688)	(54,110)	(39,260)	(61,631)	(19,993)	195,744	(118,938)	-	(118,938)
Reversal off/(impairment loss)	(663)	(40,611)	(1,622)	-	-	-	(42,896)	-	(42,896)
Write offs/write-down	(33,499)	(1,978)	(52)	-	-	(13)	(35,542)	-	(35,542)
Fair value changes in LLA liability	494,485	-	-	-	-	-	494,485	-	494,485
Share of results of joint ventures	(20,235)	(65,361)	-	-	-	-	(85,596)	(28,753)	(114,349)
Share of results of associates	10,494	-	-	-	-	72,874	83,368	-	83,368
Capital expenditure	365,907	71,556	99,794	80,681	50,207	2,120	670,265	-	670,265

18 Segment Reporting (continued)

The revenue from external parties reported to the EXCO is measured in a manner consistent with that in the statement of comprehensive income.

Revenues from external customers are derived from sales of goods and provisions of services as disclosed in Note 6.

The analysis of external revenue by end customer geographical location is as follows:

	2014 RM'000	2013 RM'000
Malaysia	8,490,014	20,259,756
Overseas:		
– China	1,206,198	1,730,198
– Pakistan	1,163,702	1,346,719
– India	1,024,116	604,780
– Asia (excluding Malaysia, China, Pakistan, Indonesia and India)	1,555,949	1,462,036
– United States and Canada	1,878,393	1,136,365
– Europe	248,417	640,739
– Indonesia	55,442	7,307
– Others	747,042	491,786
Reconciliation:		
– FHB*	–	(15,111,678)
	16,369,273	12,568,008

* FHB became a wholly-owned subsidiary of the Company on 27 December 2013. Therefore, the reconciliation represents FHB and its group of companies as transactions with associates.

Segment assets and segment liabilities are not disclosed as it is not reported to the CODM.

The analysis of non-current assets (excluding financial assets and deferred tax assets) by geographical location is as follows:

	2014 RM'000	2013 RM'000
Malaysia	11,036,748	9,515,423
Overseas:		
– United States and Canada	715,441	626,896
– Indonesia	23,336	11,288
– Pakistan	19,622	20,801
– Cambodia	14,055	–
– Others	6,495	9,320
	11,815,697	10,183,728

In the current financial year, two (2013: two) major customers in the Palm Upstream and Palm Downstream segments contributed 20% (2013: 40%) of the Group's total revenues.

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For The Financial Year Ended 31 December 2014

19 Property, Plant and Equipment

Group 2014	Freehold land RM'000	Leasehold land RM'000	Buildings, structures and renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, tools and other equipment RM'000	Assets under construction RM'000	Total RM'000
Cost								
At 1 January, as restated	46,089	1,562,889	1,924,215	2,245,609	307,546	144,995	424,123	6,655,466
Acquisition of subsidiaries (Note 22(b))	-	194,212	143,666	55,910	1,592	1,788	18,898	416,066
Additions	10,605	3,971	40,425	71,091	54,776	22,448	448,834	652,150
Disposals	(58)	(870)	(7,961)	(71,007)	(2,701)	(4,737)	(322)	(87,656)
Write offs	-	(738)	(28,926)	(61,860)	(18,557)	(7,610)	(4,920)	(122,611)
Reclassification	-	4,010	129,083	99,852	500	37,189	(270,634)	-
Transfer to assets held for sale	-	(1,476)	(27,207)	(5,749)	(81)	(1,893)	-	(36,406)
Exchange differences	831	353	7,626	10,045	222	1,691	(267)	20,501
Transfer from biological asset (Note 29)	-	1,978	-	-	-	-	-	1,978
Transfer (to)/from intangible asset (Note 21)	-	-	-	-	-	(855)	379	(476)
Transfer from investment properties (Note 20)	-	-	-	-	-	-	-	66
At 31 December	57,467	1,764,329	2,180,921	2,343,891	343,297	193,016	616,157	7,499,078
Accumulated depreciation/ impairment								
At 1 January	-	26,142	376,102	417,266	86,324	38,116	-	943,950
Charge for the financial year	-	24,856	106,256	189,205	40,979	29,768	-	391,064
Impairment loss	-	-	299	4,706	-	239	20	5,264
Disposals	-	-	(850)	(52,157)	(2,400)	(4,441)	-	(59,848)
Write offs	-	-	(20,703)	(53,097)	(15,853)	(6,492)	-	(96,145)
Reclassification	-	-	(24,931)	491	(482)	24,922	-	-
Reversal of impairment loss	-	-	(6,920)	(8,464)	(328)	(667)	-	(16,379)
Transfer to assets held for sale (Note 35)	-	(1,072)	(21,150)	(4,276)	(81)	(1,839)	-	(28,418)
Transfer (to)/from intangible asset (Note 21)	-	-	-	-	-	(546)	-	(546)
Transfer from prepaid lease payment (Note 25)	-	81	-	-	-	-	-	81
Exchange differences	-	3	1,599	8,277	27	1,392	3	11,301
At 31 December	-	50,010	409,702	501,951	108,186	80,452	23	1,150,324
Net book value at 31 December 2014	57,467	1,714,319	1,771,219	1,841,940	235,111	112,564	616,134	6,348,754

19 Property, Plant and Equipment (continued)

Group 2013	Freehold land RM'000	Leasehold land RM'000	Buildings, structures and renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, tools and other equipment RM'000	Assets under construction RM'000	Total RM'000
Cost								
At 1 January	33,039	549,775	860,261	742,310	137,987	51,273	119,349	2,493,994
Acquisition of subsidiaries (Note 22(c))	114,284	1,002,920	1,008,009	1,409,325	120,583	76,855	237,895	3,969,871
Acquisition of business (Note 22(c))	–	–	3,900	35,553	–	–	–	39,453
Additions	–	10,194	5,465	21,420	53,144	17,069	144,977	252,269
Disposals	–	–	–	(3,698)	(478)	(21)	–	(4,197)
Write offs	–	–	(6,959)	(3,804)	(3,403)	(1,868)	(5)	(16,039)
Reclassification	–	–	46,335	31,361	75	270	(78,041)	–
Transfer to assets held for sale (Note 35)	(102,269)	–	–	(287)	(95)	(22)	–	(102,673)
Exchange differences	1,035	–	7,204	13,429	(267)	1,439	(52)	22,788
At 31 December	46,089	1,562,889	1,924,215	2,245,609	307,546	144,995	424,123	6,655,466
Accumulated depreciation/ impairment								
At 1 January	–	19,664	353,507	328,706	77,350	31,451	–	810,678
Charge for the financial year	–	6,478	27,359	45,188	12,581	7,212	–	98,818
Impairment loss	–	–	–	40,000	–	–	–	40,000
Disposals	–	–	–	(1,635)	(374)	(18)	–	(2,027)
Write offs	–	–	(6,337)	(2,550)	(3,124)	(1,693)	–	(13,704)
Transfer to assets held for sale (Note 35)	–	–	–	(266)	(86)	(18)	–	(370)
Exchange differences	–	–	1,573	7,823	(23)	1,182	–	10,555
At 31 December	–	26,142	376,102	417,266	86,324	38,116	–	943,950
Net book value at 31 December 2013	46,089	1,536,747	1,548,113	1,828,343	221,222	106,879	424,123	5,711,516

As at 31 December 2014, the carrying amount of property, plant and equipment under land arrangements with FELDA amounted to RM202,686,000 (2013: RM201,312,000). FELDA is in the midst of applying the land titles from respective state authorities.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

19 Property, Plant and Equipment (continued)

Company	Office equipment RM'000	Motor vehicles RM'000	Work in progress RM'000	Total RM'000
2014				
Cost				
At 1 January 2014	5,323	1,559	3,852	10,734
Additions	3,977	374	151	4,502
Write offs	(53)	–	(2,700)	(2,753)
At 31 December 2014	9,247	1,933	1,303	12,483
Accumulated depreciation				
At 1 January 2014	752	435	–	1,187
Charge for the financial year	751	286	–	1,037
Write offs	(18)	–	–	(18)
At 31 December 2014	1,485	721	–	2,206
Net book value at 31 December 2014	7,762	1,212	1,303	10,277
2013				
Cost				
At 1 January 2013	612	352	–	964
Additions	4,721	1,207	3,852	9,780
Write offs	(10)	–	–	(10)
At 31 December 2013	5,323	1,559	3,852	10,734
Accumulated depreciation				
At 1 January 2013	250	163	–	413
Charge for the financial year	507	272	–	779
Write offs	(5)	–	–	(5)
At 31 December 2013	752	435	–	1,187
Net book value at 31 December 2013	4,571	1,124	3,852	9,547

19 Property, Plant and Equipment (continued)

(i) Adverse market conditions during the financial year and continuing losses in a subsidiary, TRT ETGO, were identified as indicators for an impairment test to be performed for property, plant and equipment in relation to the CGU for refined food oil business operation in Canada. The recoverable amount of the CGU is determined based on fair value less cost to sell calculation (Level 3 fair value computation) using cash flow projections based on financial budgets approved by the Directors covering a five-year period and applying a terminal value multiple using longer-term sustainable growth stated below.

The key assumptions used for the CGU's fair value less cost to sell calculation are as follows:

	2014	2013
Gross margin	4% – 5%	4.4%
Terminal value growth rate	2%	2%
Discount rate	13.40%	13.25%

- (i) Gross margin
The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the financial year immediately before the budgeted financial year, adjusted for market and economic conditions, and expected efficiency improvement.
- (ii) Terminal value growth rate
The terminal growth rate approximating inflation rate was used and this was in line with the current forecast of gross domestic product ("GDP").
- (iii) Discount rate
Discount rate used is 13.40% (2013: 13.25%) which is post-tax and reflects specific risks relating to the business operation.

Based on the fair value less cost to sell calculation, no impairment was recognised as the recoverable amount of the CGU exceeds the carrying amount.

Based on sensitivity analysis performed by the Group, the impact of a 1% increase in the discount rate used, which is a key assumption, will result in an additional impairment loss of approximately RM29,000,000.

In the previous financial year, based on the fair value less cost to sell calculation, the Group had impaired the property, plant and equipment by RM40,000,000 which was recorded as an impairment loss within cost of sales. The carrying amount written down to fair value less cost to sell is a Level 3 fair value computation.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

20 Investment Properties

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Total RM'000
2014				
Cost				
At 1 January 2014, as restated				
Additions	32,006	7,080	110,496	149,582
Write offs	–	–	8,774	8,774
Transfer to property, plant and equipment (Note 19)	–	–	(503)	(503)
At 31 December 2014	32,006	7,080	118,701	157,787
Accumulated depreciation/impairment				
At 1 January 2014				
Charge for the financial year	–	2,000	–	2,000
Write offs	–	19	11,727	11,746
At 31 December 2014	–	2,019	11,224	13,243
Net book value at 31 December 2014	32,006	5,061	107,477	144,544
2013 (Restated)				
Cost				
At 1 January 2013				
Acquisition of subsidiaries (Note 22(c))	–	43,000	–	43,000
Disposal	32,006	5,080	110,496	147,582
At 31 December 2013	32,006	7,080	110,496	149,582
Accumulated depreciation/impairment				
At 1 January 2013				
Charge for the financial year	–	2,622	–	2,622
Impairment loss	–	224	–	224
Disposal	–	1,622	–	1,622
At 31 December 2013	–	(2,468)	–	(2,468)
At 31 December 2013	–	2,000	–	2,000
Net book value at 31 December 2013	32,006	5,080	110,496	147,582

20 Investment Properties (continued)

Group (continued)

As at 31 December 2014, the carrying amount of investment properties without land titles is RM7,528,000 (2013: RM8,330,000).

Company	Buildings RM'000
2014	
Cost	
At 1 January 2014	–
Additions	8,715
At 31 December 2014	8,715
Accumulated depreciation	
At 1 January 2014	–
Charge for the financial year	73
At 31 December 2014	73
Net book value at 31 December 2014	8,642

The following amounts have been recognised in profit or loss:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Rental income from investment properties	4,039	–	–	–
Direct operating expenses arising from investment properties that generate rental income	(3,300)	–	–	–
Direct operating expenses arising from investment properties that did not generate rental income	(64)	–	–	–

The fair value of the investment property above as at 31 December 2014 is estimated at RM154,700,000 (2013: RM129,628,000) for the Group and RM8,715,000 (2013: RM Nil) for the Company based on an independent valuation carried out by a registered professional valuer using the comparison method by reference to recent transactions involving other similar properties in the vicinity. The valuation is a level 2 fair value estimation.

NOTES TO THE FINANCIAL STATEMENTS

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21 Intangible Assets

Group	Goodwill RM'000	Brand RM'000	Completed technology RM'000	Lease agreement RM'000	Customer relationships RM'000	Software RM'000	Intellectual property rights RM'000	Intangible assets under development RM'000	Total RM'000
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Net book value

2014

At 1 January 2014, as restated	705,290	108,537	1,171	2,274	15,123	53,180	75,035	27,906	988,516
Acquisition of subsidiaries (Note 22)	510,985	–	–	–	–	–	25,012	26,445	562,442
Additions	–	404	–	–	–	8,968	5,499	1,467	16,338
Amortisation charge	–	(4,650)	(422)	(193)	(5,453)	(15,434)	(7,374)	–	(33,526)
Write offs	–	–	–	–	–	–	(272)	–	(272)
Transfer to property, plant and equipment (Note 19)	–	–	–	–	–	(70)	–	–	(70)
Exchange differences	–	2	51	142	732	12	26	4	969
At 31 December 2014	1,216,275	104,293	800	2,223	10,402	46,656	97,926	55,822	1,534,397

Expected remaining useful
lives (years)

– 31 December 2014

16 3 12 3 2-4 9

2013 (Restated)

At 1 January 2013	576,240	76,355	1,487	2,303	19,200	5,749	–	25,765	707,099
Acquisition of subsidiaries (Note 22)	129,050	35,408	–	–	–	42,989	75,035	–	282,482
Additions	–	–	–	–	–	6,223	–	2,141	8,364
Amortisation charge	–	(3,226)	(421)	(193)	(5,443)	(1,781)	–	–	(11,064)
Exchange differences	–	–	105	164	1,366	–	–	–	1,635
At 31 December 2013	705,290	108,537	1,171	2,274	15,123	53,180	75,035	27,906	988,516

Expected remaining useful
lives (years)

– 31 December 2013

17 4 13 4 3-5 10

21 Intangible Assets (continued)

Company	Software RM'000	Intangible asset under development RM'000	Total RM'000
Net book value			
2014			
At 1 January 2014	5,965	–	5,965
Additions	379	1,452	1,831
Amortisation charge	(1,652)	–	(1,652)
At 31 December 2014	4,692	1,452	6,144
2013			
At 1 January 2013	5,749	–	5,749
Additions	1,824	–	1,824
Amortisation charge	(1,608)	–	(1,608)
At 31 December 2013	5,965	–	5,965

(a) Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) as follows:

	Group	
	2014 RM'000	2013 RM'000 (Restated)
Sugar business operations in Seberang Prai, Malaysia	576,240	576,240
Palm upstream operations in Malaysia	627,265	127,238
Others	12,770	1,812
	1,216,275	705,290

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

21 Intangible Assets (continued)

(a) Impairment test for goodwill (continued)

(i) Sugar business operations in Seberang Prai, Malaysia

The goodwill relates to the acquisition of the sugar business by the Group and is allocated to MSM Prai Berhad (previously known as Malayan Sugar Manufacturing Company Berhad). This represents the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of the CGU is determined based on a fair value less cost to sell basis (Level 3 fair value computation) using cash flows projections based on financial budgets approved by the Directors covering a three-year period and applying a terminal value growth rate multiple using longer-term sustainable growth rates.

The key assumptions used for the CGU's fair value less cost to sell calculation are:

	2014	2013
Gross margin	19%-22%	18%-19%
Terminal value growth rate	1%	1%
Discount rate	10%	10%

(i) Gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for market and economic conditions, which includes expectations of raw sugar pricing and expected efficiency improvements.

(ii) Terminal value growth rate

The terminal growth rate used is based on long-term growth rates in the sugar industry in Malaysia.

(iii) Discount rate

Discount rate used, which is post-tax, reflects specific industry risks relating to the sugar business.

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Directors concluded that no reasonable change in any of the base case assumptions would cause the carrying amount of the CGU to exceed the recoverable amount.

(ii) Palm upstream operations in Malaysia

Goodwill of RM627,265,000 for palm upstream operations in Malaysia comprise of RM500,027,000 for APL (Note 22(b)(iii)) and RM127,238,000 for PUP (Note 22(c)(i)). The Group's estates in Malaysia are combined for the purposes of goodwill impairment testing as they represent the lowest level within the Group at which goodwill is monitored for internal management purpose.

21 Intangible Assets (continued)

(a) Impairment test for goodwill (continued)

(ii) Palm upstream operations in Malaysia (continued)

The recoverable amount of the CGU is determined using a fair value less cost to sell calculation (Level 3 fair value computation) using cash flow projections based on financial budgets covering a 25 year period approved by the Directors. The key assumptions are as follows:

Financial year ended 31 December 2014

(i) CPO price	RM2,450/MT to RM2,630/MT
(ii) FFB price	RM488/MT to RM524/MT
(iii) Estate replanting fixed cost	Matured – RM2,580 per hectare based on a 25 year cycle for oil palm Immature – RM6,346 per hectare based on a 25 year cycle for oil palm
(iv) Discount rate	9.5%

Financial year ended 31 December 2013

(i) CPO price	RM2,450/MT to RM2,600/MT
(ii) FFB price	RM488/MT to RM524/MT
(iii) Estate replanting fixed cost	Matured – RM3,270 per hectare based on a 25 year cycle for oil palm Immature – RM9,414 per hectare based on a 25 year cycle for oil palm
(iv) Discount rate	9.5%

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Directors concluded that no reasonable change in any of the base case assumptions would cause the carrying amount of the CGU to exceed the recoverable amount.

(iii) Others

Included in others is goodwill arising from the acquisition of the production and selling of high grade carbon nanotubes and graphene business and is allocated to FGV Cambridge Nanosystems Limited (previously known as Cambridge Nanosystems Limited) which is not deemed to be material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries

	Company	
	2014 RM'000	2013 RM'000
At cost less accumulated impairment		
(i) Malaysian quoted shares:		
Ordinary shares:		
At 1 January/31 December	270,026	270,026
(ii) Malaysian unquoted shares:		
Ordinary shares:		
At 1 January	5,419,601	283,900
Additions	669,820	3,536,008
Transfer from interests in associates (Note 23)	–	1,567,612
Conversion of amounts due from subsidiaries into ordinary shares* (Note 28)	24,407	32,081
At 31 December	6,113,828	5,419,601
(iii) Foreign unquoted shares:		
At 1 January/31 December	9,233	9,233
(iv) RCPS/RCCPS:		
At 1 January	2,309,943	2,322,334
Reversal of/(impairment loss)	12,391	(12,391)
At 31 December	2,322,334	2,309,943
(v) Capital contribution to subsidiaries:		
At 1 January/31 December	15,600	15,600
Total	8,731,021	8,024,403
Market value of Malaysian quoted shares, based on Group's effective interest	381,894	385,751

The disclosure of market value of Malaysia quoted shares is based on Level 1 fair value computation.

22 Investment in Subsidiaries (continued)

Financial year ended 31 December 2014

On 14 May 2014 and 28 May 2014, the Company subscribed for additional 3,700,001 ordinary shares of USD1.00 each in FGV Investment (L) Pte Ltd ("FGVI"), a wholly owned subsidiary of the Company, for a cash consideration of RM11,923,253.

On 10 June 2014, the Company subscribed for additional 9,999,998 ordinary shares of RM1.00 each in Felda Global Ventures Capital Sdn. Bhd. ("FGVC"), a wholly owned subsidiary of the Company, for a cash consideration of RM9,999,998.

On 3 July 2014, the Company subscribed for additional 80,000,000 ordinary shares of RM1.00 each in Felda Global Ventures Plantations Sdn. Bhd. ("FGVP"), a wholly owned subsidiary of the Company, for a cash consideration of RM80,000,000.

On 31 October 2014, the Company subscribed for additional 24,406,600 ordinary shares of RM1.00 each in Felda Global Ventures Plantations Sdn. Bhd. ("FGVP"), a wholly owned subsidiary of the Company, for a cash consideration of RM11 and by conversion of an amount due from FGVP of RM24,406,589.

Financial year ended 31 December 2013

On 16 January 2013, the Company subscribed for additional 9,999,998 ordinary shares of RM1.00 each in Felda Global Ventures Research and Development Sdn. Bhd. ("FGV R&D"), a wholly owned subsidiary of the Company, for a cash consideration of RM9,999,998.

On 5 August 2013, the Company subscribed for additional 2,499,998 ordinary shares of RM1.00 each in Felda Global Ventures Downstream Sdn. Bhd. ("FGVD"), a wholly owned subsidiary of the Company, for a cash consideration of RM2,499,998.

On 14 November 2013, the Company subscribed for additional 73,206,521 ordinary shares of RM1.00 each in FGVD, for a cash consideration of RM50,000,000 and by conversion of an amount due from FGVD of RM23,206,521.

On 18 December 2013, the Company subscribed for additional 9,774,529 ordinary shares of RM1.00 each in Felda Global Ventures Plantations Sdn. Bhd. ("FGVP"), a wholly owned subsidiary of the Company, for a cash consideration of RM900,000 and by conversion of an amount due from FGVP of RM8,874,529.

On 18 December 2013, the Company subscribed for additional 68,767,229 ordinary shares of RM1.00 each in FGVD, for a cash consideration of RM68,767,229.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(a) Details of subsidiaries are as follows:

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2014 %	2013 %	2014 %	2013 %	2014 %	2013 %	2014 %	2013 %
DIRECT SUBSIDIARIES										
Felda Global Ventures Indonesia Sdn. Bhd.	Malaysia	Investment holding	100.0	100.0	100.0	100.0	—	—	—	—
Felda Global Ventures Sugar Sdn. Bhd.	Malaysia	Investment holding	100.0	100.0	100.0	100.0	—	—	100.0	100.0
Felda Global Ventures Perlis Sdn. Bhd.	Malaysia	Dormant	100.0	100.0	100.0	100.0	—	—	—	—
Felda Global Ventures India Sdn. Bhd.	Malaysia	Dormant	100.0	100.0	100.0	100.0	—	—	—	—
FGV USA Properties, Inc*	United States of America	Operator of residential real estate in USA	100.0	100.0	100.0	100.0	—	—	—	—
Felda Global Ventures Livestock Sdn. Bhd.	Malaysia	Dormant	100.0	100.0	100.0	100.0	—	—	—	—
MSM Malaysia Holdings Berhad	Malaysia	Investment holding	11.0	11.0	51.0	51.0	49.0	49.0	—	—
Felda Global Ventures Downstream Sdn. Bhd.	Malaysia	Investment holding	100.0	100.0	100.0	100.0	—	—	100.0	100.0
Felda Global Ventures Plantations Sdn. Bhd.	Malaysia	Investment holding	100.0	100.0	100.0	100.0	—	—	100.0	100.0
Felda Global Ventures Shared Service Centre Sdn. Bhd.	Malaysia	Provision of shared services	100.0	100.0	100.0	100.0	—	—	—	—
Felda Global Ventures Research & Development Sdn. Bhd.	Malaysia	Research and development	100.0	100.0	100.0	100.0	—	—	—	—
Felda Global Ventures Capital Sdn. Bhd. (Note 14)	Malaysia	Carry on and undertake the business of all kinds of treasury services	100.0	100.0	100.0	100.0	—	—	—	—
FGV Investment (L) Pte Ltd (Note 15)	Malaysia	Investment holding	100.0	100.0	100.0	100.0	—	—	—	—
Pontian United Plantations Berhad (Note 17)	Malaysia	Investment holding and cultivation of oil palm	100.0	100.0	100.0	100.0	—	—	—	—
Felda Holdings Bhd. (Note 18)	Malaysia	Investment holding	100.0	100.0	100.0	100.0	—	—	—	—

22 Investment in Subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2014 %	2013 %	2014 %	2013 %	2014 %	2013 %	2014 %	2013 %

DIRECT SUBSIDIARIES (continued)

FGV R&D and Agri Services Sdn. Bhd. (Note 7)	Malaysia	Investment holding company, research and development, technical services and product development	100.0	-	100.0	-	-	-	-	-
Felda Global Ventures Rubber Sdn. Bhd. (Note 6)	Malaysia	Investment holding	100.0	-	100.0	-	-	-	-	-
FGV Trading Sdn. Bhd. (Note 9)	Malaysia	Commodity trading	100.0	100.0	-	-	-	-	-	-

INDIRECT SUBSIDIARIES

Subsidiaries of MSM Malaysia Holdings Berhad

MSM Prai Berhad (previously known as Malayan Sugar Manufacturing Company Berhad)	Malaysia	Sugar refining, sales and marketing of refined sugar product	-	-	51.0	51.0	49.0	49.0	-	-
MSM Perlis Sendirian Berhad (previously known as Kilang Gula Felda Perlis Sendirian Berhad)	Malaysia	Sugar refining, sales and marketing of refined sugar product and planting of rubber and oil palm	-	-	51.0	51.0	49.0	49.0	-	-
MSM Trading & Distribution Sdn. Bhd. (Note 10)	Malaysia	Dormant	-	-	51.0	-	49.0	-	-	-

Subsidiary of MSM Prai Berhad (previously known as Malayan Sugar Manufacturing Company Berhad)

MSM Logistics Sdn. Bhd. (previously known as Astakonas Sdn. Bhd.)	Malaysia	Provision of lorry transportation services	-	-	51.0	51.0	49.0	49.0	-	-
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NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2014 %	2013 %	2014 %	2013 %	2014 %	2013 %	2014 %	2013 %

INDIRECT SUBSIDIARIES (continued)

Subsidiaries of Felda Global

Ventures Downstream Sdn. Bhd.

Felda Global Ventures North America Sdn. Bhd.	Malaysia	Investment holding	-	-	100.0	100.0	-	-	100.0	100.0
FGV Biotechnologies Sdn. Bhd. (Note 13)	Malaysia	Processing and sale of biodiesel products	-	-	100.0	100.0	-	-	-	-
FGV Cambridge Nanosystems Limited# (Note 19) (previously known as Cambridge Nanosystems Limited)	United Kingdom	Production, manufacturing, biodiesel marketing, selling and/or trading of high grade carbon nanotubes and graphene	-	-	70.0	70.0	30.0	30.0	-	-
FGV Green Energy Sdn. Bhd. (Note 5) (previously known as Laras Simponi Sdn. Bhd.)	Malaysia	Producing and manufacturing biodiesel	-	-	60.0	-	40.0	-	-	-

Subsidiaries of Felda Global

Ventures North America Sdn. Bhd.

Twin Rivers Technologies Holdings, Inc.*	United States of America	Investment holding	-	-	100.0	100.0	-	-	-	-
Twin Rivers Technologies Holdings Enterprise De Transformation De Graines Oleagineuses Du Quebec Inc*	Canada	Investment holding	-	-	100.0	100.0	-	-	-	-

Subsidiaries of Twin Rivers

Technologies Holding, Inc.

Twin Rivers Technologies Manufacturing Corporation*	United States of America	Procurement, processing and supply of fatty acids	-	-	100.0	100.0	-	-	-	-
TRT Europe GmbH*	Germany	Dormant	-	-	100.0	100.0	-	-	-	-

22 Investment in Subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group			
			2014 %	2013 %	2014 %	2013 %	2014 %	2013 %	2014 %	2013 %		
INDIRECT SUBSIDIARIES												
(continued)												
<i>Subsidiary of Twin Rivers Technologies Holdings Enterprise DeTransformation De Graines Oleagineuses Du Quebec Ulc.</i>												
Twin Rivers Technologies Enterprise De Transformation De Graines Oleagineuses Du Quebec Inc* ("TRT ETGO")	Canada	Processing canola seed and soybean and its related by-products	-	-	100.0	100.0	-	-	-	-		
<i>Subsidiary of Twin Rivers Technologies Manufacturing Corporation</i>												
Fore River Transportation Corporation*	United States of America	Operation, management and maintenance of a railroad service	-	-	100.0	100.0	-	-	-	-		
<i>Subsidiary of FGV Cambridge Nanosystems Ltd.</i>												
GasPlas AS# (Note 1)	Norway	Research and experimental development on natural sciences and engineering	-	-	70.0	-	30.0	-	-	-		
Subsidiaries of GasPlas AS												
MetalPlas Ltd.# (Note 1)	United Kingdom	Dormant	-	-	70.0	-	30.0	-	-	-		
EnPlas Ltd.# (Note 1)	United Kingdom	Research and experimental development on natural sciences and engineering	-	-	70.0	-	30.0	-	-	-		

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2014 %	2013 %	2014 %	2013 %	2014 %	2013 %	2014 %	2013 %

INDIRECT SUBSIDIARIES (continued)

Subsidiaries of Felda Global

Ventures Plantations Sdn. Bhd.

Felda Global Ventures Plantations (Malaysia) Sdn. Bhd.	Malaysia	Production of FFB, rubber cup-lump, commodity trading, management of plantation estates and other biological assets	-	-	100.0	100.0	-	-	-	-
Felda Global Ventures Kalimantan Sdn. Bhd.	Malaysia	Investment holding	-	-	100.0	100.0	-	-	-	-

Subsidiaries of Felda Global Ventures Kalimantan Sdn. Bhd.

PT. Citra Niaga Perkasa [#]	Indonesia	Oil palm plantation	-	-	95.0	95.0	5.0	5.0	-	-
PT. Temila Agro Abadi [#] (Note 3)	Indonesia	Oil palm plantation	-	-	95.0	-	5.0	-	-	-

Subsidiaries of FGV Investment (L) Pte Ltd

FGV Myanmar (L) Pte. Ltd. (Note 16)	Malaysia	Investment holding	-	-	100.0	100.0	-	-	-	-
FGV Cambodia (L) Pte. Ltd. (Note 2)	Malaysia	Investment holding	-	-	100.0	-	-	-	-	-

Subsidiaries of FGV Cambodia (L) Pte. Ltd.

FGC-CVC (Cambodia) Co. Ltd. [#] (Note 4)	Cambodia	Production and export of rubber blocks and other processed rubber	-	-	75.0	-	25.0	-	-	-
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22 Investment in Subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2014 %	2013 %	2014 %	2013 %	2014 %	2013 %	2014 %	2013 %

INDIRECT SUBSIDIARIES (continued)

Subsidiaries of Pontian United Plantations Berhad

Redefined Land Sdn. Bhd.	Malaysia	Investment holding and property investment	-	-	100.0	100.0	-	-	-	-
Kilang Kelapa sawit Pontian Sdn. Bhd.	Malaysia	Investment holding and property investment	-	-	100.0	100.0	-	-	-	-
Bangsan Sdn. Bhd.	Malaysia	Investment holding	-	-	100.0	100.0	-	-	-	-
Sabahanya Plantations Sdn. Bhd.	Malaysia	Investment holding and cultivation of oil palm	-	-	100.0	100.0	-	-	-	-
Pontian Fico Plantations Sdn. Bhd.	Malaysia	Investment holding, cultivation of oil palm and extraction of crude palm oil and palm kernel for sale	-	-	78.3	78.3	21.7	21.7	-	-
Pontian Orico Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm	-	-	78.3	78.3	21.7	21.7	-	-
Pontian Pendirosa Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm	-	-	78.3	78.3	21.7	21.7	-	-
Pontian Materis Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm	-	-	78.3	78.3	21.7	21.7	-	-
Pontian Hillco Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm	-	-	78.3	78.3	21.7	21.7	-	-
Pontian Subok Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm	-	-	78.3	78.3	21.7	21.7	-	-

Subsidiaries of Sabahanya Plantations Sdn. Bhd.

Rawajaya Sdn. Bhd.	Malaysia	Cultivation of oil palm	-	-	78.3	78.3	21.7	21.7	-	-
Blossom Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm	-	-	78.3	78.3	21.7	21.7	-	-

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2014 %	2013 %	2014 %	2013 %	2014 %	2013 %	2014 %	2013 %

INDIRECT SUBSIDIARIES (continued)

Subsidiaries of Felda Holdings Bhd.

Felda Palm Industries Sdn. Bhd.	Malaysia	Purchase of fresh fruit bunches and sale of its finished products and investment holding	-	-	72.0	72.0	28.0	28.0	-	-
Felda Agricultural Services Sdn. Bhd.	Malaysia	Production and sale of palmoil, cocoa, rat poison, fertilisers and oil palmseeds and provision of agricultural research services	-	-	76.9	76.9	23.1	23.1	-	-
Felda Travel Sdn. Bhd.	Malaysia	Travel and tour agent	-	-	100.0	100.0	-	-	100.0	100.0
Malaysia Cocoa Manufacturing Sdn. Bhd.	Malaysia	Ceased operations in 2014	-	-	100.0	100.0	-	-	-	-
FPM Sdn. Bhd.	Malaysia	Manufacturing and selling of granulated compound fertilisers	-	-	100.0	100.0	-	-	-	-
Felda Prodata Systems Sdn. Bhd.	Malaysia	Provision of computer services, sale of computer software and equipment	-	-	80.0	80.0	20.0	20.0	-	-
Felda-Johore Bulkers Sdn. Bhd.	Malaysia	Storing and handling of palm oil products	-	-	72.7	72.7	27.3	27.3	-	-
Felda Rubber Industries Sdn. Bhd.	Malaysia	Processing of raw latex to concentrated latex and Standard Malaysia rubber ("SMR")	-	-	71.4	71.4	28.6	28.6	-	-
Felda Engineering Services Sdn. Bhd.	Malaysia	Engineering services including project management, sale of industrial equipment and road maintenance	-	-	51.0	51.0	49.0	49.0	-	-

22 Investment in Subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2014 %	2013 %	2014 %	2013 %	2014 %	2013 %	2014 %	2013 %

INDIRECT SUBSIDIARIES (continued)

Subsidiaries of Felda Holdings Bhd. (continued)

Felda Transport Services Sdn. Bhd.	Malaysia	Provision of transportation for palm oil based products	-	-	51.0	51.0	49.0	49.0	-	-
Felda Security Services Sdn. Bhd.	Malaysia	Provision of security services	-	-	51.0	51.0	49.0	49.0	-	-
F.W.Q. Enterprises (Pvt.) Ltd.*	Pakistan	Provision of jetty services	-	-	65.0	65.0	35.0	35.0	-	-
Felda Enterprises Sdn. Bhd.	Malaysia	Dormant	-	-	100.0	100.0	-	-	-	-
Felda Plantations Sdn. Bhd.	Malaysia	Dormant	-	-	51.0	51.0	49.0	49.0	-	-

Subsidiaries of Felda Palm Industries Sdn. Bhd.

Felda Vegetable Oil Products Sdn. Bhd.	Malaysia	Processing palm oil and its by-products	-	-	48.0	48.0	52.0	52.0	-	-
Felda Kernel Products Sdn. Bhd.	Malaysia	Processing of oil palm kernels	-	-	60.0	60.0	40.0	40.0	-	-
Delima Oil Products Sdn. Bhd.	Malaysia	Processing, packaging, and distribution of finished consumer and industrial palm oil products	-	-	72.0	72.0	28.0	28.0	-	-
Felda Marketing Services Sdn. Bhd.	Malaysia	Marketing of group products	-	-	36.7	36.7	63.3	63.3	-	-
FNI Biofuel Sdn. Bhd.*	Malaysia	Manufacturing of biomass fuel from empty fruit bunch	-	-	72.0	72.0	28.0	28.0	-	-
Sutrajaya Shipping Sdn. Bhd.	Malaysia	Dormant	-	-	72.0	72.0	28.0	28.0	-	-

Subsidiary of Felda Vegetable Oil Products Sdn. Bhd.

F.S. Oils Sdn. Bhd.*	Malaysia	Dormant	-	-	48.0	48.0	52.0	52.0	-	-
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NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group			
			2014 %	2013 %	2014 %	2013 %	2014 %	2013 %	2014 %	2013 %		
INDIRECT SUBSIDIARIES (continued)												
<i>Subsidiary of Felda Marketing Services Sdn. Bhd.</i>												
PT. Cashgrow Ventures*	Indonesia	Commodity trading	-	-	34.9	34.9	65.1	65.1	-	-		
<i>Subsidiaries of Felda Plantations Sdn. Bhd.</i>												
Felda Farm Products Sdn. Bhd.	Malaysia	Dormant	-	-	51.0	51.0	49.0	49.0	-	-		
<i>Subsidiaries of Felda Rubber Industries Sdn. Bhd.</i>												
Feltex Co. Ltd.*	Thailand	Processing and marketing of latex concentrate	-	-	36.4	36.4	63.6	63.6	-	-		
P.T. Felda Indo Rubber*	Indonesia	Processing and marketing of latex	-	-	50.0	50.0	50.0	50.0	-	-		
Felda Rubber Products Sdn. Bhd.	Malaysia	Dormant	-	-	71.4	71.4	28.6	28.6	-	-		
<i>Subsidiaries of Felda-Johore Bulkers Sdn. Bhd.</i>												
Felda Bulkers Sdn. Bhd.	Malaysia	Storing and handling export of palm oil, oleochemical products, latex concentrate and SMR	-	-	86.1	86.1	13.9	13.9	-	-		
P.T. Patisindo Sawit*	Indonesia	Storing and handling export of vegetable oil	-	-	72.7	72.7	27.3	27.3	-	-		
Langsat Bulkers Sdn. Bhd.	Malaysia	Provision of bulking installation services for palm oil and related vegetable oil products	-	-	72.7	72.7	27.3	27.3	-	-		

22 Investment in Subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2014 %	2013 %	2014 %	2013 %	2014 %	2013 %	2014 %	2013 %

INDIRECT SUBSIDIARIES (continued)

Subsidiary of Felda Bulkers Sdn. Bhd.

Felda Grains Terminal Sdn. Bhd.	Malaysia	Handling storage transportation, mixing and blending of palm kernel and grains	-	-	70.1	70.1	29.9	29.9	-	-
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Subsidiaries of Felda Engineering Services Sdn. Bhd.

Allied Engineering Consultancy Services Sdn. Bhd.*	Malaysia	Provision of engineering consultancy services	-	-	51.0	51.0	49.0	49.0	-	-
Felda Properties Sdn. Bhd.	Malaysia	Property management of FELDA projects	-	-	51.0	51.0	49.0	49.0	-	-
Felda Construction Sdn. Bhd.	Malaysia	Dormant	-	-	51.0	51.0	49.0	49.0	-	-

Subsidiaries of Felda Travel Sdn. Bhd.

Plantation Resorts Sdn. Bhd.	Malaysia	Dormant	-	-	100.0	100.0	-	-	-	-
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Subsidiary of FGV R&D and Agri Services Sdn. Bhd.

FGV Applied Technologies Sdn. Bhd. (Note 8)	Malaysia	Research and development of oleo and bio-chemicals, food technologies, mill and biomass technologies, automation, mechanisation and remote sensing	-	-	100.0	-	-	-	-	-
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Subsidiary of Felda Global Ventures Rubber Sdn Bhd.

FGV Green Rubber Sdn. Bhd. (Note 12)	Malaysia	Purchasing and processing raw latices and marketing rubber	-	-	100.0	-	-	-	-	-
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NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2014 %	2013 %	2014 %	2013 %	2014 %	2013 %	2014 %	2013 %

INDIRECT SUBSIDIARIES (continued)

Subsidiaries of Asian Plantations Limited

Asian Plantations (Sarawak) Sdn. Bhd.*	Malaysia	Investment holding	-	-	100.0	-	-	-	-	-
Asian Plantations (Sarawak) II Sdn. Bhd.*	Malaysia	Investment holding	-	-	100.0	-	-	-	-	-
Asian Plantations (Sarawak) III Sdn. Bhd.*	Malaysia	Investment holding	-	-	100.0	-	-	-	-	-

Subsidiaries of Asian Plantations (Sarawak) Sdn. Bhd.

BJ Corporation Sdn. Bhd.*	Malaysia	Oil-palm plantation	-	-	100.0	-	-	-	-	-
Incoseitia Sdn. Bhd.*	Malaysia	Oil-palm plantation	-	-	100.0	-	-	-	-	-
Fortune Plantation Sdn. Bhd.*	Malaysia	Oil-palm plantation	-	-	100.0	-	-	-	-	-
Asian Plantations Milling Sdn. Bhd.*	Malaysia	Oil-palm milling	-	-	100.0	-	-	-	-	-

Subsidiary of Incoseitia Sdn. Bhd.

South Asian Farms Sdn. Bhd.*	Malaysia	Dormant	-	-	100.0	-	-	-	-	-
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Subsidiaries of Asian Plantations (Sarawak) II Sdn. Bhd.

Kronos Plantation Sdn. Bhd.*	Malaysia	Oil-palm plantation	-	-	100.0	-	-	-	-	-
Grand Performance Sdn. Bhd.*	Malaysia	Oil-palm plantation	-	-	100.0	-	-	-	-	-

Subsidiary of Asian Plantations Sarawak III Sdn. Bhd.

Jubilant Paradise Sdn. Bhd.*	Malaysia	Oil-palm plantation	-	-	60.0	-	40.0	-	-	-
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The proportion of voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

22 Investment in Subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

- * Not audited by PricewaterhouseCoopers, Malaysia or its affiliates
- # Audited by an affiliate of PricewaterhouseCoopers, Malaysia
- @ 30% equity stake in Sabahanya Plantations Sdn. Bhd. is held in trust for the beneficial interest of the Group.

(b) Incorporation and acquisitions of subsidiaries during the financial year

Note 1 On 14 January 2014, a subsidiary of Felda Global Ventures Downstream Sdn. Bhd. ("FGVD"), FGV Cambridge Nanosystems Ltd. ("FGV CNS") (previously known as Cambridge Nanosystems Ltd.), signed a Share Purchase Agreement for acquisition of 70% equity interest in GasPlas AS ("GP"), for a purchase price of GBP5.9 million (RM31.9 million). The acquisition of GP was completed on 16 January 2014. Refer b(i) for the effects of the acquisition of GP.

Note 2 On 16 May 2014, FGV Investment (L) Pte. Ltd. ("FGV Investment"), a subsidiary of the Company, incorporated a wholly-owned subsidiary known as FGV Cambodia (L) Pte. Ltd. ("FGV Cambodia") in Labuan Federal Territory, Malaysia with an issued capital of USD1.00.

Note 3 On 21 May 2014, FGV Kalimantan Sdn. Bhd. ("FGVK"), a subsidiary of the Company, completed the acquisition of 95% of the total issued and paid-up share capital of PT Temila Agro Abadi ("PT TAA") for a total purchase consideration of RM24,407,000. Refer b(ii) for the effects of the acquisition of PT TAA.

Note 4 On 23 May 2014, FGV Cambodia, a subsidiary of FGV Investment, entered into a shareholders' agreement with Co-Op Village Co. Ltd to establish FGV-CVC (Cambodia) Co., Ltd. ("FGV-CVC"). FGV-CVC was incorporated in Cambodia with an issued paid-up capital of KHR4,000,000,000 or approximately RM3,220,000, of which the Group owns 75% equity interest.

Note 5 On 29 August 2014, the Company acquired a 100% equity interest in Laras Simponi Sdn. Bhd. ("LSSB"), a company incorporated in Malaysia for a cash consideration of RM2. LSSB changed its name to FGV Green Energy Sdn. Bhd. ("FGV Green Energy") on 10 September 2014.

This company shall bring together FGVD, M2 Capital Sdn. Bhd. ("M2") and Benefuel International Holdings S.A.R.L. ("Benefuel"). Pursuant to a shareholder agreement dated 29 August 2014, FGVD holds 60% of FGV Green Energy.

Note 6 On 18 September 2014, the Company acquired a 100% equity interest in Felda Global Ventures Rubber Sdn. Bhd. ("FGV Rubber"), a company incorporated in Malaysia for a cash consideration of RM2.

Note 7 On 18 September 2014, the Company acquired a 100% equity interest in FGV R&D and Agri Services Sdn. Bhd. ("FGV R&D Agri"), a company incorporated in Malaysia for a cash consideration of RM2.

Note 8 On 18 September 2014, FGV R&D Agri acquired a 100% equity interest in FGV Applied Technologies Sdn. Bhd. ("FGV Applied Technologies"), a company incorporated in Malaysia for a cash consideration of RM2.

Note 9 On 18 September 2014, the Company acquired a 100% equity interest in FGV Trading Sdn. Bhd. ("FGV Trading"), a company incorporated in Malaysia for a cash consideration of RM2.

Note 10 On 22 September 2014, MSM Malaysia Holdings Berhad ("MSM"), a subsidiary of the Company acquired a 100% equity interest in MSM Trading & Distribution Sdn. Bhd. ("MSM Trading"), a company incorporated in Malaysia for a cash consideration of RM2.

Note 11 On 13 October 2014, the Company obtained control of Asian Plantations Limited ("APL"), a company incorporated in Singapore. The acquisition of 100% equity interest was completed on 31 October 2014 for a total cash consideration of RM568 million. Refer b(iii) for the effects of the acquisition of APL.

Note 12 On 24 December 2014, FGV Rubber had acquired the entire issued and paid-up share capital of FGV Green Rubber Sdn. Bhd. ("FGV Green Rubber"), a company incorporated in Malaysia for a cash consideration of RM2.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(b) Incorporation and acquisitions of subsidiaries during the financial year (continued)

(i) The effects of the acquisition of GP is as follows:

	Carrying value RM'000	Fair value RM'000
Property, plant and equipment	133	133
Intangible assets	7,938	25,012
Trade and other receivables	2,437	2,437
Tax recoverables	4	4
Cash and cash equivalents	2,163	2,163
Deferred tax assets	473	473
Payables	(791)	(791)
Taxation	(63)	(63)
Deferred tax liabilities	–	(4,783)
 Total net assets acquired	12,294	24,585
Non-controlling interests	–	(3,687)
 12,294	20,898	

The cash outflow on acquisition is as follows:

	RM'000
Purchase consideration:	31,856
Less: Cash and cash equivalents acquired	(2,163)
 Net cash outflow on acquisition	29,693

The goodwill on acquisition is as follows:

	RM'000
Purchase consideration:	31,856
Fair value of net assets acquired	(20,898)
 Goodwill on acquisition	10,958

The Group recognised the non-current controlling interest in GP at the non-controlling interest's proportionate share of the recognised amounts of GP's identifiable net assets.

22 Investment in Subsidiaries (continued)

(b) Incorporation and acquisitions of subsidiaries during the financial year (continued)

(i) The effects of the acquisition of GP is as follows: (continued)

The effects of the acquisition of GP on the financial results of the Group during the financial year, and had the acquisition taken effect at the beginning of the financial year is shown below:

	RM'000
Revenue	3,195
Cost of sales	(28)
Gross profit	3,167
Administrative expenses	(6,493)
Finance income	172
Finance costs	(15)
Loss before taxation	(3,169)
Taxation	62
Loss after taxation	(3,107)

(ii) The effects of the acquisition of PT TAA is as follows:

	Carrying value RM'000	Provisional Fair value RM'000
Intangible assets under development	80	26,445
Biological assets	7,510	1,931
Property, plant and equipment	1,260	1,260
Cash and cash equivalents	1,018	1,018
Other receivables	142	142
Trade payables	(18,223)	(13)
Other payables	(28)	(28)
Deferred tax liabilities	–	(5,093)
Total net liabilities/assets acquired	(8,241)	25,662
Non-controlling interests	419	(1,255)
	(7,822)	24,407

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(b) Incorporation and acquisitions of subsidiaries during the financial year (continued)

(ii) The effects of the acquisition of PT TAA is as follows: (continued)

The cash outflow on acquisition is as follows:

	RM'000
Purchase consideration:	24,407
Less: Cash and cash equivalents acquired	(1,018)
	23,389
Less: Deposit paid in 2013	(9,058)
	14,331

The goodwill on acquisition is as follows:

	RM'000
Purchase consideration:	24,407
Fair value of net assets acquired	(24,407)
Goodwill on acquisition	—

Included in the purchase consideration is settlement of debts due to the former shareholder of RM18.2 million that was novated to the Group.

The Group recognised the non-current controlling interest in PT TAA at the non-controlling interest's proportionate share of the recognised amounts of PT TAA's identifiable net assets.

The effects of the acquisition of PT TAA on the financial results of the Group during the financial year is shown below:

	RM'000
Operating expenses	(1,055)
Loss after taxation	(1,055)

The effect of the acquisition of PT TAA on the financial results of the Group during the financial year had the acquisition taken effect at the beginning of the financial year is shown below:

	RM'000
Operating expenses	(6,320)
Loss after taxation	(6,320)

22 Investment in Subsidiaries (continued)

(b) Incorporation and acquisitions of subsidiaries during the financial year (continued)

(iii) The effects of the acquisition of APL is as follows:

	Carrying value RM'000	Provisional Fair value RM'000
Property, plant and equipment	393,215	414,673
Biological assets	225,183	247,222
Inventories	15,564	15,564
Trade and other receivables	3,282	6,147
Goodwill	17,272	–
Tax recoverable	12	12
Cash and cash equivalents	18,904	18,904
Payables	(102,602)	(105,466)
Borrowings	(516,969)	(517,120)
Deferred tax liabilities	(1,680)	(12,083)
 Total net assets acquired	 52,181	 67,853
Non-controlling interests	–	18
 52,181	 67,871	

The cash outflow on acquisition is as follows:

	RM'000
Purchase consideration:	567,898
Less: Cash and cash equivalents acquired	(18,904)
 Net cash outflow on acquisition	 548,994

The goodwill on acquisition is as follows:

	RM'000
Purchase consideration:	567,898
Provisional fair value of net assets acquired	(67,871)
 Provisional goodwill on acquisition	 500,027

Based on FRS 3 "Business Combinations", the Group has a period of one year from the acquisition date to complete the purchase price allocation ("PPA") and has taken this option.

The Group recognised the non-current controlling interest in APL at the non-controlling interest's proportionate share of the recognised amounts of APL's identifiable net assets.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(b) Incorporation and acquisitions of subsidiaries during the financial year (continued)

(iii) The effects of the acquisition of APL is as follows: (continued)

The effects of the acquisition of APL on the financial results of the Group during the financial year is shown below:

	RM'000
Revenue	11,219
Cost of sales	(13,798)
<hr/>	
Gross loss	(2,579)
Other operating income	209
Administrative expenses	(1,168)
Other operating expenses	(8,170)
Finance costs	(4,272)
<hr/>	
Loss before taxation	(15,980)
Taxation	46
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Loss after taxation	(15,934)
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The effect of the acquisition of APL on the financial results of the Group during the financial year had the acquisition taken effect at the beginning of the financial year is shown below:

	RM'000
Revenue	113,117
Cost of sales	(127,726)
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Gross loss	(14,609)
Other operating income	709
Administrative expenses	(19,554)
Other operating expenses	(31,907)
Finance costs	(39,726)
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Loss before taxation	(105,087)
Taxation	4,163
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Loss after taxation	(100,924)
<hr/>	

22 Investment in Subsidiaries (continued)

(b) Incorporation and acquisitions of subsidiaries during the financial year (continued)

(iv) The total net cash outflows on acquisitions of subsidiaries during the financial year are as follows:

	RM'000
GP	29,693
PTTAA	14,331
APL	548,994
	<hr/>
	593,018

(v) Had the Group been consolidated since the beginning of the financial year, the consolidated statement of comprehensive income would show pro-forma revenue of RM16,485,585,000 and profit for the financial year of RM428,301,000.

(vi) The effects of the acquisitions of other subsidiaries

FGV Cambodia and FGV-CVC are newly incorporated subsidiaries of the Group. FGV Green Energy, FGV Rubber, FGV R&D Agri, FGV Applied Technologies, FGV Trading, MSM Trading and FGV Green Rubber are newly acquired dormant subsidiaries of the Group. The effects of the incorporations and acquisitions of these companies are not material.

(c) Incorporation and acquisitions of subsidiaries in previous financial year

Note 13 On 17 April 2013, Felda Global Ventures Downstream Sdn. Bhd. ("FGVD"), a subsidiary of the Company, incorporated a wholly-owned subsidiary known as FGV Biotechnologies Sdn. Bhd. ("FGV Bio") in Malaysia with initial paid-up capital of RM2.00. FGV Bio subsequently acquired a biodiesel refinery business and glycerine purification plant. Refer to Note (c)(iii) for the effects of the acquisition of the business.

Note 14 On 13 May 2013, the Company incorporated a wholly-owned subsidiary known as Felda Global Ventures Capital Sdn. Bhd. ("FGV Capital") in Malaysia with initial paid-up capital of RM2.00.

Note 15 On 23 May 2013, the Company incorporated a wholly-owned subsidiary known as FGV Investment (L) Pte Ltd ("FGV Investment") in Labuan Federal Territory, Malaysia with issued paid-up capital of USD1.00.

Note 16 On 28 May 2013, FGV Investment incorporated a wholly-owned subsidiary known as FGV Myanmar (L) Pte Ltd ("FGV Myanmar") in Labuan Federal Territory, Malaysia with issued paid-up capital of USD1.00.

Note 17 On 20 September 2013, the Company obtained control of Pontian United Plantations Berhad ("PUP"), a company incorporated in Malaysia. The acquisition of 100% equity interest was completed on 1 October 2013 for a cash consideration of RM1,203,840,576. Refer to Note c(i) for the effects of the acquisition of PUP.

Note 18 On 18 November 2013, the Company entered into an agreement with Koperasi Permodalan Felda Malaysia Berhad ("KPF") to acquire 112,199,999 shares in its associate, Felda Holdings Bhd. ("FHB") representing the remaining 51% equity interest in FHB from KPF for a purchase consideration of RM2,200,000,000. The acquisition was completed on 27 December 2013. Refer to Note c(ii) for the effects of the acquisition of FHB.

Note 19 On 16 December 2013, FGVD entered into a Sale Purchase Agreement ("SPA") with the shareholders of Cambridge Nanosystems Limited ("CNL") to acquire a 70% equity interest in CNL for a total consideration of GBP 10.0 million (RM54.13 million) which would be paid based on fulfilment of certain milestones. As at 31 December 2013, the Group had paid GBP4 (RM22) and gained control of CNL. Refer to Note (c)(iv) for the effects of the acquisition of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(c) Incorporation and acquisitions of subsidiaries in previous financial year (continued)

(i) The effects of the acquisition of PUP was as follows:

	Carrying value RM'000	Fair value RM'000
Property, plant and equipment	147,721	766,625
Interests in associates	12,345	46,075
Biological assets	58,498	453,042
Inventories	5,874	5,874
Receivables	6,305	6,305
Tax recoverable	4,196	4,196
Amount due from associates	4,270	4,270
Financial asset at fair value through profit and loss	7,769	7,199
Cash and cash equivalents	205,895	205,895
Payables	(23,578)	(23,578)
Deferred tax liabilities	(20,661)	(209,113)
 Total net assets acquired	 408,634	 1,266,790
Non-controlling interests	(21,137)	(190,187)
 387,497	 1,076,603	

The cash outflow on acquisition was as follows:

	RM'000
Purchase consideration	1,203,841
Less: Cash and cash equivalents acquired	(205,895)
 Net cash outflow on acquisition	 997,946

The goodwill on acquisition was as follows:

	RM'000
Purchase consideration	1,203,841
Fair value of net assets acquired	(1,076,603)
 Goodwill on acquisition (Note 21)	 127,238

The Group recognised the non-current controlling interest in PUP at the non-controlling interest's proportionate share of the recognised amounts of PUP's identifiable net assets.

22 Investment in Subsidiaries (continued)

(c) Incorporation and acquisitions of subsidiaries in previous financial year (continued)

(i) The effects of the acquisition of PUP was as follows: (continued)

The effects of the acquisition of PUP on the financial results of the Group in previous financial year is shown below:

	RM'000
Revenue	51,315
Cost of sales	(32,847)
<hr/>	
Gross profit	18,468
Other operating income	6,192
Administrative expenses	(4,797)
Finance income	3,605
Share of results of associates	(2)
<hr/>	
Profit before taxation	23,466
Taxation	(5,609)
<hr/>	
Profit after taxation	17,857
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The effects of the acquisition of PUP on the financial results of the Group in previous financial year had the acquisition taken effect at the beginning of the financial year is shown below:

	RM'000
Revenue	201,700
Cost of sales	(142,262)
<hr/>	
Gross profit	59,438
Other operating income	9,577
Administrative expenses	(31,588)
Share of results of associates	(8)
<hr/>	
Profit before taxation	37,419
Taxation	(22,436)
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Profit after taxation	14,983
<hr/>	

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(c) Incorporation and acquisitions of subsidiaries in previous financial year (continued)

(ii) The effects of the acquisition of FHB was as follows:

The purchase price allocation of FHB was completed during the financial year. The effects of the final purchase price allocation are as follows:

	Carrying value RM'000	Final fair value RM'000
Property, plant and equipment	2,267,710	3,203,246
Prepaid lease payments	40,404	40,404
Investment properties	34,172	147,582
Intangible assets	42,989	78,397
Interests in associates	172,195	172,195
Interests in joint ventures	367,119	477,008
Deferred tax assets	41,717	41,717
Available-for-sale financial assets	211,575	225,305
Biological assets	55,197	130,239
Inventories	969,649	1,018,049
Assets held for sale	53,189	57,615
Receivables	622,449	622,449
Tax recoverable	48,852	48,852
Amount due from related companies	287,573	287,573
Amount due from joint ventures	176,265	176,265
Amount due from an associate	37	37
Financial asset at fair value through profit and loss	7,763	7,763
Cash and cash equivalents	1,656,592	1,656,592
Payables	(771,315)	(771,315)
Liabilities held for sale	(95,339)	(95,339)
Amount due to a significant shareholder	(299,384)	(299,384)
Borrowings	(1,098,736)	(1,098,736)
Derivative financial liabilities	(7,615)	(7,615)
Deferred tax liabilities	(167,830)	(458,273)
Provision	(27,000)	(27,000)
Provision for defined benefit plan	(16,026)	(16,026)
 Total net assets acquired	4,572,202	5,617,600
Non-controlling interests	(955,215)	(1,238,592)
 3,616,987	4,379,008	

22 Investment in Subsidiaries (continued)

(c) Incorporation and acquisitions of subsidiaries in previous financial year (continued)

(ii) The effects of the acquisition of FHB was as follows: (continued)

The cash outflow on acquisition was as follows:

	RM'000
Purchase consideration:	
– settled in cash	1,132,600
– loan from a significant shareholder	1,067,400
Total purchase consideration	2,200,000
Less: Cash and cash equivalents acquired	(1,656,592)
Net cash outflow on acquisition	543,408

The gain on fair value remeasurement of the existing interest in FHB was recorded as follows:

	RM'000
Fair value of 49% equity interest in FHB	2,113,958
Less: Carrying value of equity interest	(1,867,356)
Add: Share of FHB's other reserves	16,678
Gain on fair value remeasurement	263,280

The negative goodwill on acquisition was as follows:

	RM'000
Purchase consideration for 51% equity interest	2,200,000
Fair value of existing 49% equity interest	2,113,958
Provisional fair value of net assets acquired	4,313,958
Negative goodwill	(4,379,008)
	(65,050)

The Group recognised the non-current controlling interest in FHB at the non-controlling interest's proportionate share of the recognised amounts of FHB's identifiable net assets.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(c) Incorporation and acquisitions of subsidiaries in previous financial year (continued)

(iii) Acquisition of biodiesel refinery business and glycerine purification plant

The effects of the acquisition of the business is as follows:

	Fair value RM'000
Buildings	3,900
Plant and machinery	35,553
	<hr/> 39,453
Purchase consideration, representing net cash outflow on acquisition	36,922
Fair value of assets acquired	(39,453)
	<hr/> Negative goodwill arising from the acquisition of a business
	(2,531)

The effects of the acquisition of the business on the financial results of the Group in previous financial year is shown below:

	RM'000
Revenue	46,687
Cost of sales	(43,647)
	<hr/> Gross profit
Gross profit	3,040
Other operating income	2,943
Administrative expenses	(4,978)
	<hr/> Profit before taxation
Profit before taxation	1,005
Taxation	387
	<hr/> Profit after taxation
Profit after taxation	1,392

The effects of the acquisition of the business on the previous financial year's financial results of the Group were not material.

22 Investment in Subsidiaries (continued)

(c) Incorporation and acquisitions of subsidiaries in previous financial year (continued)

(iv) The effects of the acquisition of CNL is as follows:

	Carrying value RM'000	Final fair value RM'000
Intangible assets	–	75,035
Receivables	25	25
Cash and cash equivalents	113	113
Payables	(361)	(361)
Deferred tax liabilities	–	(15,757)
 Total net assets acquired	(223)	59,055
Non-controlling interests	–	(17,716)
 (223)	41,339	

The cash outflow on acquisition is as follows:

	RM'000
Purchase consideration:	43,151
Less: Deposit paid in 2013	*
Less: Deferred consideration payable	(43,151)
 Net cash outflow on acquisition	–

* Deposit paid in 2013 was RM22.

The goodwill on acquisition is as follows:

	RM'000
Purchase consideration:	43,151
Fair value of net assets acquired	(41,339)
 Goodwill on acquisition	1,812

The Group's statement of financial position was restated to reflect these effects. The effects of the acquisition of CNL on the previous year's financial results of the Group were not material.

The deferred consideration was paid in March 2015.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(c) Incorporation and acquisitions of subsidiaries in previous financial year (continued)

(v) The total cash outflows on acquisitions of subsidiaries and business in previous financial year were as follows:

	RM'000
PUP	997,946
FHB	543,408
Biodiesel refinery and glycerine purification business	36,922
CNL	-
	<hr/>
	1,578,276
	<hr/>

(d) Reversal of impairment loss on investment in a subsidiary

The recoverable amounts of the Company's investment in a subsidiary, Felda Global Ventures Downstream Sdn. Bhd. ("FGVD") was reassessed during the financial year. As a result of the impairment assessment, there is no impairment loss required and the accumulated impairment of RM12,391,000 was reversed as the recoverable amount exceeds the carrying amount. The recoverable amount is determined based on fair value less cost to sell basis (Level 3 fair value computation) using cash flows projection based on financial budget approved by the Directors covering a five years period and applying post-tax discount rate of 10%.

(e) Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

Summarised statement of financial position

	MSM Malaysia Holdings Berhad Group		Felda Palm Industries Sdn. Bhd.	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<u>Current</u>				
Assets	1,353,655	1,042,917	2,325,776	2,632,661
Liabilities	(497,009)	(235,240)	(1,703,494)	(2,056,308)
Total current net assets	856,646	807,677	622,282	576,353
<u>Non-current</u>				
Assets	1,164,548	1,128,214	2,058,872	1,887,018
Liabilities	(76,699)	(79,694)	(153,627)	(129,698)
Total non-current net assets	1,087,849	1,048,520	1,905,245	1,757,320
Net assets	1,944,495	1,856,197	2,527,527	2,333,673

22 Investment in Subsidiaries (continued)

(e) Summarised financial information on subsidiaries with material non-controlling interests (continued)

Summarised statement of comprehensive income

	MSM Malaysia Holdings Berhad Group For the financial year ended 31 December		Felda Palm Industries Sdn. Bhd. For the financial year ended 31 December	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	2,281,493	2,202,480	12,688,858	—
Profit before zakat and taxation	344,299	358,905	403,355	—
Tax and zakat expense	(87,286)	(104,228)	(89,613)	—
Profit for the financial year	257,013	254,677	313,742	—
Other comprehensive income	—	—	10,491	—
Total comprehensive income	257,013	254,677	324,233	—
Profit attributable to non-controlling interest	125,714	125,013	94,582	—
Total comprehensive income attributable to non-controlling interest	125,714	125,013	94,582	—
Accumulated non-controlling interest	952,802	909,758	438,162	—
Dividends paid to non-controlling interests	82,670	72,337	28,280	—

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

22 Investment in Subsidiaries (continued)

(e) Summarised financial information on subsidiaries with material non-controlling interests (continued)

Summarised statement of cash flows

	MSM Malaysia Holdings Berhad Group For the financial year ended 31 December		Felda Palm Industries Sdn. Bhd. For the financial year ended 31 December	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash flow from operating activities				
Cash flow generated from operations	326,267	435,380	(125,301)	—
Retirement benefits paid	—	—	(1,356)	—
Zakat paid	(4,500)	(17,481)	(2,512)	—
Income tax paid	(81,790)	(88,149)	(71,571)	—
Net cash generated from/(used in) operating activities	239,977	329,750	(200,740)	—
Net cash used in investing activities	(79,860)	(72,930)	(203,438)	—
Net cash generated from/(used in) financing activities	42,730	(584,223)	335,466	—
Net increase/(decrease) in cash and cash equivalents	202,847	(327,403)	(68,712)	—
Cash and cash equivalents at beginning of financial year	267,152	594,555	717,427	—
Cash and cash equivalents at end of financial year	469,999	267,152	648,715	—

23 Interests in Associates

	Group	
	2014 RM'000	2013 RM'000 (Restated)

Share of net assets of associates	215,754	213,118
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	Company	
	2014 RM'000	2013 RM'000

Interests in associates, at cost:

At 1 January	–	1,775,226
Disposal [^]	–	(207,614)
Transfer to investment in subsidiaries B (Note 22)	–	(1,567,612)

At 31 December	–	–
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[^] In the previous financial year, the Company disposed of its 20% equity interest in Tradewinds (M) Berhad for a total consideration of RM551.43 million, which resulted in a gain on disposal of RM26.67 million for the Group and RM343.82 million for the Company.

B In the previous financial year, the Company acquired the remaining 51% equity interest in Felda Holdings Bhd. ("FHB") for a purchase consideration of RM2.20 billion. Consequently, the Company's effective interest in FHB increased from 49% to 100% and FHB become a wholly-owned subsidiary.

Summarised financial information in respect of the Group's share of revenue, profit, assets and liabilities of its associates is set out below:

	Group	
	2014 RM'000	2013 RM'000

Revenue	470,707	16,873,944
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Group's share of results for the financial year	9,320	83,368
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Share of capital commitments of associates	28,624	38,331
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NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

23 Interests in Associates (continued)

Set out below are details of the associates of the Group as at 31 December 2014. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly and indirectly by the Group, have financial years ending 31 December, unless otherwise stated and are measured by way of equity accounting.

Name of companies	Place of business/ country of incorporation	Group's effective interest		Nature of the business
		2014 %	2013 %	

INDIRECT ASSOCIATES

Associates of FHB

Taiko Clay Chemicals Sdn. Bhd.	Malaysia	21.6	21.6	(i)
Paragon Yield Sdn. Bhd.	Malaysia	30.0	30.0	(ii)
Nilai Education Sdn. Bhd.	Malaysia	30.0	30.0	(iii)
Title Winner Sdn. Bhd.	Malaysia	7.3	7.3	(iv)
FKW Global Commodities (PVT) Limited	Malaysia	30.0	–	(v)

Associates of PUP

Malacca Plantation Sdn. Bhd.	Malaysia	34.33	34.33	(vi)
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(i) Manufacturing and sale of activated bleaching earth

(ii) Investment holding

(iii) Management of an educational institute

(iv) Under liquidation

(v) Commodity trading

(vi) Investment holding and cultivation of oil palm

There are no material contingent liabilities relating to the Group's interest in the associates.

23 Interests in Associates (continued)

Summarised financial information for associates

Set out below are the summarised financial information for Taiko Clay Chemicals Sdn. Bhd. ("Taiko") and the aggregate of other associates ("insignificant in aggregate") which are accounted for using the equity method:

Summarised statement of financial position

	Taiko		Insignificant in aggregate		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current						
Cash and cash equivalents	89,062	83,396	32,454	18,375	121,516	101,771
Other current assets (excluding cash)	173,680	163,921	83,227	102,664	256,907	266,585
Total current assets	262,742	247,317	115,681	121,039	378,423	368,356
Financial liabilities						
(excluding trade payables)	(50,780)	(57,319)	(19,149)	(26,310)	(69,929)	(83,629)
Other current liabilities (including trade payables)	(18,394)	(11,761)	(2,435)	(1,889)	(20,829)	(13,650)
Total current liabilities	(69,174)	(69,080)	(21,584)	(28,199)	(90,758)	(97,279)
Non-current						
Assets	183,170	169,760	259,187	240,919	442,357	410,679
Financial liabilities	(15,910)	(15,287)	(27,559)	(28,725)	(43,469)	(44,012)
Total non-current liabilities	(15,910)	(15,287)	(27,559)	(28,725)	(43,469)	(44,012)
Net assets	360,828	332,710	325,725	305,034	686,553	637,744

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

23 Interests in Associates (continued)

Summarised financial information for associates (continued)

Summarised statement of comprehensive income

	FHB		Tradewinds		Taiko		Insignificant in aggregate		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	-	15,026,627	-	1,348,343	326,095	351,828	144,612	147,146	470,707	16,873,944
Depreciation and amortisation	-	(205,344)	-	(40,227)	-	-	-	-	-	(245,571)
Interest income	-	38,233	-	2,020	-	-	-	-	-	40,253
Interest expense	-	(26,241)	-	(24,262)	(4,004)	(2,005)	(498)	(505)	(4,502)	(53,013)
Profit from continuing operations	-	383,400	-	82,134	46,976	64,996	22,999	30,441	69,975	560,971
Tax and zakat expense	-	(138,241)	-	(29,812)	(13,207)	(14,894)	(1,408)	(2,281)	(14,615)	(185,228)
Post-tax profit from continued operations	-	245,159	-	52,322	33,769	50,102	21,591	28,160	55,360	375,743
Post-tax loss from discontinued operations	-	(34,661)	-	-	-	-	-	-	-	(34,661)
Other comprehensive loss	-	(8,850)	-	(150)	4,349	-	-	-	4,349	(9,000)
Total comprehensive income	-	201,648	-	52,172	38,118	50,102	21,591	28,160	59,709	332,082
Dividends received from associate	-	156,863	-	-	10,000	10,000	900	900	10,900	167,763

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associates.

23 Interests in Associates (continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates

	FHB		Tradewinds		Taiko		Insignificant in aggregate		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Opening net assets	-	3,820,938	-	2,570,232	332,710	-	305,034	-	637,744	6,391,170
Profit for the year	-	210,498	-	52,322	33,769	-	21,591	28,160	55,360	290,980
Dividend	-	(156,863)	-	-	(10,000)	-	(900)	(900)	(10,900)	(157,763)
Other comprehensive income/(loss)	-	(8,850)	-	(150)	4,349	-	-	-	4,349	(9,000)
Acquisition/(disposal)	-	(3,808,172)	-	(2,608,468)	-	332,710	-	277,774	-	(5,806,156)
 Closing net assets before group adjustments	 -	 57,551	 -	 13,936	 360,828	 332,710	 325,725	 305,034	 686,553	 709,231
 Opening group adjustments	 -	 -	 -	 -	 -	 -	 98,252	 -	 98,252	 -
Non-controlling interests	-	(50,050)	-	(17,772)	-	-	-	-	-	(67,822)
Fair value adjustments	-	(41,892)	-	4,730	-	-	-	-	98,252	-
Others	-	34,391	-	(894)	140,321	129,389	(16,220)	-	124,101	162,886
 Closing group adjustments	 -	 (57,551)	 -	 (13,936)	 140,321	 129,389	 82,032	 98,252	 222,353	 156,154
 Closing net assets	 -	 -	 -	 -	 501,149	 462,099	 407,757	 403,286	 908,906	 865,385
 Interest in associates	 -	 -	 -	 -	 21.6%	 21.6%	 7%-34%	 7%-34%	 -	 -
 Carrying value	 -	 -	 -	 -	 108,248	 99,813	 107,506	 113,305	 215,754	 213,118
 Unrecognised share of loss	 -	 -	 -	 -	 -	 -	 (1,177)	 (1,172)	 -	 -

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

24 Interests in Joint Ventures

	Group	
	2014 RM'000	2013 RM'000 (Restated)
Share of net assets of joint ventures	745,042	634,762

The Group's share of the results of the joint ventures are as follow:

	2014 RM'000	2013 RM'000
Revenue	6,118,126	8,787,684
Group's share of results for the financial year	21,375	(85,596)
Share of capital commitments of joint ventures	116,318	173,345

Summarised financial information for joint ventures

Set out below are details of the joint ventures of the Group as at 31 December 2014. The joint ventures as listed below have share capital consisting solely of ordinary shares and have financial years ending 31 December, except where stated and are measured by way of equity accounting other than Kuala Muda Joint Venture, which is based on their share of net assets.

Name of companies	Country of incorporation	Group's effective interest		Nature of the business
		2014 %	2013 %	

INDIRECT JOINT VENTURES

Joint ventures of FGVD

Felda Iffco Sdn. Bhd.	Malaysia	50.0	50.0	(i)
FGV Lipid Venture Sdn. Bhd.	Malaysia	40.0	40.0	(ii)

Joint ventures of Felda Global Ventures Livestocks Sdn. Bhd.

Felda Iffco Allana (Malaysia) Sdn. Bhd.	Malaysia	50.0	50.0	(iii)
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Joint venture of Felda Global Ventures Kalimantan Sdn. Bhd.

Trurich Resources Sdn. Bhd.	Malaysia	50.0	50.0	(iv)
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24 Interests in Joint Ventures (continued)

Summarised financial information for joint ventures (continued)

Name of companies	Country of incorporation	Group's effective interest		Nature of the business
		2014 %	2013 %	

Joint ventures of FHB

FPG Oleochemicals Sdn. Bhd.	Malaysia	50.0	50.0	(v)
Malaysia Pakistan Venture Sdn. Bhd. (30 June) ^α	Malaysia	37.5	37.5	(vi)
Voray Holdings Limited (30 September) ^α	Hong Kong	—	45.0	(vi)
Mapak Edible Oils (Pvt) Ltd ^α (30 June)	Pakistan	30.0	30.0	(vii)
MEO Trading Sdn. Bhd. ^α	Malaysia	30.0	30.0	(viii)
FTJ Biopower Sdn. Bhd. ^α	Malaysia	43.0	43.0	(ix)
ProXcel Sdn. Bhd. ^α	Malaysia	40.0	40.0	(x)
Sahabat Renewable Fuel Ventures Sdn. Bhd. ^α	Malaysia	36.7	36.7	(xi)
MyBiomass Sdn. Bhd ^α	Malaysia	23.1	23.1	(xii)
FGV Pho La Min Co. Ltd. ^α	Myanmar	51.0	—	(xiii)

INDIRECT JOINT OPERATION

Kuala Muda Estate Joint Venture	Malaysia	50.0	50.0	(xiv)
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- (i) Refining, processing and packing of palm oil based products
- (ii) Producing of tocotrienol from refined bleached palm oil
- (iii) Dormant
- (iv) Oil palm plantation operation
- (v) Processing and selling of oleochemical products
- (vi) Investment holding
- (vii) Manufacturing and marketing of finished customer and industrial palm oil products
- (viii) Futures trading
- (ix) Developing, constructing, operating and maintaining power plant
- (x) Dormant
- (xi) Development, construction, fabrication and operation of a biomass conversion plant
- (xii) Aggregation of biomass, identification of the technology to convert palm-based biomass into High Value Green Chemicals/ Products and commercialisation of the technologies
- (xiii) Technical advisory services in agriculture sector
- (xiv) Rubber and oil palm plantation and sale of rubber and oil palm products

α The Group treated these entities as joint ventures as the shareholder agreements require unanimous consent over decisions about relevant activities among the partners.

In the current financial year, the Group disposed of its 45.0% equity interest in Voray Holdings Limited for a total consideration of RM9.64 million, which resulted in a gain on disposal of RM12.62 million.

The joint venture companies above are private companies and have no quoted market price available for their shares.

There are no material contingent liabilities relating to the Group's interest in the joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

24 Interests in Joint Ventures (continued)

Summarised financial information for joint ventures (continued)

Set out below are the summarised financial information for Felda Iffco Sdn. Bhd. ("FISB"), Trurich Resources Sdn. Bhd. ("Trurich") and FPG Oleochemicals Sdn. Bhd. ("FPG") and the aggregate for other joint ventures ("insignificant in aggregate") which are accounted for using the equity method.

Summarised statement of financial position

	FISB		Trurich		FPG		Insignificant in aggregate		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<u>Current</u>										
Cash and cash equivalents	142,558	208,988	78,676	72,099	295,783	333,727	34,667	44,958	551,684	659,772
Other current assets (excluding cash)	1,204,832	1,032,220	109,439	26,490	249,274	256,436	139,428	167,248	1,702,973	1,482,394
Total current assets	1,347,390	1,241,208	188,115	98,589	545,057	590,163	174,095	212,206	2,254,657	2,142,166
<u>Financial liabilities</u>										
(excluding trade payables)	(1,077,833)	(1,203,617)	(8,286)	(47,946)	(54,691)	(43,052)	(16,035)	(200)	(1,156,845)	(1,294,815)
Other current liabilities (including trade payables)	(240,861)	(138,669)	(75,123)	(20,099)	(74,416)	(119,303)	(40,354)	(140,359)	(430,754)	(418,430)
Total current liabilities	(1,318,694)	(1,342,286)	(83,409)	(68,045)	(129,107)	(162,355)	(56,389)	(140,559)	(1,587,599)	(1,713,245)
<u>Non-Current</u>										
Assets	351,642	605,718	930,537	764,963	181,024	197,374	65,998	164,188	1,529,201	1,732,243
Financial liabilities	(112,030)	(273,553)	(644,751)	(551,875)	(31,495)	(26,048)	692	(53,896)	(787,584)	(905,372)
Total non-current liabilities	(112,030)	(273,553)	(644,751)	(551,875)	(31,495)	(26,048)	692	(53,896)	(787,584)	(905,372)
Net assets	268,308	231,087	390,492	243,632	565,479	599,134	184,396	181,939	1,408,675	1,255,792

24 Interests in Joint Ventures (continued)

Summarised financial information for joint ventures (continued)

Summarised statement of comprehensive income

	FISB		Trurich		FPG		Bunge Ego		Insignificant in aggregate		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	4,373,857	5,320,967	167,796	133,245	1,572,597	1,180,240	–	1,659,821	3,876	493,411	6,118,126	8,787,684
Depreciation and amortisation	(26,953)	(35,338)	(15,474)	(15,328)	(21,190)	(19,440)	–	–	–	–	(63,617)	(70,106)
Interest income	–	8,903	2,223	1,303	8,434	10,244	–	–	–	–	10,657	20,450
Interest expense	(61,444)	(58,183)	(23,887)	(17,669)	(11)	(11)	–	(1,418)	(3)	–	(85,345)	(77,281)
(Loss)/profit from continuing operations	(22,274)	(38,417)	(1,164)	(52,748)	61,968	94,688	–	(55,381)	21,725	27,360	60,255	(24,498)
Tax (expense)/income	4,610	(12,559)	(6,697)	(3,307)	(20,623)	(22,747)	–	–	25	(9,961)	(22,685)	(48,574)
Post-tax (loss)/profit from continuing operations	(17,664)	(50,976)	(7,861)	(56,055)	41,345	71,941	–	(55,381)	21,750	17,399	37,570	(73,072)
Post-tax profit from discontinued operations	10,196	7,307	–	–	–	–	–	–	–	–	10,196	7,307
Other comprehensive income/(loss)	44,689	73,211	(1,511)	(12,463)	–	–	–	–	–	–	43,178	60,748
Total comprehensive income/(loss)	37,221	29,542	(9,372)	(68,518)	41,345	71,941	–	(55,381)	21,750	17,399	90,944	(5,017)
Dividends received from joint ventures	–	–	–	–	75,000	–	–	–	–	–	–	–

The information above reflects the amounts presented in the financial statements of the joint ventures (and not Group's share of those amounts) adjusted for differences in accounting policies between the Group and the joint ventures.

24 Interests in Joint Ventures (continued)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

Summarised financial information for joint ventures (continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures.

	FISB		Trurch		FPG		Bunge Ergo		Insignificant in aggregate		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Opening net assets	231,087	201,545	243,632	343,593	599,134	—	—	219,496	181,939	164,540	1,255,792	929,174
(Loss)/profit for the year	(7,468)	(43,669)	(7,861)	(56,055)	41,345	—	—	(55,381)	21,750	17,399	47,766	(137,706)
Dividend	—	—	—	—	(75,000)	—	—	—	(19,293)	—	(94,293)	—
Other comprehensive income	44,689	73,211	(5,279)	(43,906)	—	—	—	—	—	—	39,410	29,305
Acquisition/(disposal)	—	—	160,000	—	—	599,134	—	(164,115)	—	—	160,000	435,019
Closing net assets before group adjustments	268,308	231,087	390,492	243,632	565,479	599,134	—	—	184,396	181,939	1,408,675	1,255,792
Opening group adjustments	(141,994)	(62,935)	(17,220)	(19,692)	153,385	—	—	—	103,951	—	98,122	(82,627)
Fair value adjustments	—	—	—	—	(19,720)	151,692	—	—	—	103,951	(19,720)	255,643
Impairment	137,314	(87,314)	—	—	—	—	—	—	—	—	137,314	(87,314)
Others	(40,618)	8,255	34,596	2,472	(2,628)	1,693	—	—	(13,790)	—	(22,440)	12,420
Closing group adjustments	(45,298)	(141,994)	17,376	(17,220)	131,037	153,385	—	—	90,161	103,951	193,276	98,122
Closing net assets	223,010	89,093	407,868	226,412	696,516	752,519	—	—	274,557	285,890	1,601,951	1,353,914
Interest in associates	50%	50%	50%	50%	50%	50%	—	—	—	—	—	—
Goodwill	—	—	—	—	—	—	—	—	—	—	—	—
Carrying value	111,505	44,547	203,934	113,206	348,258	376,260	—	—	81,345	100,749	745,042	634,762
Unrecognised share of loss	—	—	—	—	—	—	—	—	(7,854)	3,029	(7,854)	3,029

24 Interests in Joint Ventures (continued)

Impairment loss on investment in joint ventures

(a) Felda Iffco Sdn. Bhd. ("FISB")

At 31 December 2014, the Group's investment in a joint venture, FISB was tested for reversal of impairment due to improvement in the operating conditions.

The recoverable amount of the investment in FISB was computed using fair value less cost to sell method based on cash flow projections of the various CGUs within FISB Group, expected to be attributable to the equity holder and adjustment to the discount rate to reflect equity risk and cash flows being assessed on a profit after interest and tax basis.

The key assumptions used to determine the recoverable amount of investment in FISB are as follows:

	2014	2013
– Gross margin	7% – 18%	1.3% – 11.5%
– Terminal value growth rate	2.5%	2.5% – 5%
– Discount rate	10%	12%

As a result of the impairment assessment, the impairment provision of RM68,657,000 made in prior years is no longer required and recorded as a reversal of impairment in a joint venture within other operating income. The reversal to the carrying amount at fair value less cost to sell is a Level 3 fair value computation.

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Directors concluded that no reasonable change in any of the base case assumptions would cause the carrying amount of the CGU to exceed the recoverable amount.

(b) An impairment of RM9.86 million was recorded in respect of a joint venture, FPG Oleochemicals Sdn. Bhd. relating to the decision to discontinue a component of the business.

NOTES TO THE FINANCIAL STATEMENTS

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25 Prepaid Lease Payments

The prepaid lease payments were payment for rights to use the following:

Group	Leasehold land	
	2014 RM'000	2013 RM'000
<u>Cost</u>		
At 1 January	41,329	925
Acquisition of subsidiaries	–	40,404
Additions	11,788	–
Write offs	(4)	–
31 December	53,113	41,329
<u>Accumulated amortisation</u>		
At 1 January	360	210
Amortisation	2,799	150
Write offs	(2)	–
Transfer to property, plant and equipment (Note 19)	(81)	–
Impairment loss	76	–
At 31 December	3,152	360
Net book value at 31 December	49,961	40,969

As at 31 December 2014, the carrying amount of prepaid lease lands without title is RM30,418,000 (2013: RM20,392,000).

26 Loan Due from other Related Company

	Group	
	2014 RM'000	2013 RM'000
At 1 January	–	–
Reversal of for impairment	26,952	–
Repayment	(30,817)	–
Currency translation differences	3,865	–
At 31 December	–	–

At 1 January 2013, the loan due from other related company was net of accumulated provision for impairment of RM26,952,000.

On April 1 2014, the Group received full repayment and made a reversal of impairment amounting to RM26,952,000, which is recorded in other operating income during the financial year.

27 Receivables

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
<u>Non-current assets</u>				
Prepayment@	68,617	69,544	–	–
Deposits ^f	96,656	12,719	86,624	–
Others	–	2,178	–	–
	165,273	84,441	86,624	–
<u>Current assets</u>				
Trade receivables*	833,416	1,011,606	–	–
Less: Provision for impairment	(5,709)	(5,529)	–	–
	827,707	1,006,077	–	–
Amount due from customer on contracts (Note 51)	6,234	5,638	–	–
Total trade receivables	833,941	1,011,715	–	–
Other receivables [#]	164,041	213,391	1,157	3,079
Dividend receivable	–	–	–	170,201
Prepayments	75,397	86,392	18,729	442
Deposits	16,031	40,039	194	190
Total	1,089,410	1,351,537	20,080	173,912
Total	1,254,683	1,435,978	106,704	173,912

^f Included in the non-current assets as at 31 December 2014 is a deposit paid in connection with the proposed acquisition of a 100% equity interest in Felda Iffco South China Ltd, a subsidiary of Felda Iffco Sdn. Bhd., which is a joint venture of the Group amounting to RM86.62 million. The transaction is expected to be completed in 2015.

@ Included in non-current prepayments is a security deposit amounting to RM62,120,000 (2013: RM62,120,000) paid to a significant shareholder under the LLA dated 1 November 2011, which shall be set off towards any payment of the lease amount prior to expiry or sooner determination of the LLA.

* Included in trade receivables is cooking oil subsidy receivable from Malaysian Palm Oil Board of RM31,721,813 (2013: RM39,051,610).

Included in other receivables within current assets as at 31 December 2014 is an advance of RM35,435,000 (2013: Nil) made in respect of a broadband project of FELDA.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

27 Receivables (continued)

The receivables are denominated as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
– Ringgit Malaysia	764,415	706,561	106,704	173,912
– United States Dollar	443,072	604,216	–	–
– Canadian Dollar	30,357	112,944	–	–
– Indonesian Rupiah	9,547	6,328	–	–
– Thai Baht	5,669	4,708	–	–
– Singapore Dollars	447	399	–	–
– Pakistan Rupee	99	122	–	–
– Others	1,077	700	–	–
	1,254,683	1,435,978	106,704	173,912

The credit terms of trade receivables are up to 90 days (2013: up to 90 days).

Past due but not impaired

As at 31 December 2014, RM326,308,000 (2013: RM325,193,000) of receivables were past due but not impaired. These relate to number of external parties where there is no expectation of default. The ageing and history of default analysis of these receivables are as follows:

Group	No history of default RM'000	History of default RM'000	New customers RM'000	Total RM'000
2014				
Less than 30 days past due	216,432	573	51,116	268,121
Between 30 and 60 days past due	26,297	148	3,756	30,201
Between 61 and 90 days past due	11,694	32	68	11,794
Between 91 days and 1 year past due	14,283	619	–	14,902
More than 1 year past due	1,290	–	–	1,290
At 31 December 2014	269,996	1,372	54,940	326,308
2013				
Less than 30 days past due	83,419	531	128,173	212,123
Between 30 and 60 days past due	43,145	115	37,744	81,004
Between 61 and 90 days past due	15,090	55	3,801	18,946
Between 91 days and 1 year past due	5,690	1,108	1,535	8,333
More than 1 year past due	4,787	–	–	4,787
At 31 December 2013	152,131	1,809	171,253	325,193

As at 31 December 2014, there are no receivables of the Company that were past due but not impaired.

27 Receivables (continued)

Impaired and provided for

As at 31 December 2014, RM5,709,000 of receivables were impaired and provided for (2013: RM5,529,000).

Movement of the Group's provision for impairment of receivables are as follows:

	Group	
	2014 RM'000	2013 RM'000
At 1 January	5,529	–
Acquisition of a subsidiary	–	4,918
Charged to profit or loss	180	611
At 31 December	5,709	5,529

Receivables balances of RM784,361,000 (2013: RM954,849,000) and RM87,975,000 (2013: RM173,470,000) of the Group and of the Company are neither past due nor impaired as they have yet to exceed the credit period. These balances mainly relate to external parties with no recent history of default.

The credit quality of receivables that are neither past due nor impaired can be assessed to historical information about counterparty default rates:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Group 1	61,620	18,413	–	–
Group 2	688,769	921,235	87,975	173,470
Group 3	33,972	15,201	–	–
	784,361	954,849	87,975	173,470

Group 1 – new customers (less than 6 months).

Group 2 – existing customers (more than 6 months) with no defaults in the past.

Group 3 – existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

The fair value of the receivables excluding the prepayments equals their carrying value, as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

28 Amounts due from/(to) a Significant Shareholder, Subsidiaries, Joint Ventures, an Associate and other Related Companies

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Amounts due from:				
Significant shareholder	79,233	81,923	2,308	377
Subsidiaries*	—	—	101,761	58,584
Joint ventures	328,941	421,838	—	—
Associate	36	37	—	—
Other related companies	63,964	29,060	1,571	61
	472,174	532,858	105,640	59,022
Amounts due to:				
Significant shareholder	(240,444)	(386,921)	(6,623)	(3,833)
Subsidiaries	—	—	(134,011)	(88,734)
Joint ventures	—	(23,000)	—	—
Other related companies	(9,136)	(4,723)	(354)	(563)
	(249,580)	(414,644)	(140,988)	(93,130)

* Amounts due from subsidiaries:

	Company	
	2014 RM'000	2013 RM'000
Amount due from subsidiaries	102,445	59,268
Provision for impairment	(684)	(684)
	101,761	58,584

- (a) The amounts due from/(to) a significant shareholder, subsidiaries, joint ventures, an associate and other related companies are unsecured, free of financial charges and have credit terms ranging from 15 to 120 days (2013: 15 to 120 days).
- (b) The amounts due from/(to) a significant shareholder, subsidiaries, joint ventures, an associate and other related companies are principally denominated in Ringgit Malaysia.

28 Amounts due from/(to) a Significant Shareholder, Subsidiaries, Joint Ventures, an Associate and other Related Companies (continued)

(c) Amounts due from subsidiaries

	Company	
	2014 RM'000	2013 RM'000
At 1 January	58,584	39,447
Net movement during the financial year	67,584	51,218
Conversion into ordinary shares # (Note 22)	(24,407)	(32,081)
At 31 December	101,761	58,584
<hr/>		
Analysed as:		
Current	101,761	58,584
<hr/>		

2014

- # On 31 October 2014, the Company subscribed for additional 24,406,600 ordinary shares of RM1.00 each from Felda Global Ventures Plantations Sdn. Bhd. ("FGVP"), a wholly-owned subsidiary of the Company, for a cash consideration of RM11 and by conversion of an amount due from FGVP of RM24,406,589.

2013

- # On 14 November 2013, the Company subscribed for 73,206,521 ordinary shares of RM1.00 each from Felda Global Ventures Downstream Sdn. Bhd. ("FGVD"), a wholly-owned subsidiary of the Company, for a cash consideration of RM50,000,000 and by conversion of an amount due from FGVD of RM23,206,521.

On 18 December 2013, the Company subscribed for 9,774,529 ordinary shares of RM1.00 each from Felda Global Ventures Plantations Sdn. Bhd. ("FGVP"), a wholly-owned subsidiary of the Company, for a cash consideration of RM900,000 and by conversion of an amount due from FGVP of RM8,874,529.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

28 Amounts due from/(to) a Significant Shareholder, Subsidiaries, Joint Ventures, an Associate and other Related Companies (continued)

Past due but not impaired

As at 31 December 2014, RM65,876,000 (2013: RM56,369,000) of amounts due from a significant shareholder, joint ventures and other related companies and RM1,566,000 (2013: RM59,000) of amounts due from other related companies for the Group and the Company respectively were past due but not impaired. The ageing analysis of these balances is as follows:

	Less than 30 days past due RM'000	Between 30 and 60 days past due RM'000	Between 61 and 90 days past due RM'000	Between 91 days and 1 year past due RM'000	More than 1 year past due RM'000	Total RM'000
--	--	--	--	--	---	-----------------

Group

At 31 December 2014

Amount due from a significant shareholder	4,716	5,921	1,502	7,852	387	20,378
Amounts due from joint ventures*	2,740	628	60	6,709	26,776	36,913
Amounts due from other related companies	2,966	1,935	969	1,078	1,637	8,585
	10,422	8,484	2,531	15,639	28,800	65,876

At 31 December 2013

Amount due from a significant shareholder	7,172	1,663	2,202	4,242	2,558	17,837
Amounts due from joint ventures*	–	–	–	25,200	1,576	26,776
Amounts due from other related companies	164	11,574	–	7	11	11,756
	7,336	13,237	2,202	29,449	4,145	56,369

Company

At 31 December 2014

Amounts due from other related companies	1	367	13	563	622	1,566
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At 31 December 2013

Amounts due from other related companies	–	41	–	7	11	59
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* Included in the amounts due from joint venture is an amount due of RM33,052,967 (2013: RM25,688,000), which is to fund the construction and working capital of a power plant. The amount will be repaid via the proceeds from a bank loan granted to the joint venture in 2015.

28 Amounts due from/(to) a Significant Shareholder, Subsidiaries, Joint Ventures, an Associate and other Related Companies (continued)

Impaired and provided for

Group

As at 31 December 2014, certain amount due from a significant shareholder amounting to RM2,066,000 (2013: Nil) of the Group was impaired and fully provided for.

Movement of the Group's provision for impairment of amount due from is as follows:

	Group	
	2014 RM'000	2013 RM'000
Amount due from a significant shareholder		
At 1 January	–	–
Charged to profit or loss	2,066	–
At 31 December	2,066	–

Company

As at 31 December 2014, certain amounts due from subsidiaries amounting to RM684,000 (2013: RM684,000) of the Company was impaired and fully provided for. The impaired receivables mainly relate to the recoverability of management fees.

Movement of the Company's provision for impairment of amount due from is as follows:

	Company	
	2014 RM'000	2013 RM'000
Amounts due from subsidiaries		
At 1 January/31 December	684	684

Amounts due from a significant shareholder, joint ventures, associate and other related companies of RM406,298,000 (2013: RM476,489,000) of the Group and amounts due from significant shareholder, subsidiaries, associate and other related companies of RM104,074,000 (2013: RM58,963,000) of the Company are neither past due nor impaired as it yet to exceed the credit period.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

28 Amounts due from/(to) a Significant Shareholder, Subsidiaries, Joint Ventures, an Associate and other Related Companies (continued)

The credit quality of related companies that are neither past due nor impaired can be assessed to historical information about counterparty default rates:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<u>Amounts due from a significant shareholder</u>				
Group 2	58,855	64,086	2,308	377
<u>Amounts due from subsidiaries</u>				
Group 2	–	–	101,761	58,584
<u>Amounts due from joint ventures</u>				
Group 2	292,028	395,062	–	–
<u>Amounts due from an associate</u>				
Group 2	36	37	–	–
<u>Amounts due from other related companies</u>				
Group 2	55,379	17,304	5	2
Total unimpaired amounts from related parties	406,298	476,489	104,074	58,963

Group 1 – new related parties (less than 6 months)

Group 2 – existing related parties (more than 6 months) with no defaults in the past.

Group 3 – existing related parties (more than 6 months) with some defaults in the past. All defaults were fully recovered.

The fair value of the amounts due from a significant shareholder, subsidiaries, joint ventures, an associate and other related companies are equal their carrying value, as the impact of discounting is not significant.

29 Biological Assets

Group

	Oil palm and and rubber plantation estates RM'000	Livestock RM'000	Total RM'000
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Net book value

2014

Non-current

At 1 January	2,424,798	22,467	2,447,265
Acquisition of subsidiaries (Note 22)	249,153	–	249,153
Additions	123,925	206	124,131
Accelerated depreciation	(5,550)	(3,806)	(9,356)
Currency translation differences	1,107	–	1,107
Disposal	(13,700)	(6,005)	(19,705)
Reversal of impairment/(impairment loss)	1,804	(2,676)	(872)
Transfer to property, plant and equipment (Note 19)	(1,978)	–	(1,978)
Transfer to assets held for sale (Note 35)	–	(8,910)	(8,910)
Write offs	(3,046)	(544)	(3,590)
At 31 December	2,776,513	732	2,777,245

Current

	Nursery RM'000
At 1 January	41,491
Additions	44,775
Transfer to non-current	(2,003)
Charged to profit or loss	(33,566)
At 31 December	50,697

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

29 Biological Assets (continued)

Group

	Oil palm and and rubber plantation estates RM'000	Livestock RM'000	Total RM'000
Net book value			
2013			
<u>Non-current</u>			
At 1 January	1,864,224	–	1,864,224
Acquisition of subsidiaries (Note 22)	582,307	974	583,281
Addition	20,052	21,493	41,545
Accelerated depreciation	(8,682)	–	(8,682)
Currency translation differences	(245)	–	(245)
Impairment	(663)	–	(663)
Write offs	(32,195)	–	(32,195)
At 31 December	2,424,798	22,467	2,447,265
<u>Current</u>			
		Nursery RM'000	
At 1 January		41,662	
Additions		27,660	
Transfer to non-current		(1,886)	
Charged to profit or loss		(25,945)	
At 31 December		41,491	

Net book value of biological assets on land without titles is RM172,478,000 (2013: RM115,180,000).

29 Biological Assets (continued)

Impairment test for biological assets – non-current

(i) Oil palm and rubber plantation estates

Changes in pricing assumption and an amendment to management plan to replant different crop for certain areas resulted in a reassessment of the impairment of certain biological assets in the current financial year.

The key assumptions used for the value in use calculation are as follows:

- (i) Discount rate of 11.5% (2013: 11.5%), which reflects specific industry risks relating to the plantation business, adjusted for other risk in respect of the planted area, for instance, size and age.
- (ii) Other key assumptions being similar to the key assumptions used to compute the fair value of the LLA liability (Refer Note 45).

The Group has recognised an impairment reversal of RM2,486,000 (2013: Impairment loss of RM663,000) which is recorded in costs of sales for the financial year ended 31 December 2014. The balance carrying amount continues to be subject to accelerated depreciation over the period to the year of planned replanting with a different crop.

(ii) Livestock

Based on a decision to dispose all cattle, an impairment of RM2,676,000 was recorded using fair value less costs to sell in costs of sales for the financial year ended 31 December 2014 while the remaining carrying amount of RM8,910,000 has been reclassified as assets held for sale (Refer Note 35).

30 Available-for-Sale Financial Assets

	Group	
	2014 RM'000	2013 RM'000 (Restated)
At 1 January, as restated	225,305	–
Acquisition of subsidiaries	–	225,305
Additions	715	–
Fair value gain transferred to available-for-sale reserve	17,665	–
At 31 December	243,685	225,305

Available-for-sale financial assets comprise the following:

Quoted equity securities:		
– In Malaysia	4,084	4,101
Unquoted equity securities:		
– In Malaysia	218,839	201,032
Quoted unit trust securities:		
– Outside Malaysia	20,762	20,172
	243,685	225,305

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For The Financial Year Ended 31 December 2014

30 Available-for-Sale Financial Assets (continued)

	Group	
	2014 RM'000	2013 RM'000 (Restated)
Available-for-sale financial assets are denominated in the following currencies:		
– Ringgit Malaysia	222,923	205,133
– Pakistan Rupee	20,762	20,172
	243,685	225,305

The fair values of unquoted securities are based on the average of price-to-book or price earnings ratio of similar equities in the market.

31 Inventories

	Group	
	2014 RM'000	2013 RM'000 (Restated)
At cost:		
– Finished goods	445,330	815,028
– Raw materials	1,043,870	798,824
– Work in progress	28,093	33,662
– Chemicals	36,434	42,891
– Stores, consumables and replaceable products	62,267	51,636
	1,615,994	1,742,041
At net realisable value:		
– Finished goods	146,300	46,458
– Raw materials	1,401	–
	147,701	46,458
	1,763,695	1,788,499

32 Financial Instruments at Fair Value through Profit or Loss

	Group	
	2014 RM'000	2013 RM'000
At 1 January	12,955	–
Acquisition of subsidiaries	–	14,962
Additions (net)	10,718	–
Fair value losses charged to profit or loss (Note 9)	(2,242)	(2,007)
As at 31 December	21,431	12,955
Quoted investments:		
In Malaysia	3,649	10,679
Outside Malaysia	17,782	2,276
	21,431	12,955
Financial instruments at fair value through profit or loss are denominated in the following currencies:		
– Ringgit Malaysia	3,649	5,487
– Australian Dollar	2,877	5,192
– Pakistan Rupee	14,905	2,276
	21,431	12,955

The fair value of all equity securities is based on their quoted bid prices in an active market.

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For The Financial Year Ended 31 December 2014

33 Derivative Financial Assets/(Liabilities)

	Group					
	2014			2013		
	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000
Foreign currency						
forward contracts	885,391	529	15,271	1,012,476	1,841	13,631
Sugar futures contracts	2,217	38	—	—	—	—
Oil palm futures contracts	61,753	61	2,524	143,707	148	1,730
Rubber forward contracts	9,977	2,078	19	20,787	1,510	—
Soy and canola future contracts	823,221	12,631	14,578	—	—	—
	1,782,559	15,337	32,392	1,176,970	3,499	15,361

The Group classifies derivative financial instruments as financial assets/liabilities at fair value through profit or loss. None of the derivatives are designated as hedges as the Group did not apply hedge accounting during the financial year.

The notional amount of contracts outstanding are as follows:

	2014	2013
Foreign currency forward contracts	USD258,557,000	USD298,605,000
Sugar futures contracts	28,905 MT	—
Palm oil futures contracts	23,045 MT	54,603 MT
Rubber forward contracts	1,333 MT	2,804 MT
Soy and canola futures contracts	1,100,712 MT	—

34 Cash and Cash Equivalents

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Fixed deposits in:				
– Licensed banks	1,852,171	2,149,268	17,000	2,661
– Licensed financial institutions	1,027,606	2,482,971	479,430	1,898,012
	2,879,777	4,632,239	496,430	1,900,673
Cash and bank balances	793,638	396,747	132,689	1,790
	3,673,415	5,028,986	629,119	1,902,463
Deposits, cash and bank balances	(111,592)	–	(111,592)	–
	3,561,823	5,028,986	517,527	1,902,463

Restricted cash relates to cash held in an escrow account amounting to RM111,592,000 (2013: Nil) for the purpose of an acquisition of a subsidiary.

The credit rating profiles of banks in which the fixed deposits have been placed are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
– AAA	1,258,966	2,190,545	45,314	874,429
– AA+	37,000	–	–	–
– AA-	1,000	1,000	–	–
– AA1	2,123	11,485	–	–
– AA2	804,633	1,063,621	80,081	157,931
– AA3	16,913	–	–	–
– A1	6,429	225,659	–	–
– A2	701,682	1,050,368	341,035	868,313
– Others*	51,031	89,561	30,000	–
	2,879,777	4,632,239	496,430	1,900,673

* Others comprises of funds which are invested in Government approved financial institutions regulated by the Bank Negara of Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

34 Cash and Cash Equivalents (continued)

The fixed deposits, cash and bank balances are denominated as follows:

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Ringgit Malaysia	3,313,457	4,888,000	517,527	1,902,463
United States Dollar	200,324	107,515	—	—
Canadian Dollar	7,106	22,998	—	—
Indonesian Rupiah	32,483	7,269	—	—
Great Britain Pound	117,025	113	111,592	—
Others	3,020	3,091	—	—
	3,673,415	5,028,986	629,119	1,902,463

The weighted average finance rates (per annum) of fixed deposits and bank balances that were effective at the financial year end were as follows:

	Group		Company	
	2014 %	2013 %	2014 %	2013 %
– Licensed banks	2.30	1.94	2.96	2.88
– Licensed financial institutions	3.19	2.55	3.16	3.15

Fixed deposits as at 31 December 2014 for the Group and Company have average maturity periods of 90 days (2013: 90 days) and 30 days (2013: 90 days) respectively. Cash and bank balances are deposits held at call with banks.

35 Assets held for Sale and Liabilities related to Assets held for Sale

The details of assets held for sale and liabilities related to assets held for sale are as follows:

	Group	
	2014 RM'000	2013 RM'000
<u>Assets</u>		
Property, plant and equipment	19,709	114,008
Biological assets	8,910	—
Inventories	—	24,578
Receivable	—	16,677
Tax recoverable	—	47
Deposit, cash and bank balances	—	4,610
Assets held for sale	28,619	159,920

35 Assets held for Sale and Liabilities related to Assets held for Sale (continued)

The details of assets held for sale and liabilities related to assets held for sale are as follows: (continued)

	Group	
	2014 RM'000	2013 RM'000
Liabilities		
Borrowings	–	89,888
Payables	–	4,912
Derivative financial liabilities	–	324
Retirement benefits	–	215
Liabilities related to assets held for sale	–	95,339

- (i) Included in the previous financial year was certain land that was identified for disposal. The disposal was completed in October 2014 and net proceeds of RM95,825,000 was received during the financial year.
- (ii) In 2013, the Group had approved a proposal to exit the cocoa business of Malaysia Cocoa Manufacturing Sdn. Bhd. ("MCM"), a subsidiary of FHB, with the disposal of 100% equity as the preferred option. In 2014, the Group had decided to sell the assets of the business instead of disposal of equity in the company.
- (iii) Included in the property, plant and equipment, are part of the assets of Feltex Company Limited, amounting to RM3,681,000, and RM11,584,000 of assets of MCM, both subsidiaries of FHB that have been classified as assets held for sale following the decision of the Group and commencement of efforts to sell.

36 Loan due from a Subsidiary

	Company	
	2014 RM'000	2013 RM'000
At 1 January	1,062	–
Loan advanced	–	1,062
At 31 December	1,062	1,062

Loan due from a subsidiary is unsecured, denominated in Pound sterling and repayable on demand at a profit rate of 1.5% (2013: 1.5%) per annum.

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For The Financial Year Ended 31 December 2014

37 Share Capital

	Group and Company	
	2014 RM'000	2013 RM'000
Authorised share capital:		
(a) Ordinary shares of RM1 per share At 1 January/31 December	4,000,000	4,000,000
(b) Special shares of RM1 per share At 1 January/31 December	*	*
Total as at 31 December	4,000,000	4,000,000
Issued and fully paid share capital:		
(a) Ordinary shares of RM1 per share At 1 January/31 December	3,648,152	3,648,152
(b) Special share of RM1 per share At 1 January/31 December	*	*

*RM1

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

The special share held by the Minister of Finance (Incorporated) has the following characteristics:

- (a) The Special Share may be held only by or transferred only to the Minister of Finance (Incorporated) or its successor or any Minister, representative or any person authorised by the Government of Malaysia to act on its behalf.
- (b) The Special Shareholder shall have the right from time to time to appoint any existing Director to be a Government Appointed Director so that there shall not be more than three (3) Government Appointed Director at any one time and such Government Appointed Directors shall hold the position of the Chairman of the Board of Directors, Managing Director/Chief Executive Officer and one (1) Director.
- (c) The Special Shareholder or any person acting on behalf of the Special Shareholder shall be entitled to receive notice of and to attend and speak at all general meetings or any other meeting of any class or shareholders of the Company, but the Special Share shall carry no right to vote nor any other rights at any such meeting.
- (d) The Special Shareholder may, subject to the provisions of the Acts, require the Company to redeem the Special Share at par at any time by serving written notice upon the Company and delivering the relevant share certificate.
- (e) In a distribution of capital in a winding up of the Company, the Special Shareholder shall be entitled to repayment of the capital paid up on the Special Share in priority to any repayment of capital to any other Member. The Special Share shall confer no other right to participate in the capital or profits of the Company.

38 Share Premium

Share premium is recognised in conjunction with the listing of the Company's shares on Main Market of Bursa Malaysia Securities Berhad. Share premium is not available for distribution as cash dividends.

39 Foreign Exchange Reserve

The foreign exchange reserve is used to record exchange difference arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It also represents the share of foreign exchange differences in the cumulative net investment of foreign associates and joint ventures.

40 Reorganisation Reserve

The reorganisation reserve represents the difference between the fair value of the purchase consideration and carrying value of the net assets acquired arising from the acquisition of plantation estates.

41 Other Reserves

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Available for sale reserves	32,456	13,739	—	—
Capital redemption reserves	10,052	10,052	10,052	10,052
	42,508	23,791	10,052	10,052

Available for sale reserves relates to the Group's share of available for sale reserves of joint ventures and associates.

Capital redemption reserves relates to reserve created upon redemption of RCPS/RCCPS as required by Companies Act, 1965.

42 Retained Earnings

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

43 Borrowings

	Group	
	2014 RM'000	2013 RM'000
<u>Current</u>		
Secured:		
Short term trade financing	254,665	17,498
Term loans	16,205	—
Finance lease liabilities	2,007	—
Unsecured:		
Short term trade financing	1,786,087	1,619,380
Term loan	6,581	1,231
	2,065,545	1,638,109
<u>Non-current</u>		
Secured:		
Term loans	417,989	—
Finance lease liabilities	3,064	—
Unsecured:		
Term loans	13,408	11,801
	434,461	11,801
<u>Total borrowings</u>		
Short term trade financing	2,040,752	1,636,878
Term loans	454,183	13,032
Finance lease liabilities	5,071	—
	2,500,006	1,649,910
Less: Repayable after more than one year	(434,461)	(11,801)
Repayable within one year	2,065,545	1,638,109

	Group	
	2014 RM'000	2013 RM'000

The maturity profile of borrowings are as follows:

Less than 1 year	2,065,545	1,638,109
Between 1 and 5 years	162,569	11,801
More than 5 years	271,892	—
	2,500,006	1,649,910

43 Borrowings (continued)

	Group	
	2014 RM'000	2013 RM'000
– Ringgit Malaysia	1,826,100	1,485,738
– United States Dollar	359,260	22,929
– Canadian Dollar	205,509	99,246
– Indonesia Rupiah	–	24,499
– Thai Baht	13,385	17,498
– Great Britain Pound	45,197	–
– Singapore Dollar	2,699	–
– Pakistan Rupee	47,856	–
	2,500,006	1,649,910

The borrowings are denominated as follows:

	Finance rate	Effective finance rate at date of statement of financial position % per annum
2014		
Short term trade financing	Fixed	2.26 – 6.60
Term loans	Fixed/floating	4.18 – 4.53
Finance lease liabilities	Fixed	4.68 – 7.95
2013		
Short term trade financing	Fixed	2.40 – 6.60
Term loans	Floating	6.00

The term loans include the followings:

- (i) RM251,964,000 Medium Term Notes (MTN) Programme's tenure is up to ten years from the date of issuance and repayment is to commence five years from the date of first issue. The MTN Programme is secured over leasehold land, fixed and floating charges over certain assets of the Group and a corporate guarantee provided by a subsidiary.
- (ii) RM182,230,000 term loans repayable over periods ranging between six to seven years commencing from 2014 to 2017 up to 2019 to 2022 and is secured over certain leasehold lands of the Group.
- (iii) RM14,988,000 term loans that is unsecured and repayable by 120 monthly instalments of RM138,775 commencing from January 2014.
- (iv) RM4,498,000 loan that is unsecured and payable semi-annually with a maturity date of August 2015.

Short term trade financing of RM254,665,000 (2013: RM17,498,000) is secured over certain property, plant and equipment, benefits of an insurance covering finished goods, and guaranteed by some of the directors and/or shareholders of certain subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

43 Borrowings (continued)

The carrying amounts and fair value of the total borrowings are as follows:

	Group			
	Carrying amount		Fair value	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Short term trade financing	2,040,752	1,636,878	2,040,752	1,636,878
Term loans	454,183	13,032	433,676	13,032
Finance lease liabilities	5,071	–	5,071	–
Total	2,500,006	1,649,910	2,479,499	1,649,910

The fair value of total borrowings equals their carrying amount, as the impact of discounting is not significant for borrowings other than certain term loans, which have fixed finance rate.

44 Loans due to a Significant Shareholder

	Group and Company	
	2014 RM'000	2013 RM'000
<u>Unsecured:</u>		
– Non-current	1,980,405	2,473,828
– Current	222,515	223,962
	2,202,920	2,697,790

During the financial year, the Company had made an early settlement of loans due to a significant shareholder amounting to RM285,000,000.

The loan is denominated as follows:

– Ringgit Malaysia	2,202,920	2,697,790
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44 Loans due to a Significant Shareholder (continued)

Effective finance rate for the loan is as follows:

	Group and Company			
	2014		2013	
	Finance rate	Effective finance rate at date of statement of financial position % per annum	Finance rate	Effective finance rate at date of statement of financial position % per annum
Loans due to a significant shareholder	Fixed	4.805	Fixed	4.955

The carrying amounts and fair value of the non-current and current loans due to a significant shareholder are as follows:

	Group and Company			
	Carrying amount		Fair value	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Loans due to a significant shareholder	2,202,920	2,697,790	2,210,231	2,703,437

The fair value of loans due to a significant shareholder is based on cash flows discounted using a rate based on the borrowing rate of 4.72% (2013: 4.84%). The fair value of the loans due to a significant shareholder is a Level 2 computation.

45 Land Lease Agreement ("LLA") Liability

The land lease agreement liability is calculated based on the terms set out in the various agreements as follows:

(i) Land Lease Agreement ("LLA")

The Company entered into an agreement with FELDA on 1 November 2011 to lease for a period of 99 years; (i) land with individual land titles issued to FELDA as the registered owner; (ii) existing land granted to FELDA for development but where individual land titles have not been issued to FELDA; and (iii) other land to be alienated or to be acquired by FELDA in the future.

FELDA may terminate lease on certain land as follows:

- Land with minerals, as the rights for minerals are excluded from the lease;
- Acquisition or intended acquisition under the Land Acquisition Act, 1960 ("LAA"), notice of reclamation by the relevant authority or such other notice of a similar nature issued pursuant to any legislation of Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

45 Land Lease Agreement ("LLA") Liability (continued)

The land lease agreement liability is calculated based on the terms set out in the various agreements as follows: (continued)

(i) Land Lease Agreement ("LLA") (continued)

In the event of termination, FELDA will provide a notice period ranging from 10 days – 18 months, depending on the size of the land and circumstances of the reclamation.

Upon reclamation, compensation will be receivable from FELDA by the Group for the loss of expected future profits in respect of the land, calculated based on the average profit per hectare and the age profile of the applicable biological assets given up.

For land reclaimed by FELDA on behalf of third parties under Tenancy Agreement dated on 21 January 2012, no compensation will be receivable by the Company.

(ii) LLA Addendum

On 2 January 2012, the Company entered into an addendum to LLA ("LLA Addendum") to acquire certain assets and liabilities other than biological assets of the plantation estates owned by FELDA for a purchase consideration equivalent to the carrying values of the assets and liabilities acquired as at 31 December 2011 amounting to RM54,690,000, removing the requirement for consents from State Authority prior to commencement of LLA and amending the definition of categories of assets requiring to be maintained by the Company. As a result, the LLA commenced on 1 January 2012.

(iii) Novation Agreement

On 6 January 2012, as part of its restructuring process, FELDA, the Company and Felda Global Ventures Plantations (Malaysia) Sdn. Bhd. ("FGVPM"), a subsidiary of the Company had entered into a novation agreement whereby all benefits, rights, title, interest, obligations, undertakings, covenants and liabilities of the Company under the LLA and LLA Addendum shall be transferred by the Company to FGVPM from 1 January 2012 and FELDA has consented to the transfer of all of the Company's benefits, rights, title, interest, obligations, undertakings, covenants and liabilities to FGVPM subject to the terms and conditions of the novation agreement.

(iv) Tenancy Agreements

On 6 January 2012, FELDA and FGVPM entered into a tenancy agreement in respect of the LLA of which this tenancy shall be for an initial period of three years and upon expiry of the three year period, FGVPM shall have the option to renew the tenancy for further terms of three years each up to a total duration of 99 years unless terminated in accordance with the provisions of the LLA. The option to renew shall be exercisable by written notice, or by conduct of the parties allowing continued enjoyment of rights of the Land by FGVPM under the agreement. In the event that the Approvals for any part of the Land are obtained from time to time or individual land titles are issued by the state authorities for any part of the Additional Existing Land and the Approvals are obtained, the parties will proceed to register the lease in accordance with the LLA, and thereafter the Approved Land shall be excluded from this agreement and the tenancy therein and shall fall under the lease in the LLA.

On 21 January 2012, FELDA and FGVPM entered into a tenancy agreement in respect of certain plantation land which are vested in FELDA. This tenancy shall commence on 1 January 2012 and shall be for an initial period of three years. Upon expiry of the initial tenancy agreement's three years term, FGVPM shall have the option to renew the tenancy for further terms of three years each up to a total duration of 99 years unless terminated in accordance with the provisions of the LLA and at an agreed consideration which reflects the Lease Consideration in accordance with the LLA. In the event FELDA loses rights to these land, no compensation is payable to FGVPM.

45 Land Lease Agreement ("LLA") Liability (continued)

The land lease agreement liability is calculated based on the terms set out in the various agreements as follows: (continued)

(v) Management Agreement

On 21 May 2012, the Tenancy Agreement dated 6 January 2012 was supplemented by an addendum, whereby both FELDA and FGVP agreed that as at 1 January 2012, FGVP has yet to be deemed or recognised as native in respect of the lands in Sarawak to the Land Code of Sarawak. Both FELDA and FGVP agree to exclude all the Sarawak Land from the Tenancy Agreement and the LLA. Both FELDA and FGVP agree that no lease consideration shall be deemed payable in respect of these Sarawak Land for the tenancy for the period commencing from 1 January 2012 until FGVP has duly obtained the status of native, all Approvals have been obtained and upon registration of the lease in accordance with the Land Code of Sarawak. Upon fulfilment of the aforementioned conditions, the Sarawak Lands will be included as part of the Remaining Existing Lands and the terms of the Land Lease Agreement shall be applicable in respect thereof and the accounting application shall remain the same as per LLA.

In the event the land or any part thereof at any time become affected by any notice by acquisition under Land Acquisition Act, 1960, the lessor may not be compensated for the termination costs.

(vi) Clarification Letter

On 17 July 2013, FELDA and FGVP agreed upon the clarification of several terms within the LLA and its ancillary agreements, as follows:

- Maintenance costs of utilities on the lands managed by FELDA in Sahabat shall be charged to FGVP;
- The refund of the security deposit paid by the company in respect of the LLA (Note 27) shall be by way of set-off towards any payment of the lease amount prior to expiry or sooner determination of the LLA; and
- The agreed formula to compute the Implied Revenue with respect to calculating the average fresh fruit bunches ("FFB") price used by FGVP in the preparation of the statement of plantation operating profit is now clarified via a detailed formula and accompanying assumptions

The leased land consists of planted oil palm and rubber areas. Based on the agreed leased area, the annual fixed lease amount payable is estimated to be RM248,463,661 (2013: RM248,481,322) per annum together with 15% (2013: 15%) of yearly plantation operating profit attributable to the land.

	2014 RM'000	2013 RM'000
Non-current	4,309,308	4,458,623
Current	371,521	385,767
	4,680,829	4,844,390

Movement in LLA liability is as follows:

At 1 January	4,844,390	5,664,769
Fair value changes charged/(credited) to profit or loss (Note 9)	115,240	(494,485)
Repayment during the financial year	(336,401)	(325,894)
Additional land acquired during the year	57,600	–
At 31 December	4,680,829	4,844,390

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For The Financial Year Ended 31 December 2014

45 Land Lease Agreement ("LLA") Liability (continued)

Fair value of the LLA liability has been measured using a discounted cash flow calculation using cash flow projections based on financial budgets approved by the Directors covering 96 years. The key assumptions used to compute the fair value of the LLA liability are as follows:

(i) Implied discount rate	9.47% (2013: 9.47%) based on discount rates applied by relevant comparable companies
(ii) CPO price	RM2,450/MT to RM2,630/MT (2013: RM2,450/MT to RM2,600/MT)
(iii) FFB price	RM509/MT to RM550/MT (2013: RM488/MT to RM524/MT)
(iv) Average FFB Yield (MT/ha)	19.1/MT to 27.3/MT (2013: 19.4/MT to 27.0/MT)
(v) Estate replanting fixed cost	<ul style="list-style-type: none">Matured – RM2,580 (2013: RM3,270) per hectare based on a 25 year cycle for oil palmImmature – RM6,346 (2013: RM9,414) per hectare based on a 25 year cycle for oil palm
(vi) Lease term	Extension of lease term to 99 years (2013: 99 years) will be obtained for all land in the plantation estates

The sensitivity of the LLA liability to changes in key assumptions is as follows:

Key assumptions	Change in assumption	Impact on LLA liability
(i) Implied discount rate	Increase by 0.5% Decrease by 0.5%	Decrease by RM273.8 million Increase by RM308.8 million
(ii) CPO price	Increase by RM100 per metric tonne Decrease by RM100 per metric tonne	Increase by RM162.6 million Decrease by RM171.8 million
(iii) Improvement/reduction in FFB yield	Increase/decrease by 1%	Increase/decrease by RM13.7 million
(iv) Change of total planted hectarage under LLA	Increase/decrease by 1,000 ha	Increase/decrease by RM7 million
(v) Estate planting costs	Increase/decrease by RM100 per ha	Increase/decrease by RM41.1 million

The Group had waived a portion of the compensation receivable from FELDA amounting to RM75,504,000 based on the original land identified for mining activities and the actual hectarage given up for mining activities. FELDA had agreed to lease the unaffected land back to the Group together with biological assets on terms similar to the LLA, which were accepted by the Group. As a result, the Group recognised RM57,565,000 representing the fair value of biological assets acquired.

46 Provisions

	Group		
	Provision for asset retirement RM'000	Provision for termination costs RM'000	Total RM'000
2014			
At 1 January	32,373	–	32,373
Unwinding of discount	38	–	38
Payment made during the financial year	(74)	–	(74)
Reversal of provision	(2,000)	–	(2,000)
Currency translation differences	360	–	360
At 31 December	30,697	–	30,697
Less: payable within 12 months	(87)	–	(87)
Non-current	30,610	–	30,610
2013			
At 1 January	4,806	106	4,912
Acquisition of subsidiary	27,000	–	27,000
Unwinding of discount	261	–	261
Payment made during the financial year	(43)	(105)	(148)
Currency translation differences	349	(1)	348
At 31 December	32,373	–	32,373
Less: payable within 12 months	(82)	–	(82)
Non-current	32,291	–	32,291

Provision for asset retirement relates to the Group's fatty acids manufacturing facility in USA and mills in Malaysia. The asset retirement obligation was based on detailed estimates, adjusted for inflation, escalated to the estimated spending dates, and then discounted using an average credit adjusted risk-free interest rate of which represents management's best estimate of the liability. Actual costs to be incurred in future periods may vary from estimates, given the inherent uncertainties in evaluating certain exposures subject to the imprecision in estimating the asset retirement obligation.

NOTES TO THE FINANCIAL STATEMENTS

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47 Provision for Defined Benefit Plan

The Group operates defined benefit retirement plans in Malaysia, Thailand and Indonesia for all eligible employees. All of the plans are lump sum payments depend on members' length of service and their salary in the final years leading up to retirement. As the retirement benefit plans are unfunded, the Group meets the defined benefit payment obligations as it falls due.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current				
– Retirement benefit scheme	22,936	20,399	486	101
– Housing assistance scheme	15,775	14,287	–	–
– Long service award	1,009	–	54	–
	39,720	34,686	540	101

The retirement benefit scheme is a final salary defined benefit plan with a guaranteed lump sum payment at retirement, which remains open to new entrants. The housing assistance scheme is a final salary defined benefit plan with a guaranteed lump sum payment at retirement or at an earlier exit through ill-health retirement or death-in-service in Malaysia, which remains open to new entrants. The long service award is for eligible employees that have served the Group for 20 years in Malaysia.

In the previous financial year, following the introduction of the Minimum Retirement Age Act 2012, the Group raised the normal retirement age of the retirement benefit scheme to 60 years for Malaysian employees. The amendment result in a decrease in the present value of benefits obligation. This decrease is represented as a negative past service cost recognised in the profit or loss amounting to RM2,034,000. However, the normal retirement age for the housing assistance scheme will remain at age 56 which will be payable at attainment of 56 years old, regardless of whether employees continue employment until the minimum retirement age of 60 years old. There will be no benefits payable for service earned from age 55 to 60.

The defined benefit plan for Indonesian subsidiary is described under Indonesian Labour Law No. 13/2003 and the Thailand subsidiary is under the Legal Severance Plan where the companies are required to pay legal severance payments to employees who leave employment at their retirement age, or are terminated by the companies without reason.

The movements during the financial year in the amounts recognised in the statement of financial position of the Group and Company are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Present value of unfunded obligation:				
At 1 January	34,686	19,429	101	186
Acquisition of subsidiary	–	16,026	–	–
Charge/(credit) to profit or loss	6,759	563	78	(32)
Benefits paid	(1,840)	(1,544)	–	(34)
Re-measurement	193	212	83	(19)
Currency translation difference	(78)	–	–	–
Transfer	–	–	278	–
At 31 December	39,720	34,686	540	101

47 Provision for Defined Benefit Plan (continued)

The remeasurement amounts recognised in the other comprehensive income are determined as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Re-measurement:				
– Changes in financial assumptions	(805)	(96)	(12)	(1)
– Experience adjustments	688	308	76	(18)
– Changes in demographic assumptions	310	–	19	–
	193	212	83	(19)

The amounts recognised in profit or loss are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current service cost	2,627	1,711	24	(42)
Finance cost	1,784	886	8	10
Past service cost	2,348	(2,034)	46	–
Expense recognised in profit or loss	6,759	563	78	(32)

The defined benefit obligations for the Group by country are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Present value of obligation:				
– Malaysia	38,918	33,901	540	101
– Indonesia	698	560	–	–
– Thailand	104	225	–	–
	39,720	34,686	540	101

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

47 Provision for Defined Benefit Plan (continued)

The principal actuarial assumptions used in respect of the Group's and the Company's unfunded defined retirement benefits are as follows:

	Group		Company	
	2014 %	2013 %	2014 %	2013 %
Discount rate	5.50	5.25	5.50	5.25
Expected rate of salary increase	5.00	5.00	5.00	5.00

The sensitivity of the defined benefit obligation of the Group to changes in the weighted principal assumption is:

	Change in assumption	Impact on defined benefit obligation RM'000
(i) Discount rate	Increase 1% Decrease 1%	Decrease by RM3,127 Increase by RM3,580
(ii) Salary growth rate	Increase 1% Decrease 1%	Increase by RM715 Decrease by RM886

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the benefit liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous financial year.

The weighted average duration of the defined benefit obligation is 31 to 39 (2013: 29 to 38) years.

Expected maturity analysis of undiscounted defined benefit obligation:

	Less than a year RM'000	Between 1-2 years RM'000	Between 2-5 years RM'000	Over 5 years RM'000	Total RM'000
Provision for defined benefit plan At 31 December 2014	1,074	1,773	8,381	156,232	167,460
At 31 December 2013	843	1,555	5,417	143,303	151,118

48 Deferred Taxation

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Subject to income tax				
– Deferred tax assets	1,254,586	1,281,465	24,873	21,257
– Deferred tax liabilities	(734,185)	(743,919)	–	–

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Deferred tax assets:				
– Deferred tax assets to be recovered after more than 12 months	1,104,053	1,134,719	22,340	18,035
– Deferred tax assets to be recovered within 12 months	150,533	146,746	2,533	3,222
	1,254,586	1,281,465	24,873	21,257
Deferred tax liabilities:				
– Deferred tax liabilities to be recovered after more than 12 months	599,685	692,874	–	–
– Deferred tax liabilities to be recovered within 12 months	134,500	51,045	–	–
	734,185	743,919	–	–
Deferred tax assets (net)	520,401	537,546	24,873	21,257

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

48 Deferred Taxation (continued)

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
At 1 January	537,546	1,388,249	21,257	6,435
Acquisition of subsidiaries	(21,486)	(641,426)	—	—
Credited/(charged) to profit or loss (Note 14):				
– intangible assets	8,191	1,734	(508)	(139)
– investment properties	1,961	—	(491)	—
– property, plant and equipment	12,232	(10,874)	181	(804)
– biological assets	(16,178)	—	—	—
– inventories	15,137	2,603	—	—
– receivables	(9,437)	(4,834)	—	—
– payables	25,374	5,950	(613)	1,984
– unused tax losses	15,081	14,220	5,047	13,781
– LLA liability	(40,890)	(243,726)	—	—
– others	(11,838)	20,850	—	—
	(367)	(214,077)	3,616	14,822
Currency translation differences	4,708	4,800	—	—
At 31 December	520,401	537,546	24,873	21,257
Deferred tax assets				
– receivables	—	9,164	—	—
– property, plant and equipment	35,198	28,024	—	—
– intangible assets	4,322	7,953	—	—
– inventories	9,383	5,371	—	—
– LLA liability	1,131,576	1,172,466	—	—
– payables	82,265	56,168	3,206	3,819
– unused tax losses	135,883	120,802	23,966	18,919
– others	22,734	29,741	—	—
Amount before offsetting	1,421,361	1,429,689	27,172	22,738
Offsetting	(166,775)	(148,224)	(2,299)	(1,481)
	1,254,586	1,281,465	24,873	21,257

48 Deferred Taxation (continued)

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Deferred tax liabilities				
– intangible assets	(42,652)	(43,203)	(1,173)	(665)
– investment properties	1,961	–	(491)	–
– property, plant and equipment	(812,834)	(812,742)	(635)	(816)
– prepaid lease payments	(2,306)	(2,306)	–	–
– biological assets	(38,083)	(18,010)	–	–
– receivables	(3,824)	(2,864)	–	–
– inventories	(491)	(11,616)	–	–
– others	(2,731)	(1,402)	–	–
Amount before offsetting	(900,960)	(892,143)	(2,299)	(1,481)
Offsetting	166,775	148,224	2,299	1,481
	(734,185)	(743,919)	–	–

The amount of deductible temporary differences and unused tax losses (a portion of which have expiry dates ranging from 2029 to 2032 (2013: ranging from 2029 to 2032)) for which no deferred tax assets are recognised in the statement of financial position by certain subsidiaries as the Directors are of the view it is not probable that sufficient taxable profits will be available to allow the deferred tax assets to be utilised is as follows:

	Group	
	2014 RM'000	2013 RM'000
Unused tax losses	401,431	369,431

49 Financial Guarantee Contract

Company

In the previous financial year, the financial guarantee contract relates to financial guarantee contract provided by the Company to provide funding for all of a related company's obligations under the promissory note in the event of default (Note 26).

The financial guarantee has been derecognised in the current financial year following the full settlement of the promissory note.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

50 Payables

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Trade payables	475,477	468,737	–	–
Other payables and accruals	941,890	923,036	52,642	19,705
Amount due to customer on contracts (Note 51)	136	921	–	–
	1,417,503	1,392,694	52,642	19,705

The payables are denominated as follows:

– Ringgit Malaysia	1,089,169	1,048,289	52,642	19,705
– United States Dollar	228,959	266,047	–	–
– Canadian Dollar	37,203	25,695	–	–
– Thai Baht	1,259	3,059	–	–
– Pakistan Rupee	4,911	1,386	–	–
– Indonesian Rupiah	4,551	4,568	–	–
– Great Britain Pound	50,400	43,510	–	–
– Others	1,051	140	–	–
	1,417,503	1,392,694	52,642	19,705

The credit terms of trade payables range up to 90 days (2013: up to 90 days).

The fair value of the payables equal their carrying value, as the impact of discounting is not significant.

51 Construction Contracts

	Group	
	2014 RM'000	2013 RM'000
Cost incurred to date	43,704	40,155
Attributable profits less foreseeable losses	4,466	4,818
	48,170	44,973
Less: Progress billings	(42,072)	(40,256)
	6,098	4,717
Amounts due from customers on contracts (Note 27)	6,234	5,638
Amounts due to customers on contracts (Note 50)	(136)	(921)
	6,098	4,717

52 Financial Instruments

Financial instruments by category

Group	31 December 2014			
	Loans and receivables RM'000	Assets at fair value through profit and loss RM'000	Available-for-sale RM'000	Total RM'000
<u>Assets as per statement of financial position</u>				
Available-for-sale financial assets	–	–	243,685	243,685
Trade and other receivables excluding prepayments	1,110,669	–	–	1,110,669
Amount due from a significant shareholder	79,233	–	–	79,233
Amounts due from joint ventures	328,941	–	–	328,941
Amount due from an associate	36	–	–	36
Amounts due from other related companies	63,964	–	–	63,964
Financial assets at fair value through profit or loss	–	21,431	–	21,431
Derivative financial instruments	–	15,337	–	15,337
Cash and cash equivalents	3,673,415	–	–	3,673,415
Total	5,256,258	36,768	243,685	5,536,711
Group	Liabilities at fair value through profit and loss RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000	
<u>Liabilities as per statement of financial position</u>				
Amount due to a significant shareholder	–	240,444	240,444	
Amounts due to other related companies	–	9,136	9,136	
Loans due to a significant shareholder	–	2,202,920	2,202,920	
Borrowings	–	2,500,006	2,500,006	
LLA liability	4,680,829	–	4,680,829	
Derivative financial instruments	32,392	–	32,392	
Trade and other payables excluding non-financial liabilities	–	1,248,418	1,248,418	
Total	4,713,221	6,200,924	10,914,145	

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For The Financial Year Ended 31 December 2014

52 Financial Instruments (continued)

Financial instruments by category (continued)

Group	31 December 2013			
	Loans and receivables RM'000	Assets at fair value through profit and loss RM'000	Available-for-sale RM'000	Total RM'000
<u>Assets as per statement of financial position</u>				
Available-for-sale financial assets	–	225,305	225,305	225,305
Trade and other receivables excluding prepayments	1,280,042	–	–	1,280,042
Amount due from a significant shareholder	81,923	–	–	81,923
Amounts due from joint ventures	421,838	–	–	421,838
Amount due from an associate	37	–	–	37
Amounts due from other related companies	29,060	–	–	29,060
Financial assets at fair value through profit or loss	–	12,955	–	12,955
Derivative financial instruments	–	3,499	–	3,499
Cash and cash equivalents	5,028,986	–	–	5,028,986
Total	6,841,886	16,454	225,305	7,083,645

Group	Liabilities at fair value through profit and loss RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
<u>Liabilities as per statement of financial position</u>			
Amount due to a significant shareholder	–	386,921	386,921
Amounts due to joint ventures	–	23,000	23,000
Amounts due to other related companies	–	4,723	4,723
Loans due to a significant shareholder	–	2,697,790	2,697,790
Borrowings	–	1,649,910	1,649,910
LLA liability	4,844,390	–	4,844,390
Derivative financial instruments	15,361	–	15,361
Trade and other payables excluding non-financial liabilities	–	1,199,805	1,199,805
Total	4,859,751	5,962,149	10,821,900

52 Financial Instruments (continued)

Financial instruments by category (continued)

Company	Loans and receivables For the financial year ended 31 December	
	2014 RM'000	2013 RM'000
<u>Assets as per statement of financial position</u>		
Trade and other receivables excluding prepayments	87,975	173,470
Amount due from a significant shareholder	2,308	377
Amounts due from subsidiaries	101,761	58,584
Amounts due from other related companies	1,571	61
Loan due from a subsidiary	1,062	1,062
Cash and cash equivalents	629,119	1,902,463
Total	823,796	2,136,017

Company	Other financial liabilities at amortised cost For the financial year ended 31 December	
	2014 RM'000	2013 RM'000
<u>Liabilities as per statement of financial position</u>		
Trade and other payables excluding non-financial liabilities	52,642	19,705
Amount due to a significant shareholder	6,623	3,833
Amounts due to subsidiaries	134,011	88,734
Amounts due to other related companies	354	563
Loans due to a significant shareholder	2,202,920	2,697,790
Financial guarantee contract	–	26,952
Total	2,396,550	2,837,577

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

53 Significant Related Party Transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances.

Federal Land Development Authority ("FELDA"), a significant shareholder of the Company, effectively owns 33.7% (2013: 38.6%) of the issued share capital of the Company. FELDA is a statutory body corporate set up under the Land Development Act 1956, and controlled by the Malaysian Government. The Group considers that, for the purpose of FRS 124 – "Related Party Disclosures", FELDA and the Malaysian Government is in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government controlled bodies (collectively referred to as "government-related entities") are related parties of the Group and the Company.

Apart from the individually significant transactions as disclosed in Notes 28, 44, 45, 53(b)(iv), 53(c) and 53(e)(ii) to the financial statements, the Group and the Company have collectively, but not individually, significant transactions with other government-related entities which include but not limited to the following:

- (i) Purchasing of goods and services, including use of public utilities and amenities
- (ii) Placing of bank deposits with government-related financial institutions

These transactions are conducted in the ordinary course of the Group's business on terms consistently applied in accordance with the Group's internal policies and processes. These terms do not depend on whether the counterparties are government-related entities or not.

In the prior year, FHB was an associate of the Company. For the consolidated statements of comprehensive income of the Group for the financial year ended 31 December 2013, transactions with FHB and its group of companies were treated as transactions with associates. For the consolidated statements of financial position of the Group as at 31 December 2013, FHB and its group of companies were treated as subsidiaries of the Group.

Related parties and relationships are summarised as follows:

(i) Subsidiaries

Felda Global Ventures Plantations (Malaysia) Sdn. Bhd. ("FGVPM")
Kilang Gula Felda Perlis Sendirian Berhad ("KGFP")
Twin Rivers Technologies Holdings, Inc ("TRTH")
Twin Rivers Technologies Holdings Enterprise De Transformation De Graines Oleagineuses ("TRT ETGO")
Felda Holdings Berhad ("FHB")
Pontian United Plantations Berhad ("PUP")
Delima Oil Products Sdn. Bhd. ("DOPSB")
Felda Agricultural Services Sdn. Bhd. ("FASSB")
Felda Engineering Services Sdn. Bhd. ("FESSB")
Felda Kernel Products Sdn. Bhd. ("FKPSB")
Felda Marketing Services Sdn. Bhd. ("FELMA")
Felda Palm Industries Sdn. Bhd. ("FPISB")
Felda Prodata Systems Sdn. Bhd. ("Prodata")
Felda Rubber Industries Sdn. Bhd. ("FRISB")
Felda Security Services Sdn. Bhd. ("FSSSB")
FPM Sdn. Bhd. ("FPMSB")
Felda Vegetable Oil Products Sdn. Bhd. ("FVOPSB")
Felda Travel Sdn. Bhd. ("Felda Travel")
Felda Bulkers Sdn Bhd ("FBSB")

53 Significant Related Party Transactions (continued)

Related parties and relationships are summarised as follows: (continued)

(ii) Joint ventures

FPG Oleochemicals Sdn. Bhd. ("FPG")
 Bunge ETGO L.P. ("Bunge ETGO")
 Felda Iffco Sdn. Bhd. ("FISB Group")
 MAPAK Edible Oil Pvt. Ltd. ("MAPAK")

(iii) Other related parties

<u>Other related companies</u>	<u>Relationship</u>
Felda Iffco Inc ("FINA")	Former subsidiary of FISB
Yayasan Felda	Entity controlled by FELDA

(a) Sales of goods, services and investments

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
(i) <u>Transactions with subsidiaries</u>				
Dividend received from subsidiaries	–	–	606,538	273,819
Management fees received from subsidiaries	–	–	109,551	23,830
(ii) <u>Transactions with joint ventures</u>				
Tolling fees income of TRT ETGO from Bunge ETGO	–	21,782	–	–
Sales of CPO by FGVP to FISB Group	2,093,887	2,189,549	–	–
Sales of CPKO, RBDPKO and PFAD by FKPSB to FISB Group and FPG	1,131,996	–	–	–
Sales of Processed Palm Oil ("PPO") by FELMA to FISB Group	137,559	–	–	–
Provision of storage space for vegetable oil by FBSB to FISB Group and FPG	16,207	–	–	–
Sales of CPO by FGVP to MAPAK	231,278	–	–	–
(iii) <u>Transactions with subsidiaries of FHB</u>				
Sales of FFB by FGVP to FPISB	–	2,242,503	–	–
Sales of cup lumps and latex by FGVP to FRISB	–	38,280	–	–
Sales of CPO by FGVP to FVOPSB and DOPSB	–	2,750,741	–	–
Sales of CPO by PUP to FVOPSB	–	27,143	–	–
Management fees charged by Company to subsidiaries of FHB	–	52,051	81,180	52,051

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

53 Significant Related Party Transactions (continued)

Related parties and relationships are summarised as follows: (continued)

(a) Sales of goods, services and investments (continued)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
(iv) <u>Transactions with FELDA Group</u>				
Sales of fertilizer by FPMSB	253,708	—	—	—
IT services rendered by Prodata	39,165	—	—	—
Security services rendered by FSSSB	25,751	—	—	—
Sales of seedlings and planting materials by FASSB	15,610	—	—	—
Maintenance and consultancy services by FESSB	99,872	—	—	—

(b) Purchase of goods and services

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
(i) <u>Transactions with subsidiary</u>				
Management fees charged by FHB	—	55,909	40,595	42,216
(ii) <u>Transactions with a joint venture</u>				
Purchase of CPO by FELMA from FISB Group	110,797	—	—	—
(iii) <u>Transactions with subsidiaries of FHB</u>				
Purchase of coconut oil and other palm oil products by TRTH from FELMA	—	61,353	—	—
Purchase of fertilizer and compost by FGVP and KGFP from FPMSB and FPISB	—	306,179	—	—
Purchase of chemicals and seedlings by FGVP and KGFP from FASSB	—	33,959	—	—
Purchase of CPO by FGVP from FPISB	—	6,977,255	—	—
Purchase of IT services from Prodata	—	16,450	12,606	2,281
Purchase of marketing services from FELMA	—	11,606	—	—
Purchase of security services from FSSSB	—	56,556	493	292
Purchase of travel services from Felda Travel	—	13,874	11,030	8,543

53 Significant Related Party Transactions (continued)

(b) Purchase of goods and services (continued)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
(iv) Transactions with FELDA Group				
Finance expense charged	128,184	93,085	128,184	93,085
Building rental charged	18,538	7,185	3,110	4,699
Share of infrastructure cost in Sabah charged to FGVPM	25,918	16,902	–	–
LLA liability paid by FGVPM	336,401	325,894	–	–
Contribution to Yayasan FELDA	22,782	9,970	772	50
Purchase of latex by FRISB	91,581	–	–	–
Purchase of FFB by FPISB	2,894,632	–	–	–
(Waiver)/compensation receivable by FGVPM	(75,500)	82,938	–	–

(c) Transactions with Government-related entities

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<u>Transactions between subsidiaries and other government agencies</u>				
Sugar subsidy from Kementerian, Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan	–	134,623	–	–
Cooking oil subsidy received from Malaysia Palm Oil Board ("MPOB")	160,014	–	–	–
CPO export tax paid to Kastam Diraja Malaysia	39,465	58,190	–	–

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

53 Significant Related Party Transactions (continued)

(d) Key management compensation

Key management personnel comprise of Directors and senior management with the rank of Vice President and above, having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

The aggregate amount of emoluments received/receivable by key management personnel of the Group and the Company during the year is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fees	4,340	2,707	2,091	2,039
Salaries and bonuses	24,406	16,097	23,716	14,737
Defined contribution retirement plan	4,574	3,388	4,463	3,144
Other short-term employee benefits	1,776	1,912	1,672	1,798
	35,096	24,104	31,942	21,718

(e) Loans due from a significant shareholder

Terms and conditions of the loan are disclosed in Note 44 to the financial statements.

	Group and Company	
	2014 RM'000	2013 RM'000
At 1 January	2,697,790	1,840,271
Addition	–	1,067,400
Repayment	(499,286)	(214,286)
Finance expense	134,046	93,085
Finance paid	(129,630)	(88,680)
At 31 December	2,202,920	2,697,790

54 Commitments

(a) Operating lease arrangements

(i) The Group as lessee:

The Group leases premises, railroads cars, storage tanks, meal storage facilities and certain equipments from various parties under operating lease arrangements.

None of the leases includes contingent rentals. There are no restrictions placed upon the Group by entering into these leases.

The future aggregate minimum lease payments under non-cancellable operating lease are as follows:

	Group	
	2014 RM'000	2013 RM'000
Within 1 year	21,818	6,306
Between 1 and 2 years	21,090	13,669
Between 2 and 3 years	15,273	11,821
Between 3 and 4 years	12,539	9,933
Between 4 and 5 years	10,073	9,591
More than 5 years	34,371	39,270
	115,164	90,590

The lease payments recognised in profit or loss during the financial year amounted to RM7,918,000 (2013: RM6,659,000).

(ii) The Group as lessor:

Operating lease receipts represent rentals receivable by the Group for natural oil tanks and oil pipeline system rented out.

The future aggregate minimum lease receivables under non-cancellable operating lease are as follows:

	Group	
	2014 RM'000	2013 RM'000
Within 1 year	524	1,008
Between 1 and 2 years	–	439
	524	1,447

Rental income recognised in profit or loss during the financial year amounted RM1,341,000 (2013: RM309,000).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

54 Commitments

(b) Capital commitments

	Group	
	2014 RM'000	2013 RM'000
Capital expenditure approved and contracted for:		
– Property, plant and equipment	477,451	444,787
– Biological assets	22,351	10,639
– Intangible assets	–	1,367
Capital expenditure approved but not contracted for:		
– Property, plant and equipment	508,144	413,930
– Biological assets	114,269	66,101
	1,122,215	936,824

55 Contingent Liabilities

- (i) On 3 September 2010, FPISB and FELDA were sued by 514 settlers of Felda Serting Scheme and 252 settlers of Felda Gugusan Raja Alias Scheme in Jempol, Negeri Sembilan for alleged fraud and manipulation of the extraction rate for palm oil. The claim amounted to RM15.4 million for year the 2008 only. The matter is still on going and the Court has now fixed the matter for continued trial on 20 May 2015.
- (ii) On 12 July 2011, FPISB and FELDA were sued by 711 settlers of Felda Jengka 1 to 25 and Felda Sg. Tekam in Temerloh, Pahang (Jengka A) for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM22.9 million for year the 2008 only. This case was called for mention on 18 September 2013 and the Judge has ordered the Plaintiffs to determine who actually has the locus standi to sue in this suit and to determine which Plaintiffs have signed agreements with Felda. The Court has now fixed the matter for continued trial on 12 and 13 May 2015.
- (iii) On 10 November 2011, FPISB and FELDA were sued by 365 settlers of Felda Jengka 1 to 7, 10, 13 to 19, 23 to 24, Felda Ulu Jempol and Felda Sg. Tekam Utara (Jengka B) for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM11.7 million for the year 2008 only. The Court had on 19 April 2012 allowed an order in terms for application by FELDA and FPISB to strike out 20 Plaintiffs with costs. The matter fixed for trial on 11 to 15 August 2014 have been vacated to give priority to hear Jengka A case. The Court has yet to fix trial dates for this case.
- (iv) On 20 September 2011, FPISB and FELDA were sued by 550 settlers of Gugusan Bera for alleged fraud and manipulation of the extraction rate of palm oil. The plaintiffs are claiming for a share from the sale of kernel, burn ash and sludge oil which was derived from their FFB consignments sold to FPISB's mills. The claim amounted to RM19.2 million for the year 2008 only. FPISB has filed Memorandum of Appearance in High Court on 15 November, a Statement of Defence on 3 January 2012 and have also filed an application to Strike-Out Ground on Plaintiffs' claims on 25 January 2012. The Court has now fixed the matter for continued trial on 1 to 6 June and 15 to 19 June 2015.
- (v) On 10 May 2012, FPISB and FELDA were sued by 770 settlers of Rancangan Felda Chini 1 to 5 and Rancangan Felda Chini Timur 1 to 3 in Pahang for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM24.8 million for the year 2008 only. FPISB has to file a Memorandum of Appearance in High Court on 16 May 2012. The matter was heard on 25,26,27,28,29 August 2014 and continued hearing on 19, 20 & 21 November 2014 was vacated. The Court has fixed this matter for continued trial on 31 March and 1 April 2015.

55 Contingent Liabilities (continued)

- (vi) On 5 June 2012, FPISB and FELDA were sued by 956 settlers of Rancangan Felda Keratong 1 to 10 for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM30.9 million for the year 2008 only. FPISB has filed a Memorandum of Appearance in High Court on 26 June 2012 and the Kuantan Court has yet to fix trial dates for this case.
- (vii) On 25 January 2013, FPISB and FELDA were sued by 351 settlers of Rancangan Felda Mempaga for alleged fraud and manipulation of the extraction of palm oil. The claim amounted to RM11.3 million for the year 2008 only. The matter which was fixed for trial on 22nd to 26th September 2014 have been vacated to give priority to hear Jengka A case. The Court has yet to fix trial dates for this case.

The remaining claims are not material to be disclosed in the financial statements and deemed remote by the Directors. The above amounts are shown at gross before accounting for non-controlling interests and effects of the five years indemnity provided by Koperasi Permodalan Felda Berhad ("KPF") in December 2013 as part of the acquisition of KPF's interest in FHB.

Based on available information and on legal advices received, the Directors are of the view that there is a reasonable chance of defending all the above claims and therefore, no provision has been made in the financial statements.

56 Significant Events during the Financial Year

- (a) On 14 January 2014, a subsidiary of Felda Global Ventures Downstream Sdn. Bhd. ("FGVD"), FGV Cambridge Nanosystems Limited (previously known as Cambridge Nanosystems Limited), has signed a Share Purchase Agreement for acquisition of GasPlas AS ("GP"), for a purchase price of GBP5.9 million (RM31.9 million). GP is a company incorporated in Norway and through its wholly-owned subsidiary, EnPlas Ltd which is incorporated in United Kingdom and based in Norwich, collectively holds patents and owned Micro-Wave Plasma reactors which will be used to produce high grade carbon nanotubes and graphene using crude palm oil and methane as the feedstock using a certain technology. The acquisition of GP was completed on 16 January 2014.
- (b) On 8 March 2014, a wholly-owned subsidiary of the Company, FGV Myanmar (L) Pte. Ltd. entered in a joint venture agreement with Pho La Min Trading Company Limited ("PLM") to establish a joint venture company in the Republic Union of Myanmar to carry out the business of rubber plantation, processing, sale and marketing of rubber and other activities incidental and ancillary thereto and modifications and/or expansions thereof as mutually agreed by the parties. The joint venture company, FGV Pho La Min Company Limited was formed on 26 May 2014 and is presently dormant.
- (c) On 7 April 2014, the Board of Directors of the Company approved to increase the share capital of Felda Global Ventures Plantation Sdn. Bhd. ("FGVP") and Felda Global Ventures Kalimantan Sdn. Bhd. ("FGVK") by RM80,000,000 for the purpose of increasing the shareholders (FGVK) contribution of RM80,000,000 in Trurich Resources Sdn. Bhd. ("TRSB") which was completed in July 2014. The total shareholders contribution amounting to RM160,000,000 into TRSB is equally contributed between FGVP and Lembaga Tabung Haji.
- (d) On 23 May 2014, FGV Cambodia (L) Pte. Ltd ("FGVC"), a wholly-owned subsidiary of FGV Investment (L) Pte Ltd, entered into a shareholders' agreement with Co-Op Village Co. Ltd to establish FGV-CVC (Cambodia) Co. Ltd. ("FGV-CVC") in the Kingdom of Cambodia to carry out the business of production and export of CSR 10 Rubber Blocks or other classification of processed rubber. FGV-CVC was incorporated on 4 June 2014 and operations commenced in September 2014.
- (e) On 31 May 2014, Felda Holdings Bhd. ("FHB"), a wholly-owned subsidiary of the Company, disposed of its 45.0% equity interest in Voray Holdings Limited for a total consideration of RM9.64 million, which resulted in a gain on disposal of RM12.62 million.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

56 Significant Events during the Financial Year (continued)

(f) On 29 August 2014, Merrill Lynch (Singapore) Pte. Ltd. had, on behalf of the Company, served the notice of voluntary conditional cash offer ("the Offer") to acquire all the issued and paid up capital of Asian Plantations Limited ("APL"), a company listed on the Alternative Investment Market of the London Stock Exchange ("AIM") for a cash consideration of £2.20 (approximately the equivalent of RM11.50).

On 13 October 2014, the Company received valid acceptances for a total of 43,915,662 APL shares, representing 93.9% of the total number of issued shares. On 22 October 2014, the Company received valid acceptances (which have not been withdrawn) in respect of 45,438,108 APL shares, representing approximately 97.2% of the total number of issued shares. Subsequently, on 27 October 2014, the Company received valid acceptances totalling 45,648,088 APL shares, representing approximately 97.6%.

On 14 October 2014, APL announced that their securities will be cancelled from trading on AIM with effect from 11 November 2014.

On 31 October 2014, the Company despatched to the shareholders who have not accepted the Offer ("the Dissenting Shareholders") the following documents:

- (i) a letter ("CA Letter") with regards to FGVH's exercise of its right of compulsory acquisition and the right of such Dissenting Shareholders to require FGVH to acquire the shares held by them; and
- (ii) a Notice to Dissenting Shareholder and a Notice to Non-Assenting Shareholder.

As at 31 October 2014, the acquisition of 100% APL was completed with a purchase consideration of RM567,898,000.

(g) On 31 October 2014, the Company entered into a conditional agreement for the acquisition of the entire equity interest of Felda Iffco South China Ltd ("FISC") from Felda Iffco Sdn. Bhd. ("FISB"), a joint venture company of the Company, for a total purchase consideration of RMB320 million (RM173.24 million) which shall be payable in three instalments. On 3 November 2014, the Company paid RMB160 million (RM86.62 million) upon execution of the agreement.

57 Significant Events after the Reporting Period

(a) On 28 January 2015, FGVH through its wholly-owned subsidiary, Felda Global Ventures Kalimantan Sdn. Bhd. ("FGVK") had received the approval from the Ministry of Law and Justice and Human Rights of Indonesia for the incorporation of PT Bumi Agro Nusantara ("PT BAN").

The entire issued and paid-up share capital of PT BAN is RM873,045 and are held by FGVK (99.6%) and Felda Global Ventures Plantation Sdn. Bhd. (0.4%) respectively. The intended principal activity of PT BAN is to carry on the business of management and consulting services.

(b) On 28 January 2015, FGVD, a wholly-owned subsidiary of the Company has exercised its option to purchase 20% of the issued and paid-up share capital of FGV Lipid Venture Sdn. Bhd. ("FGV Lipid") from Lipid Venture Sdn. Bhd. ("LVS") by way of a Supplemental Agreement dated 28 January 2015 to the Joint Venture and Shareholders' Agreement between FGVD and LVS dated 13 November 2013.

Pursuant thereto, FGVD has raised its shareholdings in FGV Lipid from current 40% to 60% which resulted in FGV Lipid becoming a subsidiary of FGVD.

58 Adjustment to purchase price Allocation for Acquisition of Subsidiaries

During the financial year, the Group completed the purchase price allocation of the assets and liabilities of subsidiaries acquired in previous financial year namely Felda Holdings Bhd. ("FHB") and FGV Cambridge Nanosystems Limited (previously known as Cambridge Nanosystems Limited ("FGV CNS")).

The effects of prior year restatement on the Group's financial statements are as follows:

	As previously reported RM'000	Effect of prior year restatement RM'000	As restated RM'000
<u>Statements of financial position as at 31 December 2014</u>			
Property, plant and equipment	5,682,552	28,964	5,711,516
Investment properties	129,628	17,954	147,582
Intangible assets	876,261	112,255	988,516
Interest in associates	371,063	(157,945)	213,118
Interest in joint ventures	547,564	87,198	634,762
Available for sale financial assets	211,575	13,730	225,305
Inventories	1,740,099	48,400	1,788,499
Receivables (current assets)	1,351,512	25	1,351,537
Cash and cash equivalents	5,028,873	113	5,028,986
Payables	(1,349,184)	(43,510)	(1,392,694)
Deferred tax liabilities	(620,192)	(123,727)	(743,919)
Non-controlling interests	(2,374,788)	16,543	(2,358,245)

59 Approval of Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 25 March 2015.

SUPPLEMENTARY INFORMATION

For The Financial Year Ended 31 December 2014

60 Realised and Unrealised Retained Earnings

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained earnings of the Company and its subsidiaries:				
– realised	4,002,362	4,090,421	190,521	329,741
– unrealised	(287,921)	(249,888)	24,873	18,940
	3,714,441	3,840,533	215,394	348,681
Total share of retained earnings from joint ventures:				
– realised	204,318	(75,625)	–	–
– unrealised	(55,661)	(63,380)	–	–
	148,657	(139,005)	–	–
Total share of retained earnings from associates:				
– realised	130,219	(2)	–	–
– unrealised	(6,987)	–	–	–
	123,232	(2)	–	–
Less: consolidation adjustments	(2,570,608)	(2,022,376)	–	–
	1,415,722	1,679,150	215,394	348,681

The unrealised portion of retained earnings comprises deferred tax expense, cumulative net gains arising from financial instruments at fair value through profit and loss and translation gains and losses on monetary items denominated other than in Ringgit Malaysia.

ANALYSIS ON SHAREHOLDINGS

As at 15 April 2015

Authorised Share Capital	:	RM4,000,000,001 comprising 4,000,000,000 ordinary shares of RM1 each and 1 special share of RM1 each
Issued and Paid-up Share Capital	:	RM3,648,151,501 comprising 3,648,151,500 ordinary shares of RM1 each and 1 special share of RM1 each
Class of Shares	:	Ordinary shares of RM1 each Special share of RM1 each
Voting Right	:	One (1) vote per ordinary share

Distribution Schedule of Share

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders (%)	No. of Shares	Percentage of Share Capital (%)
Less than 100	281	0.52	2,101	0.00
100 to 1,000	40,114	73.68	32,199,984	0.88
1,001 to 10,000	10,253	18.83	47,001,659	1.29
10,001 to 100,000	3,259	5.99	99,338,172	2.72
100,001 to less than 5% of issued shares	528	0.97	1,172,764,709	32.15
5% and above of issued shares	7	0.01	2,296,844,875	62.96
TOTAL	54,442	100.00	3,648,151,500	100.00

Information on Directors' Shareholdings

No.	Name of Directors	Direct Interest	
		No. of Shares held	% of Shares
1	YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad*	180,000	0.00
2	Datuk Dr. Omar Salim*	150,000	0.00
3	Dato' Mohd Emir Mavani Abdullah*	150,000	0.00
4	Dato' Yahaya Abd Jabar	—	—
5	Datuk Nozirah Bahari*	150,000	0.00
6	YB Datuk Noor Ehsanuddin Mohd Harun Narrashid*	150,000	0.00
7	Datuk Haji Faizoull Ahmad*	110,000	0.00
8	Tan Sri Dr. Sulaiman Mahbob	50,000	0.00
9	Dato' Mohamed Suffian Awang	—	—
10	Dato' Mohd Zafer Mohd Hashim	—	—

NOTE:

* Shares held through CIMSEC Nominees (Tempatan) Sdn Bhd.

The shareholdings confirmation under the above omnibus account was being made on the assumption that there is/are no notification given by the above holders to FGV.

ANALYSIS ON SHAREHOLDINGS

As at 15 April 2015

Information on Substantial Shareholders (5% and above)

No.	Name of Shareholders	No. of Shares held	% of Shares
1.	LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (FELDA)	729,629,800	20.00
2.	FELDA ASSET HOLDINGS COMPANY SDN BHD	498,321,192	13.66
4.	LEMBAGA TABUNG HAJI	283,710,100	7.78
5.	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	211,758,908	5.80
6.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	205,763,500	5.63
	– Own Account	202,202,900	
	– CITIGROUP Nominees (Tempatan) Sdn Bhd (I-VCAP)	3,060,600	
	– CITIGROUP Nominees (Tempatan) Sdn Bhd (Vcam Equity FD)	500,000	
7.	EMPLOYEES PROVIDENT FUND BOARD	192,587,200	5.28
	– CITIGROUP Nominees (Tempatan) Sdn Bhd	191,087,200	
	– Own Account	1,500,000	
6.	KERAJAAN NEGERI PAHANG	182,407,575	5.00
	– Maybank Nominees (Tempatan) Sdn Bhd	182,407,575	

List of Top Thirty (30) Largest Shareholders

(Without aggregating the securities from different securities account belonging to the same Depositor)

No.	Name	No. of Shares held	% of Shares
1.	LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (FELDA)	729,629,800	20.00
2.	FELDA ASSET HOLDINGS COMPANY SDN BHD	498,321,192	13.66
3.	LEMBAGA TABUNG HAJI	283,710,100	7.78
4.	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	209,486,108	5.74
5.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	202,202,900	5.54
6.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board	191,087,200	5.24
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account For Kerajaan Negeri Pahang	182,407,575	5.00
8.	AMANAHRAYA TRUSTEES BERHAD Skim Amanah Saham Bumiputra	150,705,200	4.13
9.	MAYBANK NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account For Sawit Kinabalu Sdn Bhd	89,010,989	2.44
10.	HSBC NOMINEES (ASING) SDN BHD Exempt An For JPMorgan Chase Bank, National Association (Qatar)	80,222,300	2.20

List of Top Thirty (30) Largest Shareholders (continued)

(Without aggregating the securities from different securities account belonging to the same Depositor)

No.	Name	No. of Shares held	% of Shares
11.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD SDB Asset Management Sdn Bhd For Chief Minister, State Of Sabah	65,934,066	1.81
12.	PERMODALAN NASIONAL BERHAD	57,803,700	1.58
13.	AMANAHRAYA TRUSTEES BERHAD Amanah Saham Wawasan 2020	44,601,400	1.22
14.	LEMBAGA TABUNG ANGKATAN TENTERA	35,535,900	0.97
15.	HSBC NOMINEES (ASING) SDN BHD BBH And Co Boston For Vanguard Emerging Markets Stock Index Fund	33,500,557	0.92
16.	AMANAHRAYA TRUSTEES BERHAD As 1Malaysia	31,614,600	0.87
17.	AMANAHRAYA TRUSTEES BERHAD Amanah Saham Malaysia	30,826,400	0.84
18.	CIMSEC NOMINEES (TEMPATAN) SDN BHD Exempt An For CIMB Bank Berhad (Felda IPO SMF)	29,608,400	0.81
19.	CARTABAN NOMINEES (ASING) SDN BHD Exempt An For State Street Bank & Trust Company (West CLTOD67)	28,994,013	0.79
20.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD SDB Asset Management Sdn Bhd For Ekuiti Yakinjaya Sdn Bhd	20,869,113	0.57
21.	HSBC NOMINEES (ASING) SDN BHD Exempt An For JPMorgan Chase Bank, National Association (U.S.A.)	20,429,143	0.56
22.	RHB NOMINEES (TEMPATAN) SDN BHD OSK Capital Sdn Bhd For Yayasan Islam Terengganu	16,455,100	0.45
23.	AMSEC NOMINEES (TEMPATAN) SDN BHD Exempt An For Amlslamic Bank Berhad (FELDA)	14,912,300	0.41
24.	AMANAHRAYA TRUSTEES BERHAD Public Islamic Dividend Fund	14,110,600	0.39
25.	AMANAHRAYA TRUSTEES BERHAD Public Islamic Select Enterprises Fund	13,009,000	0.36
26.	PERTUBUHAN KESELAMATAN SOSIAL	12,200,000	0.33
27.	LEMBAGA AIR PERAK	10,000,000	0.27
28.	MAYBANK NOMINEES (TEMPATAN) SDN BHD Maybank Trustees Berhad For Public Ittikal Fund (N14011970240)	10,000,000	0.27
29.	AMANAHRAYA TRUSTEES BERHAD Amanah Saham Didik	7,895,400	0.22
30.	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC For Abu Dhabi Investment Authority (AGUS)	7,586,800	0.21

TOP 10 PROPERTIES OF THE FGV GROUP

Location	Tenure	Year lease expiring	Approximate Area (Hectares)	Description	Year of Acquisition	Net Book Value (RM'000)
Sabah						
Sahabat 07, Sahabat 30, Sahabat 40, Sahabat 41, Sahabat 42, Sahabat 43, Sahabat 46, Sahabat 48, Sahabat 50, Sahabat 51, Sahabat 52, Sahabat 53, Sahabat 54, Sahabat 21, Sahabat 22, Sahabat 23, Sahabat 24, Sahabat 25, Sahabat 26, Sahabat 28, Sahabat 31, Sahabat 33, Sahabat 34, Sahabat 35, Sahabat 36, Sahabat 09, Sahabat 10, Sahabat 11, Sahabat 12, Sahabat 16, Sahabat 17, Sahabat 20, Sahabat 38, Sahabat 39, Sahabat 44, Sahabat 45, Sahabat 55, Sahabat 56, Kalabakan Selatan, Kalabakan Utara 01, Umas 05, Umas 06, Tenegang, Sahabat, Tawau, Lahad Datu, Umas, Baiduriayu, Kalabakan, Embara Budi, Fajar Harapan, Merchu Puspita, Hamparan Badai, Kembara Sakti, Nilam Permata, Jeragan Bistari, Lanchang Kemudi.	Leasehold	2111	118,873	Oil palm estates and palm oil mills	1996-2013	611,411
Pahang Darul Makmur						
Berabong 01, Selendang 03, Selendang 04, Selanchar 06, Selanchar 08, Selanchar 09, Chegar Perah 02, Kechau 02, Kechau 03, Kechau 06, Kechau 07, Kechau 08, Kechau 10, Kechau 11, Krau 02, Krau 04, Telang 01, Bera Selatan 01, Bera Selatan 03, Bera Selatan 04, Bera Selatan 05, Bera Selatan 07, Keratong 11, Mengkarak 01, Mengkarak 02, Tembangau 03, Tembangau 05, Tembangau 06, Tembangau 08, Tembangau 07, Tembangau 09, Bukit Sagu 04, Bukit Sagu 06, Bukit Sagu 07, Bukit Sagu 08, Lepar Hilir 05, Lepar Hilir 06, Lepar Hilir 08, Merchong, Chini Timur 04, Lepar Utara 05, Lepar Utara 07, Lepar Utara 08, Lepar Utara 09, Lepar Utara 11, Lepar Utara 14, Terapai 01, Terapai 03, Triang 02, Triang 04, Triang Selatan 01, Kuantan, Jengka 21, Keratong 2, Bkt Mendi, Pdg Piol, Kepayang, Gelanggi, Neram, Chini 3, Tementi, Mempaga, Kemasul, Keratong 3, Seroja, Tersang, Keratong 9, Selendang A, Lepar Utara 4, Chini 2, Jengka 8, Lepar Hilir, Bukit Sagu, Lepar Utara 6, Panching, Triang, Kerau, Kechau A, Kechau B.	Leasehold	2027-2111	143,902	Oil palm estates and palm oil mills	1986-2013	332,550

Location	Tenure	Year lease expiring	Approximate Area (Hectares)	Description	Year of Acquisition	Net Book Value (RM'000)
Johor Darul Takzim						
Inas Selatan, Kledang 02, Maokil 06, Maokil 07, Nitar Timur, Paloh, Tenggaroh 09, Tenggaroh 11, Tenggaroh 12, Tenggaroh 13, Tenggaroh Timur 02, Palong Timur 04, Palong Timur 05, Pasir Gudang, Semencu, Bukit Besar, Air Tawar, Penggeli, Kahang, Lok Heng, Selanchar 2A, Tenggaroh 4, Adela, Moakil, Nitar, Selanchar 2B, Belitong, Wa Ha, Tenggaroh Timur, Kulai.	Leasehold	2111	33,911	Oil palm estates and palm oil mills and margarine plant, warehouse, two storey office	1988-2013	215,627
Canada						
G9H 2Y8, 555 Alphonse-Deshayes Boulevard Bécancour, Québec. G9B 0S4, 4360 rue des Patriotes, Trois-Rivières, Québec. G9B 0S4, 4370 rue des Patriotes, Trois-Rivières, Québec. G9B 0R4, 4485 rue des Patriotes, Trois-Rivières, Québec. G9B 0R4, 4515 rue des Patriotes, Trois-Rivières, Québec. G9B 0R4, 4545 rue des Patriotes, Trois-Rivières, Québec. G9B 0R4, 4575 rue des Patriotes, Trois-Rivières, Québec.	Freehold	–	Built up area: 6.76 Land area: 14.626	Canola and soybean crushing plant, oil refinery and residential home	2008	176,149
Sarawak						
Lot 10 Dulit Land Batang Tinjar, Baram. Lot 68 & 23 Dulit Land Sg Bok, Dulit, Baram. Lot 16 Dulit Land Batang Tinjar, Baram. Lot 15 Dulit Land Batang Tinjar, Baram. Lot 20 Dulit Land Long Aya, Tinjar, Baram. Survey Lot 1437 of Lot 1345 Blk 10 Miri, Sampadi 01, Sampadi 03, Sampadi 04, Sampadi 05, Sampadi 06, Sampadi.	Leasehold	2063-2066	30,668	Oil palm estates	2003-2014	151,768
Kelantan Darul Naim						
Aring 02, Aring 03, Aring 04, Aring 05, Aring 06, Aring 08, Aring 10, Chiku 04, Chiku 08, Aring B, Kemahang, Chiku, Aring A.	Leasehold	2111	24,620	Oil palm estates and palm oil mills	2012-2013	95,383
Perlis Indera Kayangan						
PN 37, Lot No: 2040, Kampong Baru, Chuping. PN 39, Lot No: 2035, Bukit Merah, Chuping. PN 40, Lot No: 2038, Store Chia, Chuping. PN 41, Lot No: 2041, Padang Hang Chik Wa, Chuping. PN 43, Lot No: 2037, Air Hujan, Chuping. H.S.(D) 8549, PT 4363, Padang Mayat, Chuping. H.S.(D) 8550, PT 4364, Padang Mayat, Chuping. H.S.(D) 145, PT, Chuping. H.S.(D) 2587, PT349, Bilal Udoh, Chuping.	Leasehold	2061	4,457	Rubber and other crops plantation and buildings	2011	86,957

TOP 10 PROPERTIES OF THE FGV GROUP

Location	Tenure	Year lease expiring	Approximate Area (Hectares)	Description	Year of Acquisition	Net Book Value (RM'000)
United States of America						
740-760, 749-773, and 780 Washington Street, Quincy, Massachusetts, 02169 United States of America.	Freehold		Built up area: 4.38 Land area: 15.75	Production of Fatty Acids, Oleic Acids and Stearic Acids, Production of Refined Glycerine, Transportation of raw material (tallow) and finished products via railroad connecting the plant located in Quincy and Braintree train station	1994	52,522
Terengganu Darul Iman						
Chador 01, Cherul 03, Rantau Abang 01, Semaring 01, Setiu 01, Jerangau Baru, Jerangau Barat, Kertih, Chalok.	Leasehold	2061-2111	13,395	Oil palm estates and palm oil mills	2012-2013	49,578
Negeri Sembilan						
Palong 17, Palong 18, Palong 21, Serting Hilir 08, Serting, Serting Hilir, Palong Timur, Pasoh.	Leasehold	2023-2111	12,867	Oil palm estates and palm oil mills	1986-2013	44,668

ADDITIONAL DISCLOSURE

Utilisation of Proceeds

The gross proceeds received from the Initial Public Offering of RM4,459 million in conjunction with the Company's listing on the Main Market of Bursa Securities on 28 June 2012 have been utilised as at 31 December 2014 in the following manner:

Details of Use of Proceeds	Estimated Timeframe for Utilisation Upon Listing	RM'000	Amount Utilised As at 31 December 2014 RM'000	Balance of IPO Proceeds As at 31 December 2014 RM'000
Acquisition of plantation assets	within 3 years	2,190,000	(2,006,884)	183,116
Selective acquisitions of oil and fats, manufacturing and logistics businesses	within 3 years	840,000	(840,000)	–
Construction or acquisitions of mills and refineries	within 3 years	780,000	(537,456)	242,544
Loan repayment for our overseas operation	within 6 months	260,000	(260,000)	–
Capital expenditures for increases in efficiency, as well as extension of capabilities	within 2 years	100,000	(79,330)	20,670
Working capital requirements, general corporate purposes	within 6 months	129,000	(129,000)	–
Estimated listing expenses	within 6 months	160,000	(160,000)	–
Total gross proceeds		4,459,000	(4,012,670)	446,330

Share Buy-Back

The Company did not make any proposal for share buy-back during the financial year ended 31 December 2014.

Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year ended 31 December 2014.

Depository Receipt Programme

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2014.

Material Sanctions and/or Penalties

There were no material sanctions and/or penalties imposed on the Company, its subsidiaries, Directors or Management, by the relevant regulator bodies during the financial year ended 31 December 2014.

Non-audit fees

The amount of non-audit fees incurred for services rendered to the Group and Company by its external auditors, PricewaterhouseCoopers (PwC) for the financial year ended 31 December 2014 amounted to RM2.28 million and RM1.00 million respectively.

Variation in Result

There were no profit estimation, forecasts or projections made or released by the Company during the financial year ended 31 December 2014.

Profit Guarantee

There was no profit guarantee given by the Company during the financial year ended 31 December 2014.

Material Contracts

Save for those disclosed in the financial statements, there were no material contracts including contracts relating to any loans entered into by the Company and its subsidiaries involving Directors and major shareholders' interests.

Revaluation Policy

The Company does not have a regular revaluation policy on landed properties.

ADDITIONAL DISCLOSURE

Recurrent Related Party Transactions of Revenue or Trading Nature

At the Sixth Annual General Meeting (AGM) held on 25 June 2014, Felda Global Ventures Holdings Berhad (FGV or the Company) had obtained a general mandate from its shareholders for Recurrent Related Party Transactions of revenue or trading nature, to be entered into by the Company and/or its subsidiaries (RRPT Mandate).

The RRPT Mandate is valid until the conclusion of the forthcoming Seventh AGM of the Company to be held on 16 June 2015.

The Company proposes to seek a renewal of the existing RRPT Mandate and a new RRPT Mandate at its forthcoming Seventh AGM. The renewal of the existing RRPT Mandate and the new RRPT Mandate, if approved by the shareholders, will be valid until the conclusion of the Company's next AGM. Details of the RRPT Mandate being sought is provided in the Circular to Shareholders dated 25 May 2015 sent together with the Annual Report.

Pursuant to paragraph 10.09(2)(b) and paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, details of the Recurrent Related Party Transactions of a revenue or trading nature entered into during the financial year ended 31 December 2014 by the subsidiaries of FGV are as follows:

No.	Recipient	Provider	Nature of Transaction	Related Party	Value of Transaction (RM'000)
1.	FHB	FELDA	Office rental	Interested Major Shareholder: – FELDA – FAHC Interested Directors: – YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad – YB Datuk Noor Ehsanuddin Mohd Harun Narrashid – Datuk Haji Faizoull Ahmad – Dato' Mohd Emir Mavani Abdullah – Datuk Dr Omar Salim – Datuk Nozirah Bahari	4,260
2.	F Palm Industries	FGV	Management fee	Interested Major Shareholder: – FELDA – FAHC Interested Directors: – YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad – YB Datuk Noor Ehsanuddin Mohd Harun Narrashid – Dato' Mohd Emir Mavani Abdullah – Datuk Haji Faizoull Ahmad	49,028
3.	F Palm Industries	FELDA	Purchase of fresh fruit bunches	Interested Major Shareholder: – FELDA	2,895,071
4.	F Palm Industries	FELDA	Office rental	Interested Directors: – YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad – YB Datuk Noor Ehsanuddin Mohd Harun Narrashid – Datuk Haji Faizoull Ahmad	2,795
5.	FELDA	F Palm Industries	Payment to JCC	– Dato' Mohd Emir Mavani Abdullah	15,772

No.	Recipient	Provider	Nature of Transaction	Related Party	Value of Transaction (RM'000)
6.	F Agricultural	FGV	Management fee	Interested Major Shareholder: – FELDA – FAHC Interested Directors: – YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad – Dato' Mohd Emir Mavani Abdullah – Datuk Dr. Salmiah Ahmad – YB Datuk Khamis Md. Som – Mansor Hashim	9,250
7.	FELDA	F Agricultural	(i) Sales of seeds palms (ii) Provision of consultancy and lab analysis services	Interested Major Shareholder: – FELDA Interested Directors: – YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad – Dato' Mohd Emir Mavani Abdullah – YB Datuk Khamis Md. Som	4,210
8.	F Agricultural	FELDA	Land and building rental		1,210
9.	F Rubber Industries	FELDA	Purchase of rubber	Interested major shareholders: – FELDA Interested Directors: – Nil	91,581
10.	FELDA	F Engineering	Provision of maintenance and consultancy services	Interested Major Shareholder: – FELDA Interested Directors: – YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	99,872
11.	F Engineering	FELDA	Office rental		1,845
12.	F Transport	FGV	Management fee	Interested Major Shareholder: – FELDA – FAHC Interested Directors: – YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad – Dato' Mohd Emir Mavani Abdullah	5,408
13.	FELDA	F Transport	Jetty commission	Interested Major Shareholder: – FELDA Interested Directors: – YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad – Dato' Mohd Emir Mavani Abdullah	1,260
14.	FELDA	F Security	Provision of security services	Interested Major Shareholder: – FELDA Interested Directors: – YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad – Datuk Haji Faizoull Ahmad	23,767

ADDITIONAL DISCLOSURE

No.	Recipient	Provider	Nature of Transaction	Related Party	Value of Transaction (RM'000)
15.	F Prodata	FGV	Management fee	Interested Major Shareholder: – FELDA	5,073
16.	FGV	F Prodata	Provision of IT services	– FAHC Interested Directors: – YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad – Dato' Mohd Emir Mavani Abdullah	30,861
17.	FELDA	F Prodata	Provision of IT services	Interested Major Shareholder: – FELDA	23,503
18.	FELDA	F Prodata	Provision on installation GPS/GIS service	Interested Directors: – YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad – Dato' Mohd Emir Mavani Abdullah	14,846
19.	F Prodata	FELDA	Office rental		1,227
20.	F Prodata	Lunas Technology Sdn Bhd	Sales of IT products	Interested Major Shareholder: – Nil Interested Directors: – Azly Sham Kamaruddin	5,601
21.	FELDA	F Properties	Provision of Project Management Consultant (PMC) service	Interested Major Shareholder: – FELDA Interested Directors: – YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad – Dato' Mohd Emir Mavani Abdullah	1,140
22.	FELDA	FPM	Sales of fertilisers	Interested Major Shareholder: – FELDA Interested Directors: – YB Datuk Noor Ehsanuddin Mohd Harun Narrashid – Dato' Mohd Emir Mavani Abdullah	83,392
23.	FELDA	F Travel	Travel and accommodation services	Interested Major Shareholder: – FELDA Interested Directors: – YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad – Dato' Mohd Emir Mavani Abdullah – Datuk Haji Faizoull Ahmad – Dato' Mohd Khusairi Haji Abdul Talib	18,364
TOTAL					3,389,336

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh (7th) Annual General Meeting of Felda Global Ventures Holdings Berhad ("FGV" or "the Company") will be held at **Banquet Hall 1, Level B2, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur, Malaysia** on **Tuesday, 16 June 2015, at 11.00 a.m.**, or any adjournment thereof, for the transaction of the following business:

Agenda

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon.

Please refer to Note (1) of the Explanatory Notes on Ordinary Business

2. To approve the payment of a Final Dividend of 4 sen per ordinary share, under single-tier system, in respect of the financial year ended 31 December 2014. **(Resolution 1)**
3. To re-elect the following Directors, each of whom retires in accordance with Article 88 of the Company's Articles of Association:
 - (i) Datuk Dr. Omar Salim **(Resolution 2)**
 - (ii) YB Datuk Noor Ehsanuddin Mohd Harun Narrashid **(Resolution 3)**
 - (iii) Datuk Haji Faizoull Ahmad **(Resolution 4)**
4. To re-elect the following Directors, each of whom retires in accordance with Article 94 of the Company's Articles of Association:
 - (i) Dato' Mohd Zafer Mohd Hashim **(Resolution 5)**
 - (ii) Dato' Mohamed Suffian Awang **(Resolution 6)**
5. To approve the payment of Directors' fees of RM2,091,817 for the financial year ended 31 December 2014. **(Resolution 7)**
6. To re-appoint Messrs. PricewaterhouseCoopers as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

As Special Business

To consider and if thought fit, to pass the following as Ordinary Resolution:

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED SHAREHOLDERS' MANDATE FOR THE NEW RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **(Resolution 9)**

"**THAT** authority be and is hereby given in line with Rule 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, for the Company, its subsidiaries or any of them to enter into any of the transactions falling within the types of Recurrent Related Party Transactions, particulars of which are set out in Section 2 and Appendix 1 of the Circular to Shareholders dated 25 May 2015 ("Circular"), with the Related Parties as described in the Circular, provided that such transactions are of revenue and/or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries, carried out in the ordinary course of business of the Company and/or its subsidiaries, made at arm's length basis and on normal commercial terms which were not more favourable to the Related Party than those generally available to the public and are not detrimental to the minority shareholders of the Company;

("Proposed Mandates");

NOTICE OF ANNUAL GENERAL MEETING

AND THAT such authority shall commence immediately upon passing of this ordinary resolution and continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the ordinary resolution for the Proposed Mandates for Recurrent Related Party Transactions is approved, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM of the Company; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting of the Company,

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiaries to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to such transactions as authorised by this resolution and the Proposed Mandates."

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

Notice of Dividend Entitlement and Payment

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the Seventh (7th) Annual General Meeting of the Company to be held on 16 June 2015, a final dividend of 4 sen per ordinary share, under single-tier system, in respect of the financial year ended 31 December 2014 will be paid on 10 July 2015 to the shareholders. The entitlement date for the said dividend shall be 30 June 2015.

FURTHER NOTICE IS HEREBY GIVEN THAT a depositor shall qualify for entitlement to the dividend only in respect of:

- i. Shares transferred into the Depositor's securities account before 4.00 p.m. on 30 June 2015 in respect of ordinary transfers; and
- ii. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

KOO SHUANG YEN (MIA 7556)
Company Secretary

Kuala Lumpur
25 May 2015

Notes:

1. A Member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the Member at the meeting. There shall be no restriction as to the qualification of the proxy.
2. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
3. A proxy need not be a Member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A Member shall not be precluded from attending and voting in person at any general meeting after lodging the Proxy Form. However, such attendance shall automatically revoke the proxy's authority. There shall be no restriction as to the qualification of the proxy.
4. A Member may appoint up to two (2) proxies to attend a general meeting of the Company. Where a Member appoints two (2) proxies, the appointment of such proxies shall not be valid unless the Member specifies the proportion of his shareholding to be represented by each of such proxy. The instrument appointing a proxy shall be in writing under the hands of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.
5. Where a Member 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 to vote instead of it, and that a proxy need not also be a member and that where a member appoints more than one (1) proxy, the appointment shall be invalid unless it specifies the proportion of its holdings to be represented by each proxy. An exempt Authorised Nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
6. **The instrument appointing a proxy shall be deposited at the Share Registrar of the Company at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in the case of a poll, not less than twenty-four (24) hours before the time appointed in taking of the poll, and in default the instrument of proxy shall not be treated as valid.**

7. Members entitled to attend

For purposes of determining a member who shall be entitled to attend the Seventh (7th) Annual General Meeting of the Company, the Company shall be requesting from Bursa Malaysia Depository Sdn Bhd, in accordance with Article 54 of the Company's Articles of Association and Section 34(1) of SICDA, to issue a General Meeting Record of Depositors as at 5 June 2015. Only a depositor whose name appears on the General Meeting Record of Depositors as at 5 June 2015 shall be entitled to attend the said meeting or appoint a proxy(ies) to attend and/or vote on such depositor's behalf.

Explanatory Notes on Ordinary Business:

1. **Agenda item no. 1** is meant for presentation and discussion only as under the provisions of Section 169(1) of the Companies Act, 1965 ("Act") and Article 125 of the Company's Articles of Association, the Audited Financial Statements do not require the formal approval of shareholders and hence, the matter will not be put forward for voting.

2. Ordinary Resolution 3, 5 and 6 – Assessment of Independence of Independent Directors

The independence of YB Datuk Noor Ehsanuddin Mohd Harun Narrashid, Dato' Mohd Zafer Mohd Hashim and Dato' Mohamed Suffian Awang who have served as Independent Non-Executive Director of the Company has been assessed by the Nomination and Remuneration Committee and affirmed by the Board.

3. Ordinary Resolution 4 – Re-election of Director

The Board in respect of this resolution has resolved, on the recommendation of the Nomination and Remuneration Committee, that it shall **NOT** support the re-election of Datuk Haji Faizoull Ahmad as, among others, he is no longer the Director General of FELDA.

4. Abstention from Voting

- (i) all the Non-Executive Directors who are shareholders of the Company will abstain from voting on Ordinary Resolution 7 concerning Directors' Fees at the Seventh (7th) Annual General Meeting of the Company.
- (ii) The Directors referred to in Ordinary Resolutions 2, 3 and 4 who are shareholders of the Company will abstain from voting on the resolution in respect of their re-election at the Seventh (7th) Annual General Meeting of the Company.

Explanatory Notes on Special Business:**Ordinary Resolution 9 – Shareholders' Proposed Mandate**

The proposed Ordinary Resolution 9, if passed, will allow the Company and/or its subsidiary companies to enter into the Recurrent Related Part Transactions involving the interests, direct or indirect, of the Related Parties, which are of a revenue or trading nature necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not more favourable than those generally available to the public, and are not detrimental to the minority shareholders of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Made pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The details of the Directors seeking re-election pursuant to Article 88 and Article 94 of the Company's Articles of Association are set out from pages 24 to 35 of this Annual Report. The details of the Directors' shareholdings in the Company are set out in page 325 of this Annual Report.

ADMINISTRATIVE DETAILS

for the Seventh (7th) Annual General Meeting ("AGM") of Felda Global Ventures Holdings Berhad ("the Company")

Event : 7th AGM
Date of Meeting : 16 June 2015
Commencement of AGM : 11.00 a.m.
Venue of AGM : Banquet Hall 1, Level B2,
Menara Felda, Platinum Park,
No. 11, Persiaran KLCC,
50088 Kuala Lumpur.

1. Lodgement of Form(s) of Proxy for AGM

- a. The instrument appointing a proxy shall be deposited at the Share Registrar of the Company at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan **not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.**
- b. **Only original duly executed Proxy Form is acceptable.** The duly executed Proxy Form submitted via fax or email is not acceptable.
- c. If you have submitted your Proxy Form prior to the meeting and subsequently decided to attend the meeting yourself, please inform the Help Desk to cancel the Proxy Form.

2. Registration

- a. Registration will start at 8.30 a.m and will end at a time as directed by the Chairman of the meeting.
- b. Please read the signages to ascertain where you should register yourself as a member or proxy for the meeting and join the queue accordingly.
- c. Please produce your **original Identity Card ("MYKAD")** to the registration clerk for verification. Please make sure you collect your MYKAD thereafter.
- d. **No person will be allowed to register on behalf of another person** even with the original MYKAD of that other person.
- e. The registration counter will handle only verification of identity and registration. If you have any enquiries or in need of clarification, please proceed to the Help Desk.

3. Help Desk

- a. Please proceed to the Help Desk for any clarification or enquiry.
- b. The Help Desk will also handle revocation of proxy's appointment.

4. Identification Tag

- a. You will be provided with an identification tag upon verification and registration.
- b. The identification tag must be worn throughout the AGM. No person will be allowed to enter the meeting room without the identification tag.
- c. There will be no replacement in the event that you lose or misplace the identification tag.

5. Door Gifts

- a. As a token of appreciation, each member or proxy who is present at the AGM will be entitled to **one (1) door gift only upon registration (per head count)**, irrespective of the number of members he/she represents.
- b. A door gift coupon will be provided upon registration. Please bring your door gift coupon to the Door Gifts Counter to collect your door gifts.

6. Refreshments

- a. Each member or proxy who is present at the AGM will be entitled to **one (1) food voucher only upon registration (per head count)**, irrespective of the number of members he/she represents.

7. Parking

- a. Kindly take note **that the Company will not reimburse any parking and transportation cost incurred.**

8. Enquiries for AGM

- a. Contact details for queries from shareholders pertaining to the registration and Proxy Form are as follows:

Tel (Help Desk) : +603 7849 0777
Fax : +603 7841 8151/8152



CDS ACCOUNT NO:	NO. OF SHARES HELD:

I/We _____
(Full name of a member in BLOCK LETTERS as per Identity Card ("MYKAD")/Passport/Certificate of Incorporation)

MYKAD/Passport No. (for non-Malaysian)/Company No.: _____ of _____

(Address in full)

telephone no. _____ being a member of Felda Global Ventures Holdings Berhad

("the Company"), hereby appoint _____
(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD/Passport No. (for non-Malaysian): _____ of _____

(Address in full)

and/or failing him/her _____
(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD/Passport No. (for non-Malaysian): _____ of _____

(Address in full)

or failing the abovenamed proxies, the Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Seventh (7th) Annual General Meeting of the Company to be held at **Banquet Hall 1, Level B2, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur, Malaysia** on **Tuesday, 16 June 2015**, at **11.00 a.m.** and at any adjournment thereof. My/our proxy/proxies is to vote as indicated below:

No.	AGENDA	Resolution	For		Against
1	To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon.				
2	Approval of a Final Dividend of 4 sen per ordinary share, under single-tier system, in respect of the financial year ended 31 December 2014.	1			
3(i)	Re-election of Datuk Dr. Omar Salim as Director pursuant to Article 88 of the Company's Articles of Association.	2			
3(ii)	Re-election of YB Datuk Noor Ehsanuddin Mohd Harun Narrashid as Director pursuant to Article 88 of the Company's Articles of Association.	3			
3(iii)	Re-election of Datuk Haji Faizoull Ahmad as Director pursuant to Article 88 of the Company's Articles of Association.	4			
4(i)	Re-election of Dato' Mohd Zafer Mohd Hashim as Director pursuant to Article 94 of the Company's Articles of Association.	5			
4(ii)	Re-election of Dato' Mohamed Suffian Awang as Director pursuant to Article 94 of the Company's Articles of Association.	6			
5	To approve the payment of Directors' fees for the financial year ended 31 December 2014.	7			
6	Re-appointment of Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.	8			
7	Proposed Mandates from Shareholders.	9			

(Please indicate with an "X" in the space whether you wish your votes to be cast for or against the resolutions. In the absence of such specific instructions, your proxy will vote or abstain as he thinks fit).

Dated this _____ day of _____ 2015.

Signature(s)/Common Seal of Member(s)

The proportions of my/our holding to be represented by my/our proxies are as follows:		
	No. of Shares	Percentage
First Proxy		
Second Proxy		
Total		100%

Notes:

1. A Member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the Member at the meeting. There shall be no restriction as to the qualification of the proxy.
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instrument appointing a proxy shall be in writing under the hands of the appointor or of his attorney duly authorised in writing or if the appointor is corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.

5. Where a Member 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 to vote instead of it, and that a proxy need not also be a member and that where a member appoints more than one (1) proxy, the appointment shall be invalid unless it specifies the proportion of its holdings to be represented by each proxy. An exempt Authorised Nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

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Annual General Meeting
Felda Global Ventures Holdings Berhad
16 June 2015

Share Registrar

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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Request for an unabridged printed version of Felda Global Ventures Holdings Berhad Annual Report 2014.

Kindly fill in your details below and send it to the given address.

To: The Share Registrar

Please send to me/us an **unabridged printed version** of the **Annual Report 2014** of Felda Global Ventures Holdings Berhad.

Name of Shareholder : _____

NRIC/Company No. : _____

CDS Account No. : _____

Address _____

Telephone No. _____

Signature of Shareholder

Contact details for the unabridged printed version of Felda Global Ventures Holdings Berhad Annual Report 2014:

SYMPHONY SHARE REGISTRARS SDN BHD

Level 6 Symphony House

Pusat Dagangan Dara 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia

Tel (Help Desk) : +603 7849 0777

Ex : +603 7841 8151/8152

E-mail : ssr.helpdesk@symphony.com.my

Note:-

1. The unabridged printed version of Felda Global Ventures Holdings Berhad Annual Report 2014 will be forwarded within four (4) market days from the date of receipt of the request.
2. A copy of the Annual Report 2014 may be downloaded from www.feldaglobal.com

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Share Registrar

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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FELDA GLOBAL VENTURES HOLDINGS BERHAD (800165-P)

Level 45, Menara Felda, Platinum Park, No. 11, Persiaran KLCC,
50088 Kuala Lumpur, Malaysia.

T +603 2859 0000 F +603 2859 0016

feldaglobal.com