FELDA GLOBAL VENTURES HOLDINGS BERHAD

EMPOWERING SUSTAINABLE VALUE

ANNUAL INTEGRATED REPORT 2015

FGV
Ingenuity Incorporated

Performance at a Glance

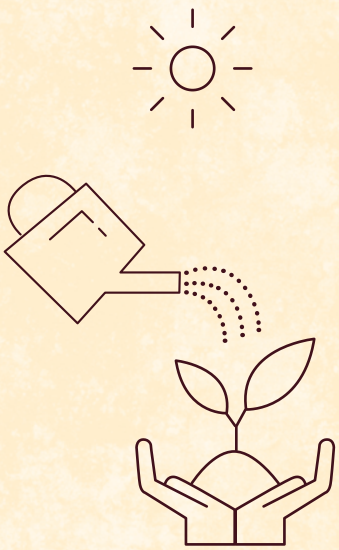
Financial

Revenue
RM15.56 bil

Profit before Zakat and Taxation
RM378.97 mil

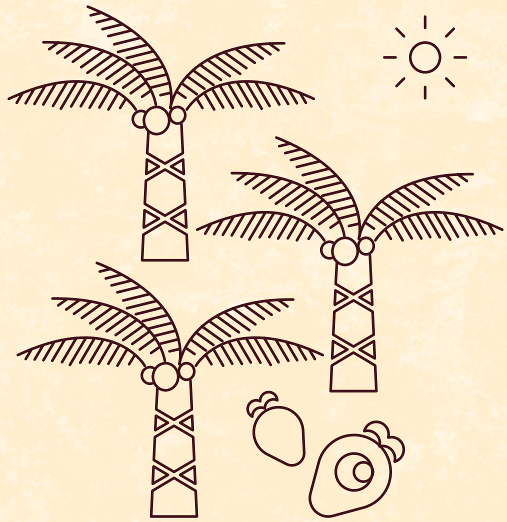
Profit after Tax and Minority Interests
RM106.99 mil

Number of employees
18,696



World's
3rd largest
oil palm plantation operator:

More than
431,000
hectares in Malaysia and Indonesia



World's
largest
Crude Palm Oil (CPO) producer

Produces more than
3 million
metric tonnes annually

Earnings Per Share

2.9 sen

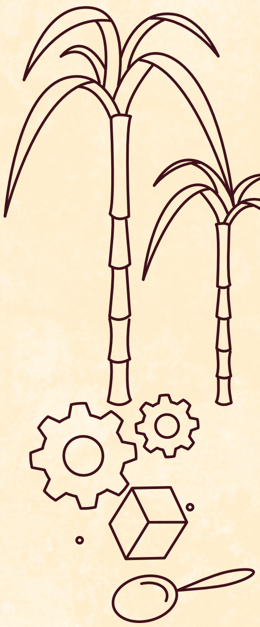
Dividend Per Share

4 sen

Net Assets Per Share

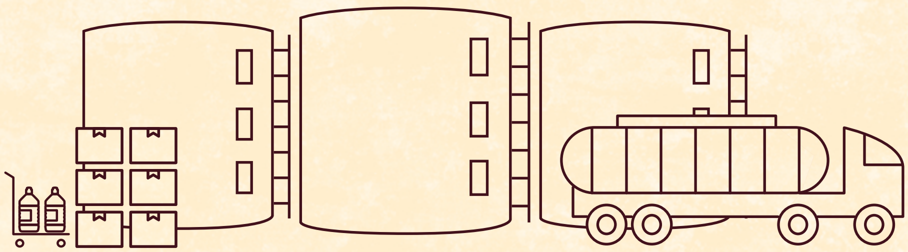
RM1.77

Malaysia's leading refined sugar producer



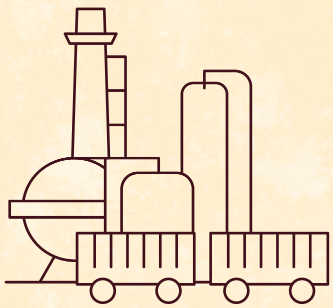
65%

of domestic market



The world's largest

vegetable oil terminal with capacity of over 865,000 metric tonnes



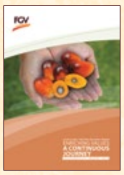
A pioneer in the production of high-grade carbon nanotubes (CNT) and graphene using plasma technology, and in the future - from biomass

12

Biogas Plants - Renewable energy using palm waste material

Our Other Reports

In order to provide our various Stakeholders a complete and integrated picture of the Group, we publish a full series of reports on the different aspects. These reports are as follows to complement our Annual Integrated Report.

Report	Frameworks applied	Assurance	Cross-referencing*
Annual Integrated Report (this report)  As our primary Report, our Annual Integrated Report (AIR) provides information on the Group's ability to create value over time. www.feldaglobal.com/investors/annual-reports/	• International Integrated Reporting Framework		AIR
Annual Financial Statements (AFS)	• Malaysian Financial Reporting Standards • Malaysia Companies Act 1965	The annual financial statements are audited by PricewaterhouseCoopers Malaysia for the financial year ended 31 December 2015	
2013 Sustainability Report  This supplementary report presents a balanced and comprehensive analysis of the Group's sustainability performance in relation to issues material to the Group and its Stakeholders. www.feldaglobal.com/sustainability/overview/	• GRI 3.1	Assurance on selected portions of the sustainability report is provided by PricewaterhouseCoopers Malaysia	SR
MSM Malaysia Holdings Bhd Annual Report  MSM Malaysia Holdings Bhd is one of the largest subsidiaries under our control, making up the bulk of our company's Sugar Cluster. As a public-listed company on Bursa Malaysia, it too publishes its own annual report. http://msmholdings.listedcompany.com/ar.html			

* The cross-referencing icons refer readers to information elsewhere in this report, or in other reports that form part of the Group's suite of reporting publications.

FEEDBACK

We welcome your feedback to make sure we are addressing the things that matter to you. Go to www.feldaglobal.com or email fgv.investors@feldaglobal.com for the feedback form or scan this QR code with your smartphone.

1. **Get it**
   Download the "QR Code Reader" app on Google Play (Android Market), BlackBerry AppWorld, App Store (iOS/iPhone) or Windows Phone Marketplace.

2. **Run it**
   Run the QR Code Reader app and point your camera at the QR Code.

3. **Access it**
   Get access to the feedback form.

About This Report

This year marks an important step for our Company as we venture into integrated reporting for the first time. This style of reporting is a way for us to entrench our efforts to transform the Group into a more transparent entity.

As we strive to make our mark as an agri-business powerhouse on the international stage by 2020, we recognise that our reporting needs to reflect the changes we are making within. Transparency and integrated thinking are taking more central roles in the way we shape our processes and competitiveness for the future.

We are well aware that value is derived from more than just financial and economic gains. This is the mindset that is now driving our sustainability efforts within the Company. Similarly, we understand the interconnectivity and dependency between our natural resources, economic development, human capital and the financial outcomes that are created by this delicate balance. With this Annual Integrated Report 2015 (AIR), we intend to better capture these relationships and how they bring value to each Stakeholder at the end of the day.

By introducing this AIR, we aim to give Stakeholders a balanced and holistic view of our financial and non-financial performance for the financial year ended 31 December 2015. This includes all material matters up to the sign off by the Board of Directors on 29 March, 2016. This Report will cover the financial, environmental and social aspects that affected our performance this year and its likely to impact on our Company in the short, medium and long term.

To draw more clarity in our AIR, we have identified our key capitals: natural, financial, manufactured, human, network and intellectual capital. These are matched against the way we use them to create value for our respective Stakeholders.

Reporting Framework

As a natural extension of our efforts to make our Company a transparent and sustainable company, we are enhancing our corporate reporting by voluntarily adopting the guiding principles of the International Integrated Reporting Framework, published by the International Integrated Reporting Council (IIRC) in December 2013.

In support of this framework, we have studied reporting guidelines by the Global Reporting Initiative (GRI). While we are not adopting the GRI framework in its totality, we have applied its definitions of materiality in this AIR. The GRI framework on materiality adds a more structured and well-defined layer to the way we report material matters, based on the priorities of our most important Stakeholders.

In addition, our AIR is prepared in line with local statutory reporting frameworks, namely the Malaysia Companies Act 1965 and the Financial Reporting Standards (FRS). We continue to monitor the latest developments in the reporting environment in order to ensure we are constantly able to keep abreast with best practices.

But more than that, our AIR aims to be a true and holistic reflection of our day-to-day activities and the way we are using integrated thinking to transform the business. As a public-listed entity, our Company reports in conformity with Bursa Malaysia Listing Requirements and falls within the oversight of the Securities Commission Malaysia.

Assurance & Approval

Our Company receives external assurance on its financial statements by external auditor, PricewaterhouseCoopers (PwC). PwC also provided a limited assurance on our Company's reporting of selected environmental and social data. Please refer to pages 361 to 363 for the Independent Assurance Report.

This AIR has been sighted by the Head of Investor Relations, whose role, *inter alia*, is to produce and develop the content for the Annual Integrated Report following integrated reporting frameworks. Measures are continually implemented to formalise and improve the integrated reporting process in the short, mid and long term.

Feedback

We have voluntarily chosen to venture into integrated reporting to help our Stakeholders understand their investment in Felda Global Ventures Holdings Bhd better. We hope to open meaningful dialogues with our Stakeholders so as to create a constant channel of growth and learning for all parties.

We value any feedback on the AIR and especially appreciate comments on how we can do better to serve you. Any questions about this AIR is also welcome. To speak to us, please contact our Group Investor Relations department at 03-2859 0000.

8th Annual General Meeting

Venue

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

Date

1 June 2016

Time

11 a.m.

Contents

WHO WE ARE & WHAT WE DO

OUR STRATEGIC INTENT & PERFORMANCE

HOW WE ARE GOVERNED

ADDRESSING OUR RISKS & OPPORTUNITIES

CREATING SUSTAINABLE VALUE

OUR NUMBERS

ADDITIONAL INFORMATION

DETAILS OF THE ANNUAL GENERAL MEETING

EMPOWERING SUSTAINABLE VALUE

The charge to transform from within will lead us down the road to sustainable development. We understand that an organisation as diverse as ours has to be run efficiently, with integrity and with a vision to achieve ambitions that create sustainable value for the short, mid and long term.

At the heart of our cover design is the very embodiment of the environment, social and governance aspects which underpins integrated thinking. The children represent the importance of creating sustainable value, value which extends beyond generations to come. The backdrop of the design grounds us in staying true to our foundations in delivering a promise of better things to come for our Felda settlers, which form a portion of our Shareholder base and our Stakeholders alike.

This year we embark on our first attempt at integrated reporting. We are in pursuit of capturing the many facets of this business, showcasing its interconnectivities and extracting a new way of reporting.

Company Profile

DIVISION

Palm Upstream
- The world's largest CPO producer.
- Forms the core of the company.

P. 42

Palm Downstream
- Innovating new palm-based products.
- Processing of crude palm oil into refined oils.

P. 48

Trading, Marketing and Logistics (TML)
- World's largest bulking installation for vegetable oil.
- One of the global palm oil trading house.

P. 52

Sugar
- Malaysia's leading refined sugar producer.
- Operated through MSM Malaysia Holdings Berhad, a listed company on Bursa Malaysia.

P. 56

Research & Development (R&D) and Agri-Services
- Breeding disease-resistant, high-yielding oil palm.
- Improving the yield of selected agriculture crops through breeding, tissue culture agronomy, and crop protection.

P. 60

Rubber
- Top 5 global processed rubber player.

P. 64

Corporate Centre
- Governance oversight role that covers Human Resources, Finance, Corporate Services, International Business Development and Chief Executive Officer's Office.
- The integration of these functions at one cost centre allows us to work transparently while reducing costs and redundancies.
- Our Corporate Centre provides the strategy and direction across each Cluster that drives these activities in collaboration with one another.

Felda Global Ventures Holdings Berhad (FGV Group or the Group) is one of Malaysia's leading globally diversified agri-businesses operating under six main business Clusters: Palm Upstream, Palm Downstream, Trading, Marketing and Logistics (TML), Sugar, R&D and Agri-Services, and Rubber. Currently, FGV is the world's largest producer of Crude Palm Oil (CPO) and the third largest oil palm plantations 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 forms the core of the Company with a total landbank of more than 431,000 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 Trading, Marketing and Logistics (TML) Cluster ensures integrated supply-chain support across all of FGV's core business activities. The 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, TML is strengthening capability by forging partnerships with other integrated logistics providers in key export markets.

Company Profile

Furthermore, with the recent establishment of FGV Trading Sdn Bhd, we are on the fast track to becoming both an internal as well as an external oil trader.

Through its subsidiary MSM Malaysia Holdings Berhad (MSM), FGV is Malaysia's leading refined sugar producer. FGV commands 65 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 Rubber Cluster is an important component of the Group's 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.

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 on 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 potential through our agri-business solutions. With world class technology and the passion of its 18,696 talented employees, FGV will meet the needs of a green and sustainable planet.






Global Presence

1. **Malaysia**
   - 327,343 ha of oil palm estates
   - 71 mills
   - 5 crushing plants
   - 7 refineries
   - 1 oleochemical plant*
   - 12,503 ha of rubber estate
   - 6 rubber processing facilities
   - 2 sugar refineries
   - 4 bulking installations
   - 7 transport hubs

2. **Indonesia**
   - 5,243 ha of oil palm estates^
   - 1 refinery*
   - 1 rubber processing facility
   - 1 bulking installation
   - 2 trading offices

3. **Cambodia**
   - 1 rubber processing facility

4. **Thailand**
   - 1 rubber processing facility

5. **China**
   - 2 refineries
   - 1 bulking installation

6. **Pakistan**
   - 1 refinery*

7. **UAE**
   - 1 trading office

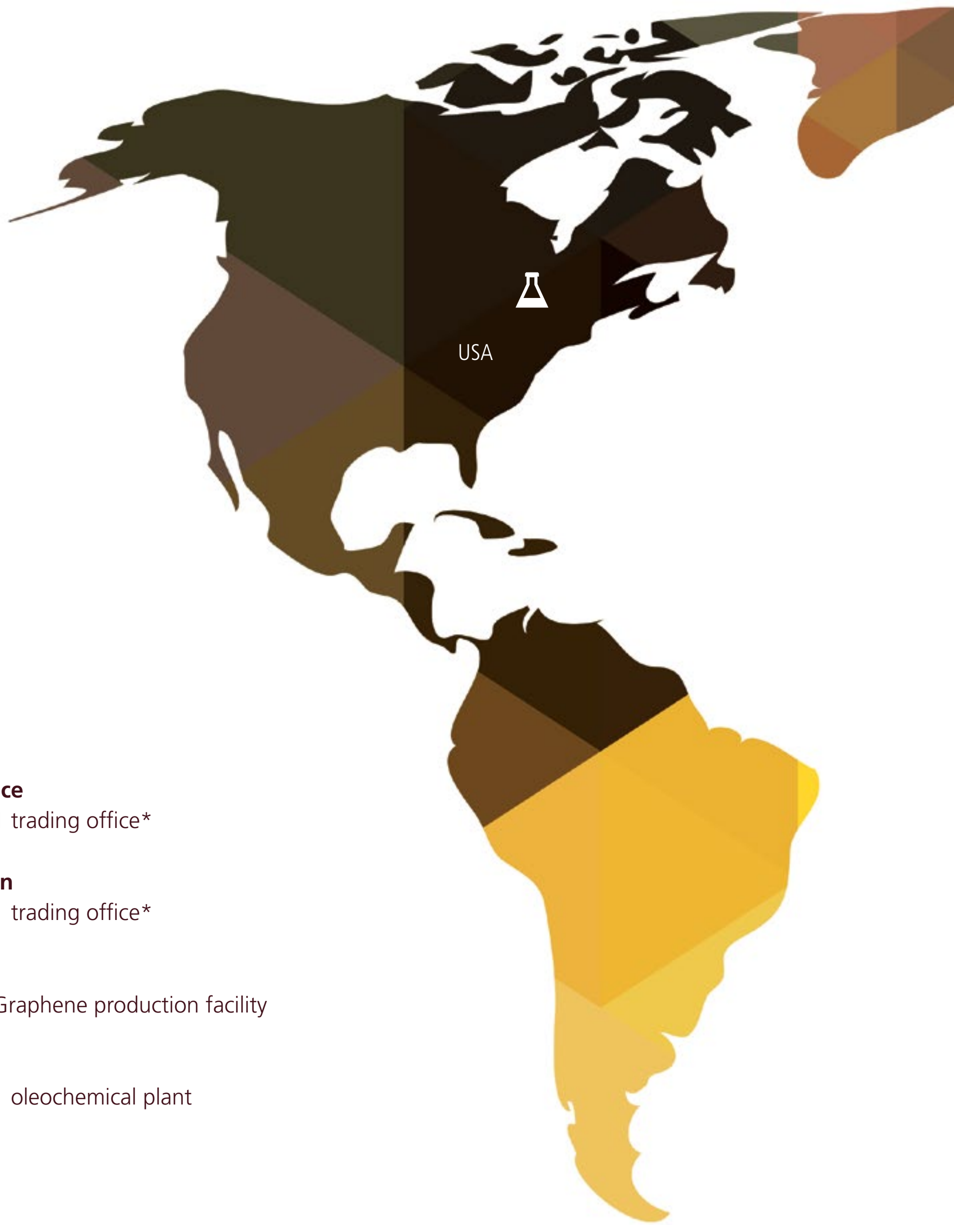
8. **Turkey**
   - 1 refinery*

9. **France**
   - 1 trading office*

10. **Spain**
    - 1 trading office*

11. **UK**
    - Graphene production facility

12. **USA**
    - 1 oleochemical plant



* Joint-ventures
^ Exclude oil palm estates held under joint-venture

Global Presence

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
(Ceased office on 1 April 2016)

Datuk Nozirah Bahari
Non-Independent Non-Executive Director
(Resigned on 7 April 2016)

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

Tan Sri Dr. Sulaiman Mahbob
Independent Non-Executive Director

Fazlur Rahman Ebrahim
Independent Non-Executive Director
(Resigned on 20 January 2015)

Datuk Hj. Faizoull Ahmad
Non-Independent Non-Executive Director
(Retired on 16 June 2015)

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)

Dato' Zakaria Arshad
Group President/Chief Executive Officer
Non-Independent Executive Director
(Appointed on 1 April 2016)

Dato' Siti Zauyah Md Desa
Non-Independent Non-Executive Director
(Appointed on 7 April 2016)

COMPANY SECRETARIES

Koo Shuang Yen
(MIA 7556)

Abd Rashid Atan
(MIA 18390)
(Appointed on 11 August 2015)

AUDITORS

Messrs. PricewaterhouseCoopers
Chartered Accountants
Level 10, 1 Sentral
Jalan Travers
Kuala Lumpur Sentral
50706 Kuala Lumpur
Malaysia
Tel : +603 2173 1188
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
E-mail : ssr.helpdesk@symphony.com.my

REGISTERED OFFICE

Level 45, Menara Felda
Platinum Park
No. 11, Persiaran KLCC
50088 Kuala Lumpur
Malaysia
Tel : +603 2859 0000
Fax : +603 2859 0016

INVESTOR RELATIONS AND ENQUIRIES

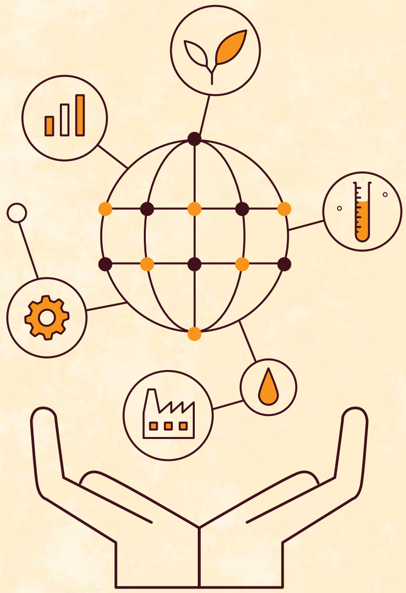
Level 42, Menara Felda
Platinum Park
No. 11, Persiaran KLCC
50088 Kuala Lumpur
Malaysia
Tel : +603 2859 0000
Fax : +603 2859 0016
Website : www.feldaglobal.com
E-mail : fgv.investors@feldaglobal.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Listed since 28 June 2012
Stock Code : 5222

Vision

To be the leading globally diversified integrated agri-business



Values

1

Partnership

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

2

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.

3

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.

4

Dynamism

Strive to discover, create ideas and identify growth potential from uncharted opportunities and beyond traditional boundaries, all done in the best interest of the Stakeholders and communities.

5

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.

Mission

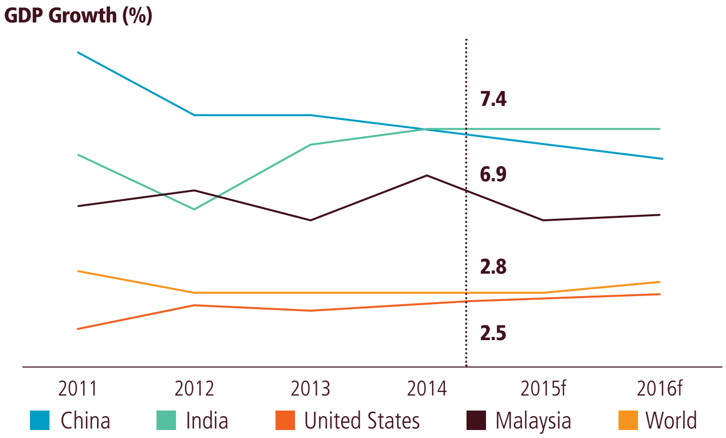
To be a global leader by:

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

Market Landscape

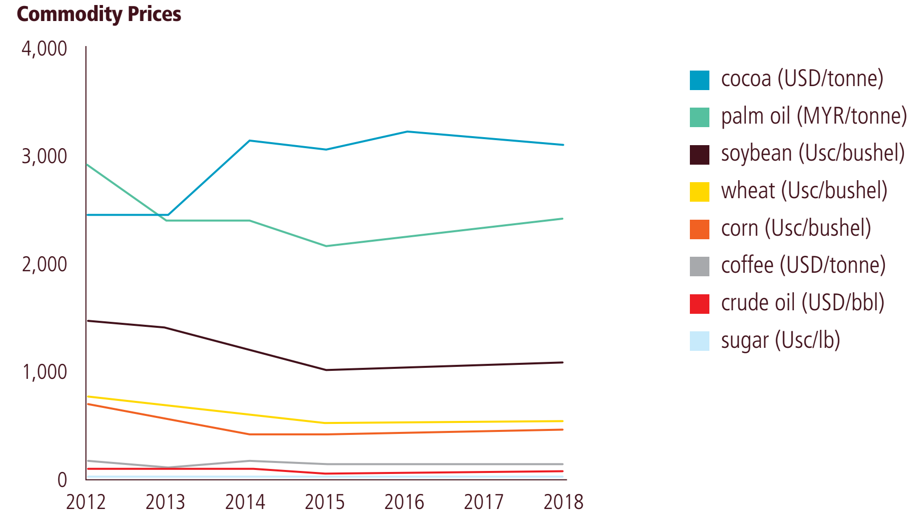
COMMODITY MARKETS DEPRESSED DUE TO SLOWING GLOBAL ECONOMY

Gross Domestic Product (GDP) in major economies show a stagnant to declining trends



BMI Research data and consensus & Asian Development Bank

Top traded commodities prices are currently in downtrend while the outlook is marginally positive



BMI Research data

Opinion about current economic condition

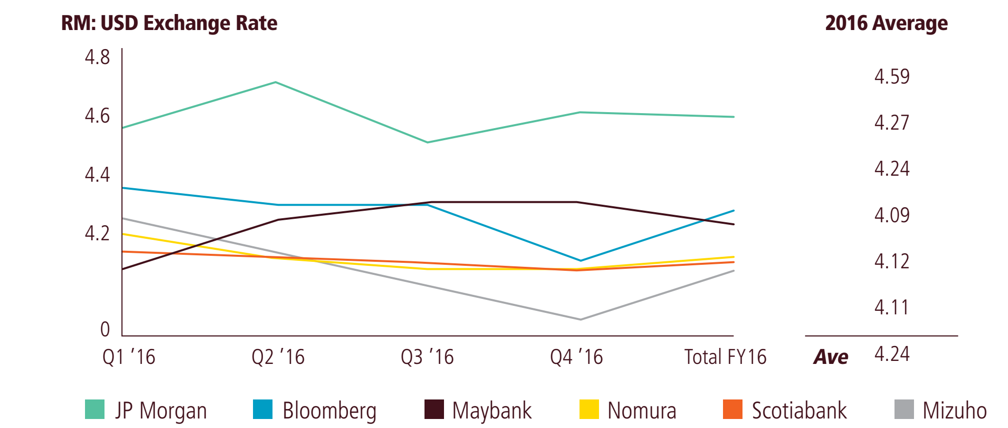
China industrial output	• China industrial output lowest in 6 months indicating global demand slowing down
Global trading	• "Trade is currently significantly weaker than it normally would be under the growth forecasts"- MD Maersk
IMF	• Revising down global real GDP growth outlook from 3.3% to 3.1%
OECD[1]	• Lowered its FY15 global economy forecasts for a second time in three months, from 3% to 2.9%

[1] *OECD – The Organisation for Economic Corporation and Development*

Market Landscape

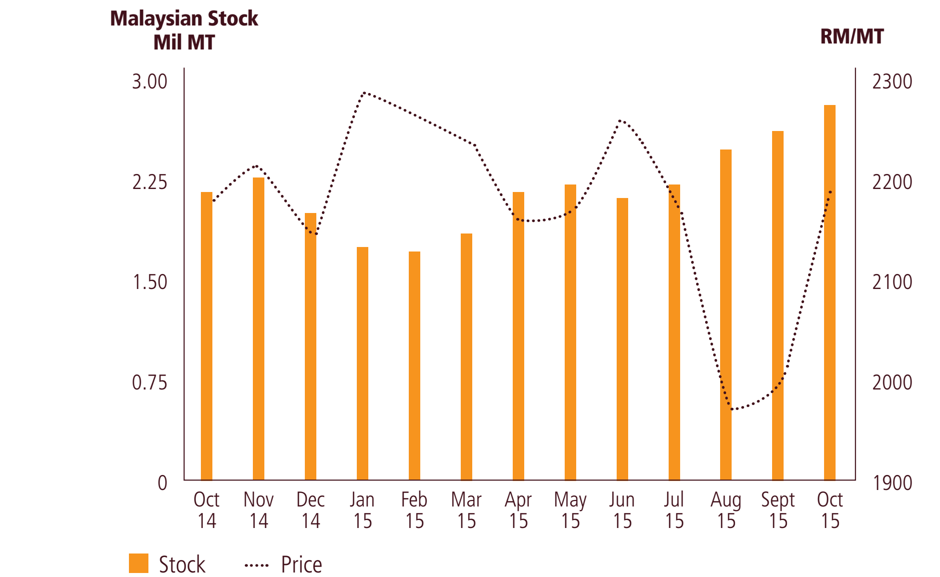
HEAVY EXCHANGE RATE DEPRECIATION IN 2015 WITH LITTLE REBOUND EXPECTED IN 2016 – IMPACTING PRODUCTION COSTS

20% RM-depreciation vs. USD in 2015 - analysts forecast exchange rate to hover around RM4.09 to RM4.59 per USD in 2016



Exchange rate depreciation has negative impact on cost of production (e.g. fertiliser, imported input costs)

OVERSUPPLY IN THE MALAYSIAN MARKET HAS CAUSED PALM OIL STOCKS TO REACH RECORD HIGHS – DEPRESSING CPO PRICES (GLOBAL STOCK AT 7 MILLION MT)



Malaysian Palm Oil Board (MPOB)

Business Model

Our Relationship with Stakeholders

HOW WE ENGAGE WITH STAKEHOLDERS

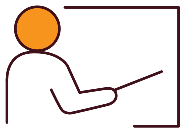
We recognise that value is created through collaborative relationships which also requires a reciprocal distribution of value to the same Stakeholders. Consequently, we take in to account the legitimate concerns of key groups of Stakeholders who create value for us and to whom we distribute value in our strategic planning process.

Type of Stakeholder	Form of engagement	When to engage	Issues of concern
Employees	• Roadshows • Management meetings • Circulation of policies • In-house business human resource • Internal portal	• Regular meetings • On-ground visits	• Compensation benchmark • Personal career development • Retirement planning • Streamlining governance, policies, systems
Regulatory and statutory bodies	• Inspections by local authority	• Annual	• Environmental emissions and discharges • Taxes
NGOs	• Roundtable on Sustainable Palm Oil (RSPO) working committees	• Regular committee meetings	• Environmental and social issues in relation to sustainability of oil palm
FELDA settlers	• Meetings with FELDA scheme managers • Delivery of Fresh Fruit Bunch (FFB) to mills • RSPO pre-certification assessment	• Regular meetings through Joint Consultantive Committee (JCC) • FELDA activities	• Grading and prices of FFB • Tackling diseases in oil palm • Presence of foreign workers in the estates • RSPO certification • Understanding smoke and effluent discharges from mills
Investors	• Quarterly investor briefing • Circular/Notice	• Quarterly analyst briefings • Annual general meetings	• Group financial performance • Global business strategy
Customer	• Field day/Open day visit • Coordination meetings • After sales service and follow-up	• Quarterly	• Pricing • Quality • Support services
Suppliers/ contractors	• Contract negotiation • Annual registration • Progress payment • Site visits/meetings • Annual Procurement Integrity Assessment	• Ad hoc	• Service delivery • Project scope • Timeliness of payment
Government	• FGV Group functions	• Ad hoc	• Improving FELDA communities in their constituency

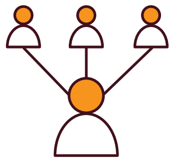
Our Relationship with Stakeholders

DETERMINING OUR MATERIAL ISSUES

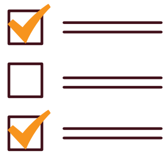
Material issues are determined by identifying the various aspects of our business that impact our value creation processes and prioritising based on its significance to the Group and its Stakeholders as summarised below:



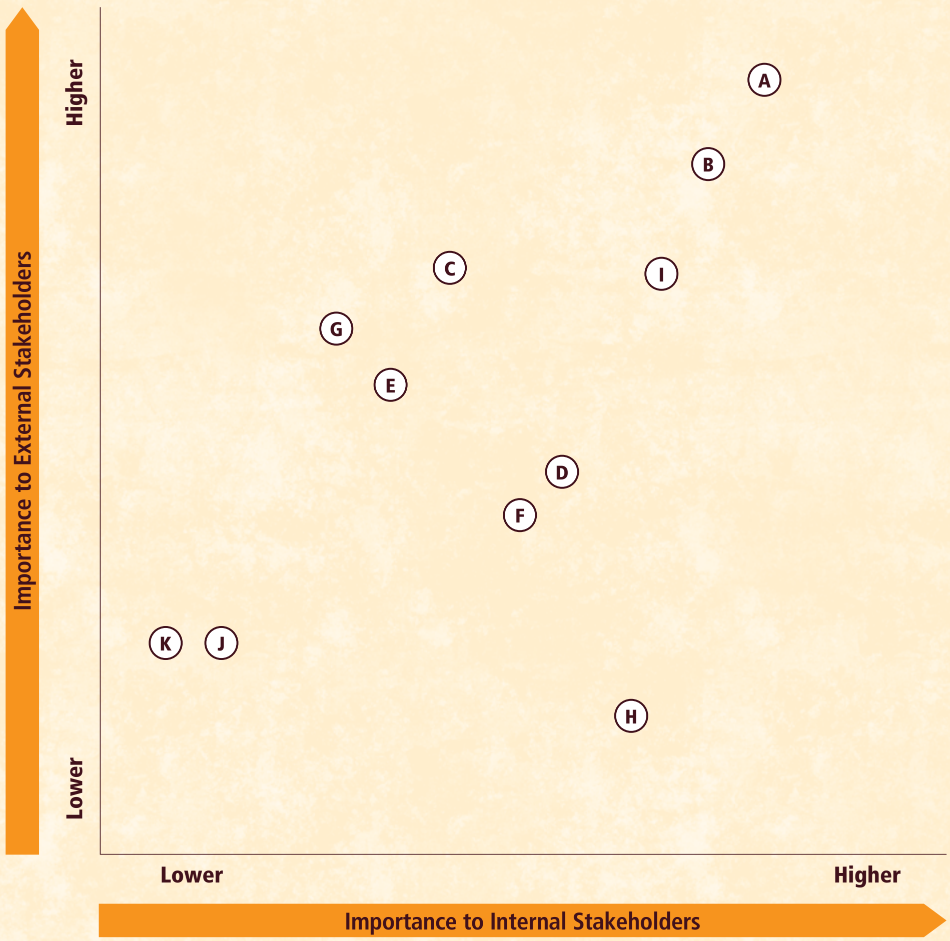
Analysis of material matters based on impact to FGV's ability to create value



Prioritisation of key Stakeholders by senior management team



Prioritisation of material matters by key Stakeholders



Material Matters

A	Economic Impact
B	Products and Services
C	Health and Safety
D	Ethics
E	Traceability/Supply Chain
F	Pollution and Waste
G	Legal Compliance
H	Community Development
I	Human Rights
J	Climate Change
K	Water Security

FGV utilises Barn Owls as a best practice means to Integrated Pest Management (IPM). This minimises the use of chemicals and does not endanger the health or environment of our plantations.

How We Manage Our Capitals

FGV seeks to operate and grow inclusively, responsibly and sustainably. The strategic decisions we make in allocating resources to run our business and advance our growth projects are based on integrated criteria (the six capitals). These criteria take cognisance of the resources and the relationships we depend on to create sustainable value for our Shareholders and, in turn, our Stakeholders.

1 Natural capital

Our value proposition requires that we secure sufficient FFB, sugar and rubber as well as water, land and energy. These natural capital inputs are critical to our ability to operate and are assessed when allocating capital and considering/ weighing potential investment opportunities.

P. 42

More on this can be found on page 42 under Palm Upstream Cluster

2 Human capital

The skills, experience, productivity, diversity and excellence of our people are what enable us to operate our facilities safely, reliably and efficiently, and to deliver our growth projects on time and within budget. In making our investment decisions, we assess whether we have the necessary skills in place, and whether we are able to secure additional specialised and local skills, if needed, to deliver on our objectives.

P. 21 P. 154

More on this can be found on page 21 under GSB, pages 154 to 157 under The ESG Journey

3 Social capital

Developing and enhancing markets for our products and maintaining quality relationships with all our Stakeholders, particularly our business partners, suppliers, customers, employees, regulatory authorities, governments and local communities. These are fundamental to creating, sustaining and enabling an environment for investment. We assess the strength of these markets and relationships, when evaluating investment opportunities.

P. 151

More on this can be found on page 151 under The ESG Journey

4 Intellectual capital

Our intellectual capital inputs include all our knowledge-based assets such as our Research & Development, technology patents, copyrights, software, licences, procedures and protocols. As a key competitive advantage that underpins our international growth ambitions, we assess the extent to which our proprietary or licensed technologies, in combination with our expertise, provide sufficient advantage to generate the returns on investment we seek.

P. 60

More on this can be found on page 60 under R&D and Agri-Services Cluster

5 Manufactured capital

Our ongoing capital investment in our plants and equipment enables us to operate these assets safely and reliably for an extended period of time. We assess whether we have sufficient financial capital to maintain and enhance our existing assets, while also investing in our growth projects around the world.

P. 48 P. 56

More on this can be found on page 48 under Palm Downstream Cluster & page 56 on Sugar Cluster

6 Financial capital

Our financial capital inputs are used to run our business and fund our growth projects. Sources of financial capital include debt and equity financing as well as cash generated by our operations and investments. The extent to which we can efficiently leverage our financial strength, or are able to raise the necessary capital at the best possible rates, is one of the key considerations in making investments to sustain and grow our business.

P. 169

More on this can be found on page 169 under CFO Statement

How We Manage Our Capitals

APPLYING INTEGRATED INVESTMENT CRITERIA

Our business model centers on monetising our resources in developed and emerging countries. Inputs from each of the six capitals are crucial for the conversion of resources into product streams. The effective production and delivery of our goods and services generates value for all our Stakeholders.

P. 20 *More on this can be found on page 20 under Global Strategic Blueprint (GSB) and Group Imperatives*

Connecting Stakeholder engagement to strategic decision-making

Being responsive to the concerns of our Stakeholders, and advancing their interests is integral to our ability to effectively allocate resources and manage the relationships necessary to operate sustainably and achieve our strategic aspirations. We have deepened our Stakeholders' focus over the last 4 years and have implemented a co-ordinated and constructive engagement approach, which informs strategic decision-making at the highest levels of the Group.

P. 15 *More on this can be found on page 15 under Our Relationship with Stakeholders*

Streamlining our governance and decision-making structures and processes

Our decision-making and control frameworks are ultimately underpinned by our commitment to maintaining high standards of business integrity and ethics in all our activities. We maintain sound corporate governance and risk management structures and processes, which the FGV Board considers pivotal to delivering sustainable growth in the interests of all Stakeholders. In the last year, based on best practice, we re-organised and prioritised the way we make strategic, group, high-risk and high-value decisions. Our new governance structure and decision-making framework will ensure integrated and effective decision-making at all levels, which includes strategic, tactical, operational, statutory and functional support.

P. 98 *More on this can be found on page 98 under Governance Framework*

Global Strategic Blueprint (GSB) and Group Imperatives

Our Global Strategic Blueprint (GSB) has been the catalyst in achieving our aspirations of becoming a top 10 global diversified and integrated agri-business by 2020. Driven by a focus on seven key areas, which formed the pillars of GSB, it provided the vision for our future growth.

To Become a Top 10 Globally Diversified & Integrated Agri-business by 2020

Strategic position in adjacent crops	Top 5 in Processed Rubber	Top 10 in Refined Sugar	Top 5 in Palm Oil Production	Global Top 3 in Industrial Fats	SEA and South Asia Top 5 in Palm CG	Optimise oleo-chemical position

Significant position in new geographies through major consumption centers

M&A to build winning positions throughout the value chain

Global supply chain to defend upstream business

High performance culture

R&D technology incubators

Our Progress Thus Far

NATURAL CAPITAL	FINANCIAL CAPITAL	MANUFACTURED CAPITAL	HUMAN CAPITAL	SOCIAL CAPITAL	INTELLECTUAL CAPITAL
Land Bank: 431,000 ha	*Equity:* RM6.4 billion	*Mills:* 71	*Number of employees:* 18,696	*Number of nature conservations:* 3	*Number of seeding patents:* 9
CPO Produce: 3.1 million MT	*Debt (excluding LLA)*: RM5.4 billion	*Refineries:* 8			
	Deposits, Cash and Bank Balance: RM2.5 billion	*Storage:* 865,000 MT			

Our progress thus far is taken as a measure of the 6 capitals that form the basis of integrated thinking. By interconnecting these capitals into our strategic decision making, we endeavour to then fulfill our ambitions of creating sustainable value.

Global Strategic Blueprint (GSB) and Group Imperatives

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 employees 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 focused effort to deliver our strategic priorities underline the cultural and operational shift that will propel us to achieving our 2020 ambitions.

Company Values

P.R.I.D.E

Policies
- Company Values
- Business Code of Conduct
- Finance Policy
- HR Policy
- Investment Policy
- Environmental & Social

Procedures/Tools
- Discretionary Authority Limits (DAL)
- Budgeting Process
- Procurement Policies & Procedures (PPP)
- Transformation Tracker

People
- Talent Development
- Key Performance Indicator
- Group Rewards
- Succession Planning

Cluster Vision Charters

Brand Building
- Employee value proposition
- Corporate branding

Innovation
- Innovative ‘monitoring & tracking tools’ for estate management
- New planting materials

P.R.I.D.E 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 investment policy ensure rational investments are made managing both speed and risk.

5. To foster a high performance culture, we have developed HR policies to recruit, retain, perform, develop and reward our people.

In terms of new processes and procedures, we have rolled out our Discretionary Authority Limits (DAL) to create a more empowered, responsible organisation and to provide clear and consistent authorities. Supporting Procurement Policies & Procedures (PPP) lay down clear guidelines and facilitate a more disciplined and controlled tender 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 toward. We have introduced line of sight KPIs which were aligned to our business’ overall strategy. These metrics were measured through our enhanced management information system.

Global Strategic Blueprint (GSB) and Group Imperatives

ACCELERATING OUR STRATEGIC ASPIRATIONS

Over the past year, in response to a challenging economic climate, group imperatives were introduced to focus the organisation on key and urgent deliverables. As we enter a new era for FGV, these imperatives form part of our business-as-usual activities, and have been incorporated within the relevant business and functional areas.

SHORT TERM (2015) | **MEDIUM TERM (2016 - 2017)** | **LONG TERM (2018 - 2020)**

ENHANCING REVENUE

- Establish successful tolling business model and fully-fledged, asset-backed trading arm (T)
- Expansion of palm oil plantation (non-LLA) and FFB volumes through M&A (P)
- Commercialisation of high-value and innovative products (D) (R)
- Execution of best management practices in the estates to improve yield (P)
- Improve sales volume by increasing channels, capability and customer (D) (S) (T)
- Diversify and develop new high margin products streams in new markets (D)

COST OPTIMISATION

- Divestment of under performing assets (G)
- Efficiency & energy optimisation – Waste to Wealth
- LLA renegotiation and restructuring (G)
- Supply Chain: Logistics Centre of Excellence (T)
- Procurement Transformation (G)

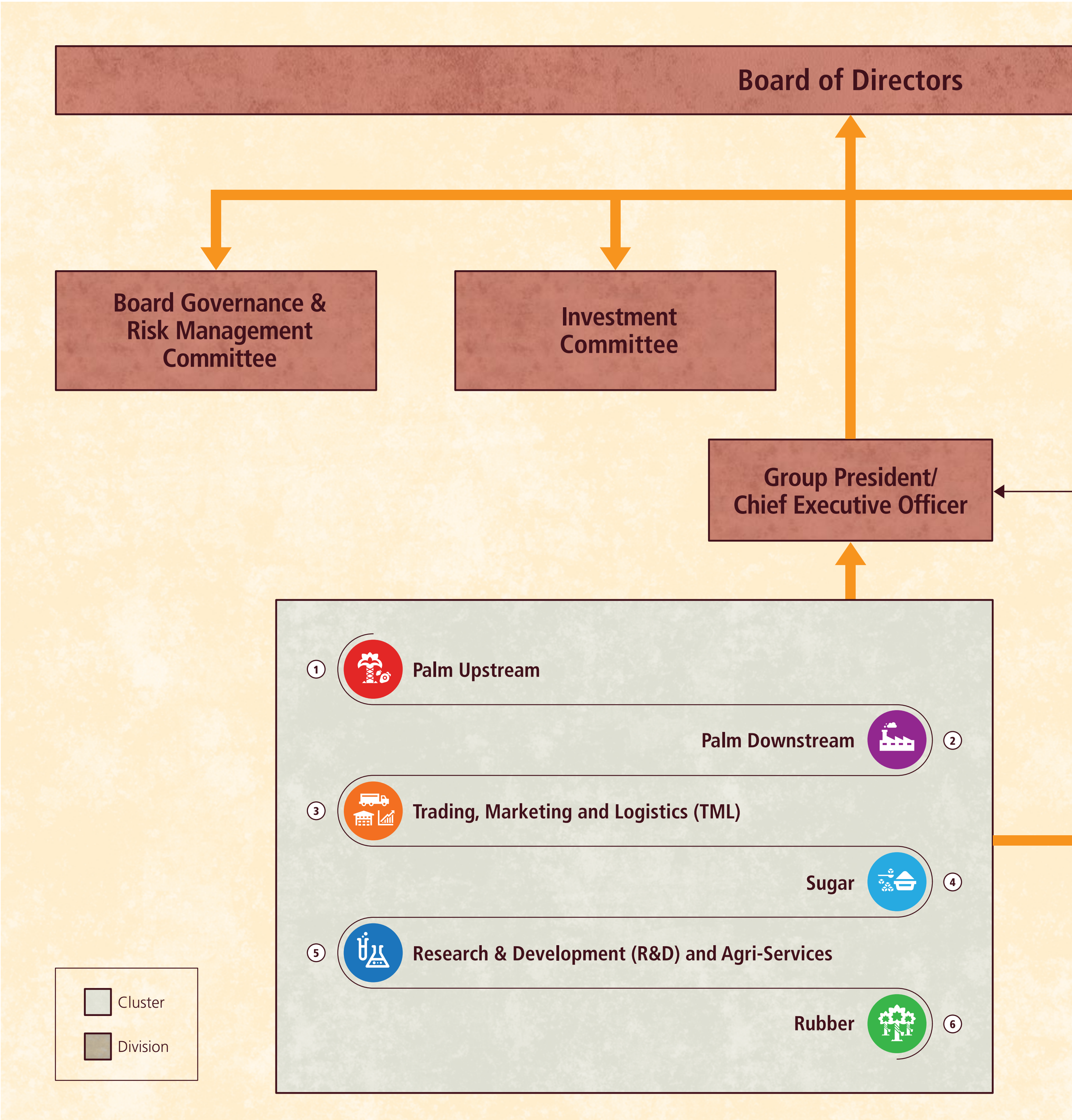
OPERATIONAL EXCELLENCE

- Innovative use of technology to improve productivity and efficiency in the field e.g. Harvesting tools and methods and increased mechanization (P) (A)
- Replanting programme to achieve optimum crop-age (60% prime, 20% young, 20% old) (P)

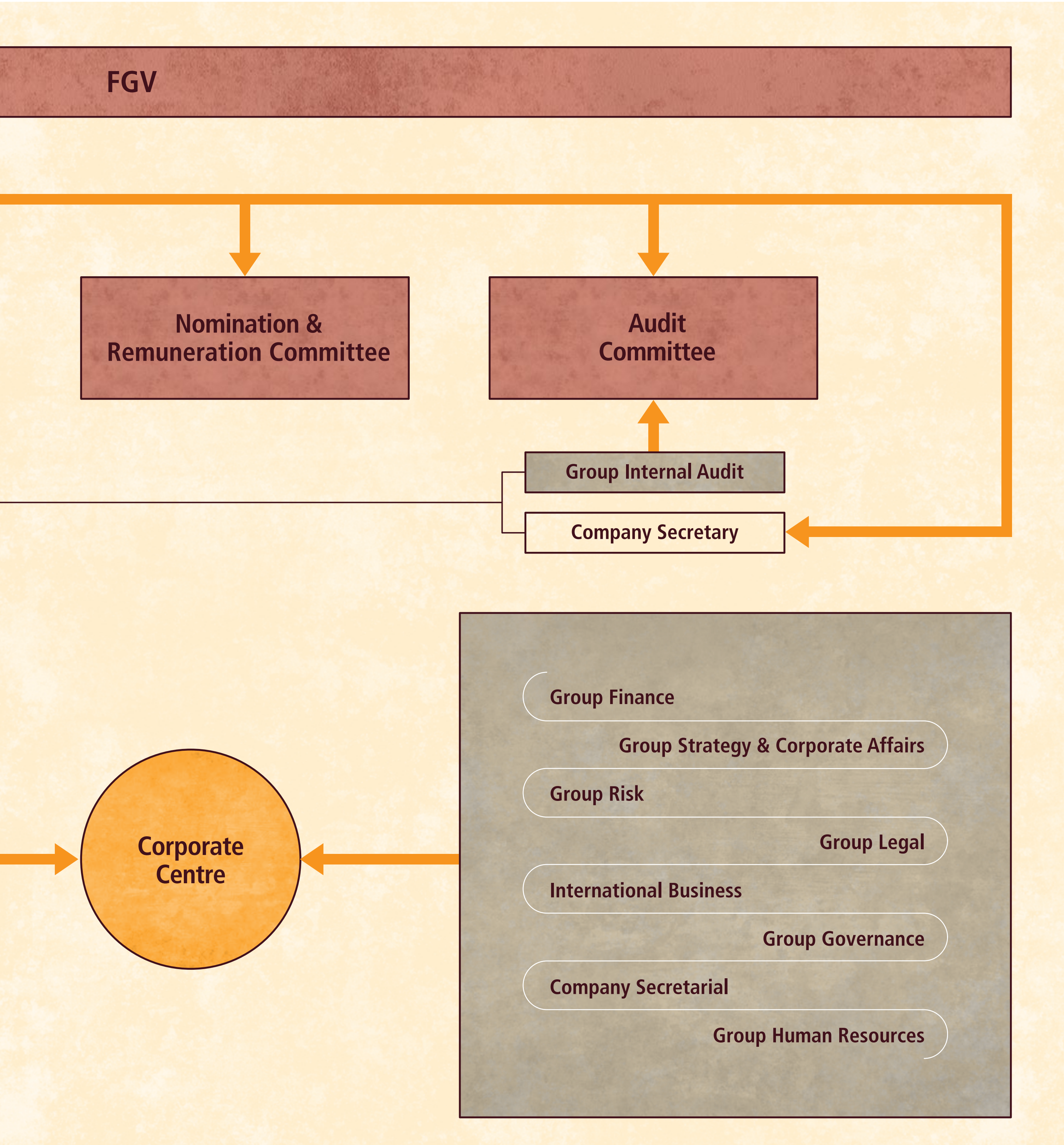
(G) Group (P) Plantation (D) Downstream (S) Sugar (T) TLM (R) Rubber (A) R&D and Agri-Services

We value our employees as our greatest asset. FGV believes that investing in human capital is extremely important for the organisation to thrive in today's market. Creating a sustainable organisation by attracting and retaining the top talent as well as securing a pipeline of talent to fill the critical jobs at all times will ensure the Group continues to bring value to our Shareholders.

Organisational Chart as at February 2016



Organisational Chart as at February 2016



Business Clusters

In line with our strategic priorities, the Group comprises of six core 'Clusters' – Palm Upstream, Palm Downstream, Trading, Marketing and Logistics (TML), Sugar, Research & Development (R&D) and Agri-Services, and Rubber. 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.

Felda Global Ventures Holdings Berhad (FGV)

1 Palm Upstream

- FGV Plantations Sdn Bhd
- FGV Plantations (Malaysia) Sdn Bhd
- Pontian United Plantations Bhd
- Asian Plantation Limited
- Felda Palm Industries Sdn Bhd
- PT Citra Niaga Perkasa
- PT Temila Agro Abadi
- Trurich Resources Sdn Bhd#
- Kuala Muda Estates#
- FTJ Biopower Sdn Bhd#

2 Palm Downstream

- FGV Downstream Sdn Bhd
- TRT Holdings, US
- FGV Biotechnologies Sdn Bhd
- Felda Kernel Products Sdn Bhd
- Delima Oil Products Sdn Bhd
- Felda Vegetable Oil Products Sdn Bhd
- FGV Cambridge Nanosystems Limited
- FGV China Oils Ltd
- FPG Oleochemical Sdn Bhd#
- Felda Iffco Sdn Bhd#

3 Trading, Marketing and Logistics (TML)

- Felda Holdings Bhd
- FGV Trading Sdn Bhd
- Felda Marketing Services Sdn Bhd
- Felda Transport Services Sdn Bhd
- Felda Johore Bulkers Sdn Bhd
- Langsat Bulkers Sdn Bhd
- Felda Bulkers Sdn Bhd
- Felda Grains Terminal Sdn Bhd
- F.W.Q Enterprises (Pvt.) Ltd
- Taiko Clay Chemicals Sdn Bhd#

Corporate

* *The list of subsidiaries is not comprehensive. Further details and equity shareholdings of FGV in its subsidiaries can be referred to on page 258 of the financial statements*

Joint venture or associate company

Business Clusters

Alongside these Clusters is a single, coordinated, Corporate Centre that consists of supporting business units – Group Finance, Group Human Resources and International Business. This provides 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.

4 Sugar

- FGV Sugar Sdn Bhd
- MSM Malaysia Holdings Bhd
- MSM Prai Bhd
- MSM Perlis Sdn Bhd
- MSM Logistics Sdn Bhd
- MSM Sugar Refinery (Johor) Sdn Bhd
- MSM Trading International DMCC, Dubai

5 R&D and Agri-Services

- FGV R&D Sdn Bhd
- FGV R&D and Agri-Services Sdn Bhd
- FGV Applied Technologies Sdn Bhd
- Felda Agricultural Services Sdn Bhd
- FPM Sdn Bhd

6 Rubber

- FGV Rubber Sdn Bhd
- Felda Rubber Industries Sdn Bhd
- Feltex Co Ltd
- PT Felda Indo Rubber
- FGV CVC (Cambodia) Co Ltd

Centre

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 Bhd (PPB) to establish Kilang Gula Felda Perlis Sdn Bhd (KGFP), a sugar milling and refining facility.

1978

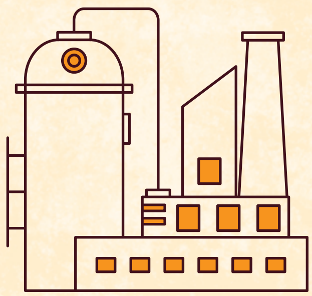
Formation of Agricultural Services Corporation (now Felda Agricultural Services Sdn Bhd) to produce planting stock for oil palm.

1980

FELDA established an investment cooperative (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.

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.

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

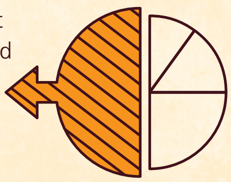
Key Milestones

2008

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

2009

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

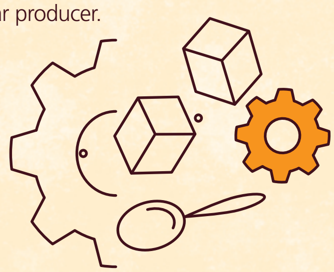


2010

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 Bhd (MSM Co) and Kilang Gula Felda Perlis Sdn Bhd to emerge as Malaysia's largest sugar producer.



2011

MSM Malaysia Holdings Bhd (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.

2012

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

2013

FGV Cambridge Nanosystems Ltd (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.

2015

Awarded The Best Global Employer Award.

Awarded Palm Oil Plantation Company of the Year Frost & Sullivan for the third consecutive year.

Signed Sales & Purchase Agreement to acquire a parcel of Land and 4 subsidiary companies from Golden Land Bhd.

Awarded NACRA Awards.

Awarded Building Trust Awards.

Moments of the Year

2015

14 Jan
GPCEO & EXCO visit flood-hit area in Kg Badok, Temerloh

5 Feb
Signing of MOA between FGV & Borneo Conservation Trust (BCT) at Hotel Le Meredien, Kota Kinabalu

2-4 Mar
Palm Oil Conference 2015 in Shangri-La Hotel, Kuala Lumpur

23 Mar
Briefing Session with BN Backbenchers Club (BNBBC) at the Parliament

1-2 Apr
World Halal Conference 2015 at KLCC Convention Centre

10 Apr
Seminar on Graphene at MIDA, KL Sentral

14 Apr
Frost & Sullivan Award Ceremony at Hotel Mandarin Oriental, Kuala Lumpur

23 Apr
Invest Malaysia 2015 at Hotel Mandarin Oriental, Kuala Lumpur

27 Apr
Signing Ceremony between Evonik and Green Lizard at Menara FELDA

Moments of the Year

27 Apr

POTS 2015 in South Korea

6 May

Signing of MOA between FGV and ECN at Menara FELDA

6 May

Signing of MOA between FGV, FRIM and PERHILITAN at Menara FELDA

15 May

FGV Aid for Nepal Earthquake Victims

28 May

Cheque Handover Ceremony to MERCY for the Rohingnya Refugees at Menara FELDA

6 Jun

Signing of MOU between FGV PUP and Golden Plantation at Menara FELDA

11 Jun

ICAEW Regional Business Challenge 2015 at Connexion Nexus, Bangsar South

16 Jun

FGV AGM 2014 at Menara FELDA

22 Jun

Majlis Berbuka Puasa with Prime Minister at Seri Perdana, Putrajaya

Moments of the Year

2015

2 Jul
Cheque Donation Ceremony for Earthquake Victims in Sabah at Kota Kinabalu

11 Aug
Ikatan Mesra Syawal FGV at Dewan Merak Kayangan, Balai Felda

18 Aug
Majlis Meraikan Bakal Haji Kumpulan Felda at Menara FELDA

20 Aug
SEA Summit 2015 at Westin Hotel, Kuala Lumpur

26 Aug
Signing of MOU between MSM Holdings Bhd and Sharkara International (F2C)

27 Aug
Malaysia Indonesia Bilateral Meeting in Palm Oil Industry Development at PWTC

14 Sep
RSPO Audit with Accreditation Services International (ASI) in FELDA Pasoh 2 & 3

24 Sep
Eid Adha Program with FGV Plantation workers' families in Lombok, Indonesia

28-30 Sep
Globoil India Conference 2015 in Mumbai

Moments of the Year

26 Oct
Signing of MOA for Gabon International Training Programme between OLAM & FGV at PPPTR, Sg Tekam

27 Oct
The Jewels of Muslim World Award 2015, 6th Muslim World Biz 2015 at PWTC

28 Oct
First Bio-CNG Plant Launching Ceremony at FELDA Sg Tengi

18 Nov
13th Annual RSPO Conference at Shangri-La Hotel, Kuala Lumpur

21 Nov
Signing Ceremony of the Charter of Establishment of Council of Palm Oil Producing Countries (CPOC) between Malaysia and Indonesia, KLCC Convention Center

26 Nov
Overall Excellent Award for National Annual Corporate Report Award 2014 (NACRA) at Hotel Intercontinental, Kuala Lumpur

28 Nov
Agri Shoppe Launching Ceremony at Lahad Datu, Sabah

30 Nov
Signing of MOU between Worker's Association and FGV Group of Companies at Menara FELDA

2 Dec
GPCEO Meeting with the Ambassador of Indonesia at the Indonesia Embassy

Awards & Accolades

Awards & Accolades

HUMAN CAPITAL

1. **50 Best Global Employer Brands Award 2015**
   23rd edition of the World HRD Congress – FGV

2. **Excellence in HR Strategic Plan**
   HR Excellence Awards 2015 – FGV

3. **Excellence in Recruitment & Retention Strategy**
   HR Excellence Awards 2015 – FGV

4. **Biggest Corporate Team**
   Malaysia Spartan Race 2015 – FGV

5. **The Asia HRD Awards 2015**
   Human Resources Development – FGV

BUSINESS & FINANCIAL

1. **SME100 Fast Moving Companies 2015**
   SME100 Awards 2015 – DELIMA Oil Products Sdn Bhd (DOPSB)

2. **6th The Jewels of Muslim World Award**
   Top Movers of The Islamic Economics – FGV

3. **Excellence in Manufacturing Sector**
   Global Leadership Awards 2015 – MSM

4. **Industry Excellence in Manufacturing**
   6th Middle East Business Leaders Awards – MSM

5. **Asia Success Award 2015**
   Super Brand – MSM

6. **2015 Superbrands Malaysia's Choice**
   Delima Oil Products Sdn Bhd (DOPSB)

7. **Best Brands Corporate Branding in Consumer 2014-2015**
   FMCG

8. **2015 Frost & Sullivan Malaysia Palm Oil Plantation Company of the Year**
   Felda Global Ventures

9. **Global Best Brands Sugar Manufacturing**
   MNC Category – MSM

10. **Best Annual Report in Bahasa Malaysia**
    National Annual Corporate Report Awards (NACRA) – FGV

11. **Industry Excellence Awards - Plantation & Mining**
    National Annual Corporate Report Awards (NACRA) – FGV

12. **Stream II Approved Training Organisation**
    Malaysian Institute of Certified Public Accountants – MSM

13. **Certificate of Merit**
    National Award Corporate Report Awards – MSM

14. **IKM Laboratory Excellence Platinum Award**

Chairman's Statement

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

Dear Stakeholders,

As we expand our business locally and internationally, we remain committed to being a more competitive and sustainable entity. We will continue empowering sustainable value to each Stakeholder across our value chain.

At the root of attaining sustainable development for the future, there is a crucial need for us to empower our employees and Stakeholders at every level and process, because value creation is a continuous process that is shared by us all. In an effort to capture the many facets of creating sustainable value, the Board and I are pleased to declare that this is the year we move into integrated reporting.

With our intent to move toward a more transparent manner of governance, we initiate our first Annual Integrated Report (AIR) which suitably encapsulates the way we are weaving integrated thinking into everything we do. With our eye on being a global sustainable agri-business powerhouse by 2020, our reporting must also reflect the improvements we are effecting internally. An AIR will serve to underscore and reinforce the way we are using transparency and integrated thinking to dictate the decisions and actions we take.

We are aware that the performance and success of our Company does not solely rest with financial or economic outcomes. Rather, non-financial attributes like social, environmental markers and governance are also a big part of what constitutes success. This mentality underlines the sustainability efforts within and we hope to use integrated reporting as an effective tool to represent this.

As a business, our natural, financial, manufactured, human, network and intellectual capital are intricately interconnected and dependent. It is thus critical that we use integrated reporting to capture these relationships more effectively, and to reflect the way we use these assets to enhance value for our respective Stakeholders.

We hope that our venture into integrated reporting will break through the existing boundaries of conventional reporting. Done right, we will create a report that gives Stakeholders a balanced and holistic view of our Company's financial, social, economic and environmental performance. Where traditional annual reports give specific focus to the year under review, we endeavour to broaden this scope and give you a 360˚ vantage point of our Company. The AIR will report on the aspects that affected the Company in 2015, and are likely to do so in the short, medium and long term from both an internal and external perspective.

An integrated approach will guide our Stakeholders to further understand the interconnectivity of each part of our comprehensive value chain. The Board and I believe that integrated thinking is a critical management tool especially in the challenging times we are presently facing.

The year 2015 was a tough year for most in the commodity sector. We are not immune to these headwinds, but our Company remains resilient thanks to the transformative efforts put in place in previous years. Upstream palm plantations is a crucial part of our business, and this sector has been subject to the volatile nature of crude palm oil prices. 2015 presented the weakest Crude Palm Oil (CPO) prices yet since the end of the commodity boom back in 2012.

Chairman's Statement

Weather conditions became a greater issue amongst planters during the year under review. Production was impacted by a dichotomy of events, namely the El Nino effect and devastating floods in parts of Peninsular Malaysia. Both weather phenomenon caused damage not only to the surrounding environment, but also to the residents living within the areas.

As a consequence, the general commodities outlook will be affected in 2016. However, our commitment to our transformation initiatives coupled with external factors, such as growing populations worldwide and its subsequent demand will lend favour to tip the entire palm value chain and possibly push markets higher.

I would like to extend my heartfelt welcome to Dato' Zakaria Arshad who will take up the post as Group President and Chief Executive Officer of the FGV Group effective 1 April 2016. We are delighted to have Dato' Zakaria in the captain's seat, considering his 32 years of experience with the FGV family. The son of a Felda settler from Palong 1, Negeri Sembilan, Dato' Zakaria has worked with various companies within the Group.

As Head of Palm Downstream, Dato' Zakaria is responsible for creating the foundation that culminated in the turnaround of Delima Oil Products Sdn Bhd. I have witnessed first-hand his unfailing dedication to the Cluster as he spearheaded the consolidation of brands within the segment, and I look forward to seeing what he will accomplish as Group President.

He will take over from the capable hands of Dato' Mohd Emir Mavani Abdullah who will complete his 3-year tenure at FGV with the utmost grace and competence on 1 April 2016. Dato' Emir has greatly surpassed the expectations set on him. My fellow Board members and I are infinitely grateful for Dato' Emir's complete devotion to the transformation and wish him well as he embarks on his next venture.

Lastly, I extend my appreciation to my fellow Board of Directors who have provided their best counsel, and FGV employees, who are the backbone of the work that we do. We look forward to strengthening relationships with our strategic partners, bankers, suppliers, and customers. Mostly, I thank all our Stakeholders for the trust endowed upon the Board to govern our Company and steer it to greatness.

YB Tan Sri Haji Mohd Isa
Dato' Haji Abdul Samad
Chairman
29 March, 2016

Group President/Chief Executive Officer's Statement

To the Valued Shareholders of Felda Global Ventures,

Our Company achieved a resilient performance despite a challenging Financial Year 2015 (FY2015).

Dato' Mohd Emir Mavani Abdullah
Group President/Chief Executive Officer
(Ceased office on 1 April 2016)

Revenue
RM15.56 billion

Dividend Per Share
4 sen

Profit after Tax and Minority Interests
RM106.99 million

Earnings Per Share
2.9 sen

As I review the events of the past year, I recognise that our employees are our biggest assets. They play a pivotal role in seeing our Company through the most difficult of times.

The Global Strategic Blueprint (GSB) has been a critical driving force for us since initial public offering in 2012, guiding the transformative work we do. The GSB's overarching goal is to rank us among the world's top 10 integrated sustainable agri-businesses by 2020. We are committed to strengthening the sustainability of the Group's business model from a financial, environmental and social perspective, in order to become a nimble and competitive business.

OUR DIVERSIFIED STRUCTURE IN PLAY

Our Company is presently diversified across every aspect of the agriculture value chain. This diversification is a fairly new development considering that FELDA has been in operation for decades.

In order to build a financially sustainable business, we must diversify our operations further to reduce our Company's heavy reliance on the palm commodity. Our intent, is to expand our Palm Downstream Cluster, which will benefit from cheaper inputs when CPO prices are low. On the other hand, the Palm Upstream Cluster will also reap higher profits in a high CPO price market. This diversification will allow us to make the most of our integrated group structure.

In the present challenging palm plantations market, we have already begun to see the value of this integrated structure. Our diverse business segments and exposure to other markets mitigated the effect of the external risks in 2015. While the Palm Upstream Cluster faced a weak price market, our Palm Downstream Cluster served as a ready market to buy our oil. Palm Downstream benefited from cheaper inputs from which it produced refined oil products. In totality, this structure insulated the Group from the weak commodity price and demand market. The healthy performance from our sugar business also helped to improve our bottomline in 2015.

Group President/Chief Executive Officer's Statement

STRENGTHENING OUR MAINSTAY

As we keep our vision fixed on becoming a global integrated agri-business by 2020, we realise that diversification means little without a sturdy foundation. This drives our unending efforts to enhance our Palm Upstream Cluster, which to this day remains our mainstay. To this end, our two-pronged strategy will focus on expanding our landbank and improving overall oil yield for the long term.

Where the enhancement of our oil palm yields are concerned, we rely on ongoing initiatives such as new planting materials, upgrades and modernisation of our mill technology and the embedding of best management practices on the ground at our plantations. Among the best management practices we are initiating are nutrient management, canopy management and crop recovery programmes which we believe will fortify the sustainability of our plantations.

P. 42 *More on this can be found on page 42 under Palm Upstream Cluster*

COMMITMENT TO TRANSFORMATION

Since 2012, our GSB has laid the building blocks for the Group's transformative growth, becoming a central part of our day-to-day operations. Moving forward we will focus more on our Transformation Programme, to further address our Company's competitiveness on various levels of the business. The key areas of our Transformation Programme were identified as Revenue Enhancement, Cost Optimisation, Growth, Sustainability, People, and Operational Excellence.

The existing programme to effect best management practices on our plantations is both an Operational Excellence and Revenue Enhancement initiative. In 2015, our processing volume of fresh fruit bunches rose as a direct result of instilling best management practices in those estates which have initiated the programme. Encouraged by this early stage success, we will continue scaling this programme to a larger number of estates in 2016.

At the beginning of 2015, we launched the streamlining of our Group trading activities under FGV Trading. This is a pivotal move for our future as it centralises the decision-making process under one umbrella. Under the previous structure, each Cluster – Palm Upstream, Palm Downstream, and Trading, Marketing and Logistics (TML) – conducted their own trading of raw materials and finished goods. Today, FGV Trading executes all the buying and selling of resources within our Company. Although still in its infancy, this new structure has begun to yield us revenue enhancements.

FGV Trading is a reflection of how our business as a whole is becoming more integrated by the day. It consolidates our trading activities to more effectively distribute internal resources and take advantage of better prices from the external market. In just one year, we have witnessed the synergy of the streamlined structure.

P. 52 *More on this can be found on page 52 under TML Cluster*

Whilst we're driven to expand our revenue streams, we are also cognisant of implementing Cost Optimisation efforts throughout the Group. In line with our intent to sell off non-core businesses, in 2015 we divested loss-making subsidiary TRT Etgo for RM567.1 million. While this gives us room to concentrate on our primary businesses, we will also be able to redeploy the sales proceeds to be used for repayment of borrowings and working capital requirements in line with our ambitions for the future.

Simultaneously, we enhanced and streamlined our procurement processes, allowing us to optimise contracts for the materials and services procured for our Company.

P. 68 *More on this can be found on page 68 under Corporate Centre*

Group President/Chief Executive Officer's Statement

WHAT 2016 HAS IN STORE

In the near term, FGV is looking forward to a recovery in crop prices from the low levels experienced in 2015. This trajectory will be supported by the growing consumption and production trend for commodities across the globe.

We are aware of the headwinds that could be in store within the sector and have laid down the building blocks that will sustain us through these challenging times. In 2016, we will continue to aggressively execute our Transformation Programme in order to deliver long term value to our Stakeholders.

To mitigate some of the risk factors, we continue to focus on efficiency gains. Improving yields is critical as the margins are challenged as a result of fluctuaction and volatility of CPO prices and the US dollar.

On a regulatory note, environmental pressures from the developed world and large-scale customers, such as Unilever and Procter & Gamble, could take greater precedence. We believe that this could mean a more stringent operating environment in terms of sustainable palm oil. Already the industry is having to deal with issues like deforestation, indigenous community, native land, conservation and illegal migrants. In addition to sustainability measures, the Group's growth will be subject to tighter regulations by authorities and Stakeholders across the globe.

Fully aware of the cyclical nature of commodities and the present global economic climate, we stand by the long term attractiveness of the agriculture sector. This sector brings value to the communities it serves that goes beyond just the material. We are privileged by the developmental and enrichment role this sector lends to society.

Group President/Chief Executive Officer's Statement

As we ride the trajectory of fast growing populations and middle-class world-wide, both environmental and business sustainability become pivotal aspects of enhancing our Company's business model. We are committed to the plan to deliver on this imperative, and transform our Company into a top-10 sustainable agribusiness player of international scale.

Finally, I thank you for your continued trust and support of our abilities in the promise of a brighter future. I am humbled to announce my departure from the Group, but I do so with great relief knowing that FGV Group is in the astute hands of Dato' Zakaria Arshad. Having had the privilege of working with him during my time here, I am confident of his ability and vision to take the Group to greater heights. I extend to the Board of Directors and the entire FGV family my unending gratitude for making me one of your own, and giving me the opportunity to serve this great and inspiring entity.

Dato' Mohd Emir Mavani Abdullah
Group President/Chief Executive Officer
29 March, 2016

WE NURTURE

As a founding member of RSPO, we view sustainability as an utmost priority. We engage in best practices, meet world standards, and innovate green initiatives throughout our upstream operations. As the world's largest CPO producer, we are committed to advancing a greener future.

World's
LARGEST
CPO producer

332,586
ha Planted

9,966
ha Replanted

KEY GROWTH TARGET:

FGV remains committed with aggressive replanting to improve its age profile and higher oil yield per hectare

71 MILLS

12 MILLS with biogas facilities

OUR NUMBERS

FFB Production	FFB Yield	CPO Production	Oil Extraction Rate (OER)
4.63 million MT	**17.93 MT/ha**	**3.10 million MT**	**20.91%**

Business Operations Review
Palm Upstream

During the year under review, the Palm Upstream Cluster contributed RM1,933 million to the Group's revenue. Our major business activities include managing oil palm plantations and milling operations.

In our effort to be a more integrated entity, a group-wide Transformation Programme effected a new business model at the beginning of February 2015. Our milling business model has been converted into an integrated tolling model which involves two major subsidiaries: FGV Plantations (M) Sdn Bhd (FGVPM) and Felda Palm Industries Sdn Bhd (FPI).

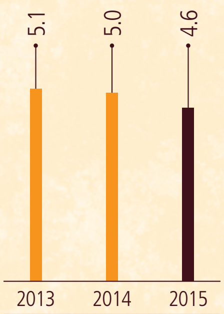
Under the new business model, FGVPM purchases FFB from FELDA settlers and third parties. These, in addition to internally produced FFB are sent to FPI for processing at an agreed tolling rate. The CPO and CPKO produced is owned by FGVPM and later sold to FGV Trading, a unit of our Trading, Marketing and Logistics (TML) Cluster.

P.
52
More on this can be found on page 52 under TML Cluster

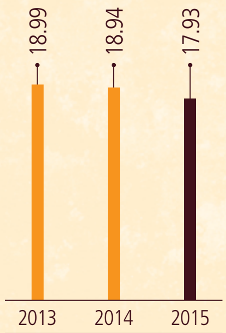
Business Operations Review
Palm Upstream

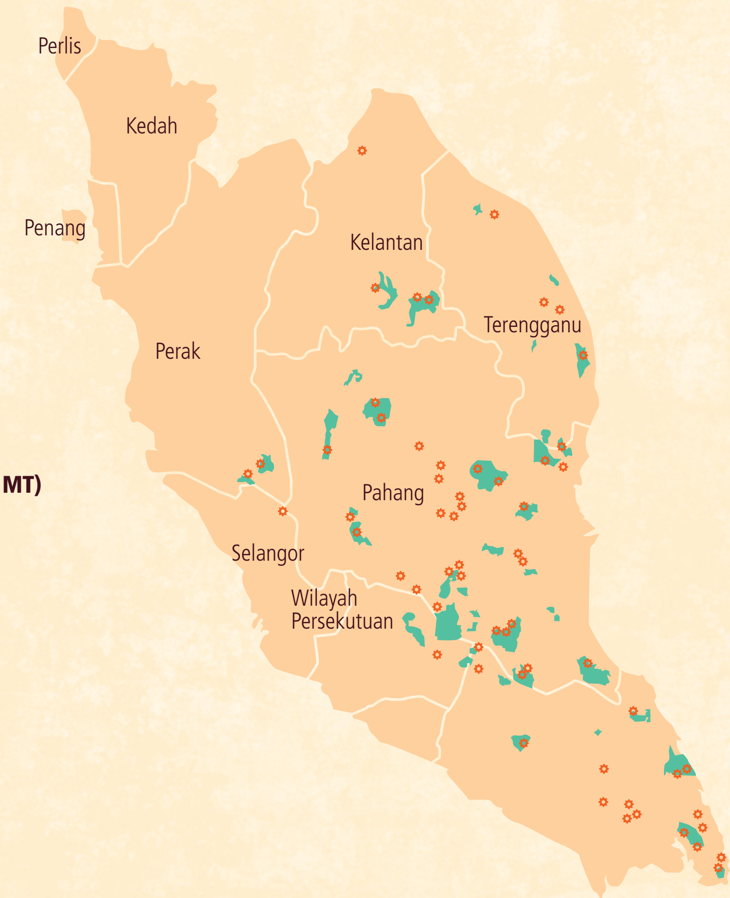
FGV manages about 431,622 hectares (ha) of plantation landbank in Malaysia and Indonesia. This excludes about 475,000 ha of land under settlers who supply FFBs to FGV.

FFB Production (Million MT)

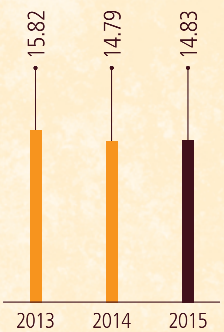


FFB Yield (MT/ha)

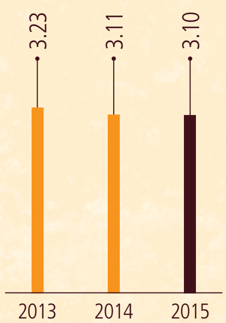




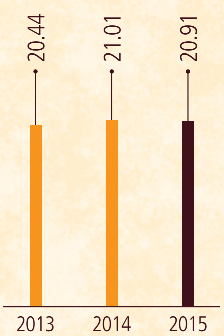
FFB Processed (Million MT)



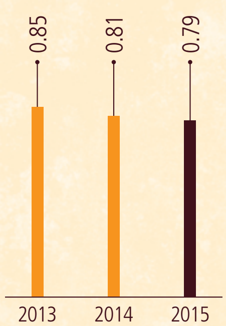
CPO Production (Million MT)



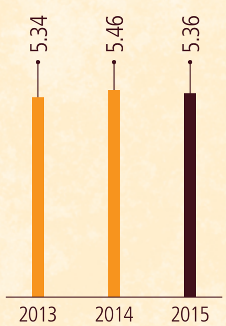
OER (%)



PK Production (Million MT)



KER (%)



Oil Palm Plantation

FGV Palm Oil Mill

Notes:
1. *2013 includes 3 months productions of PUP (October to December 2013)*
2. *2014 includes 2 months productions of APL (November to December 2014)*

Business Operations Review
Palm Upstream

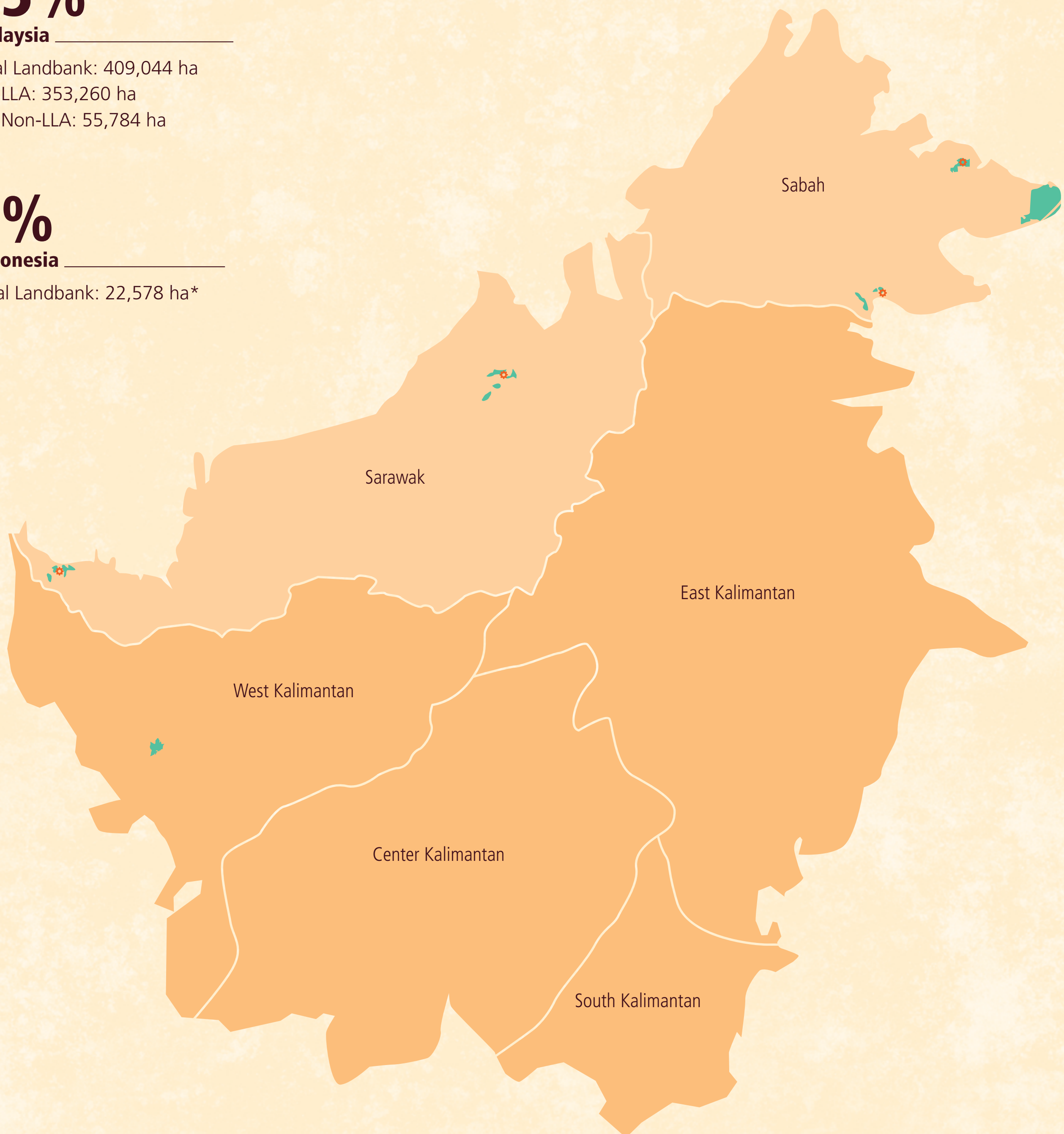
Landbank by Country
(excluding settlers land)

95%
Malaysia

Total Landbank: 409,044 ha
- LLA: 353,260 ha
- Non-LLA: 55,784 ha

5%
Indonesia

Total Landbank: 22,578 ha*



* *Exclude ~42,000 ha of landbanks held under joint-venture*

Business Operations Review
Palm Upstream

A CHALLENGING YEAR

Throughout the financial year, the Palm Upstream Cluster operated under very challenging market conditions and volatile currency fluctuations that subjected palm oil prices to considerable uncertainty. The economic slowdown in China dampened demand for commodities and this is notable given the sheer size of its population and economy. CPO prices experienced further downward pressure, aggravated by the ample supply of oil seeds and collapse of crude oil prices. In August 2015, CPO prices sunk below RM2,000 per MT.

Against this backdrop, the upstream business recorded lower profit at RM349 million, declining 55% on a turnover of RM1.9 billion. The Cluster's performance was primarily impacted by lower average CPO prices, commanding RM2,210 per MT in 2015, where we were able to achieve an average RM2,410 per MT in 2014. Lower yields and higher costs as a result of the dry weather further aggravated the situation.

Unusual heavy rainfall towards the end of 2014 and early 2015 triggered massive floods which affected some of our estates in the East Coast. As a result, yields were reduced during the first quarter of 2015. The severe flooding had a significant impact on our profitability as about half of FGV's plantations in Kelantan, Terengganu and Pahang were affected. Homes, roads and other infrastructure were made inaccessible as floods inundated around 36,000 ha of land, of which 10,000 ha belonged to settlers.

As a result, we incurred greater operating expenses for flood recovery and about 25,000 MT reduction in FFB production. Group's FFB production recorded lower volumes for the financial year 2015 at 4.6 million MT, down 7% from 2014. The increased water content in the FFB collected caused a fall in OER. The Cluster's milling operations reported an average OER of 20.91% in 2015, compared to 21.01% the previous year. FFB yield per hectare fell 5% since 2015 to 17.93 MT, diluted by the low yields from our young maturing plantation land. Consequently, CPO volumes produced during the financial period was slightly lower at 3.10 million tonnes.

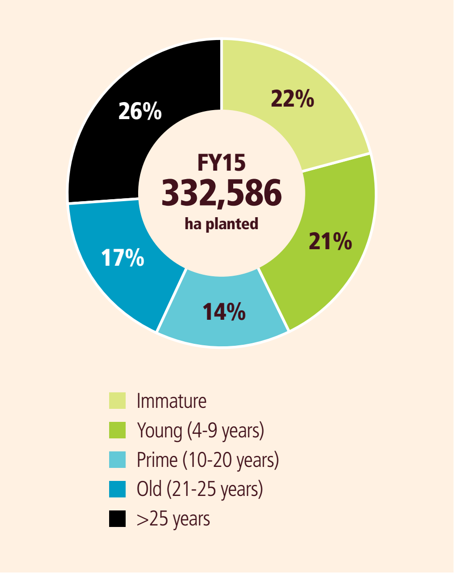
Aside from the floods, the unusually long drought induced by the El Nino phenomenon later in 2015 disrupted the FFB cropping pattern in our estates. The prolonged dry weather is expected to have multiple laggard impact on FFB production within the next 6 months to 2 years. Our estates, especially in Sabah, have recorded an average decline in rainfall of about 22% for Sabah and 24% for the Group in 2015 compared to the previous year. While El Nino may have a negative effect on our production, it could be a catalyst to boost market prices in 2016.

ACCELERATING OUR TRANSFORMATION

In the year to come, the Cluster will push ahead with all our existing improvement programmes, making them better and expanding implementation. Our tried and tested best management practices will be replicated and instilled across a larger number of estates to improve our oil yield per hectare.

In our endeavour to attain an optimal palm age profile by 2020, the Group will supplement our replanting programme with brownfield acquisitions. In this vein, we added 9,813 ha to our landbank and a 60 MT per hour mill to our portfolio with the acquisition of Golden Land Bhd for RM655 million in March 2016.

By 2020, FGV aspires to rank itself among the top five palm players globally in terms of landbank. As available plantation land in Malaysia becomes more scarce by the day, we are opening up our options to grow our Company geographically. Over the next few years, we'll continue to extend our presence across ASEAN, with particular focus in Indonesia.



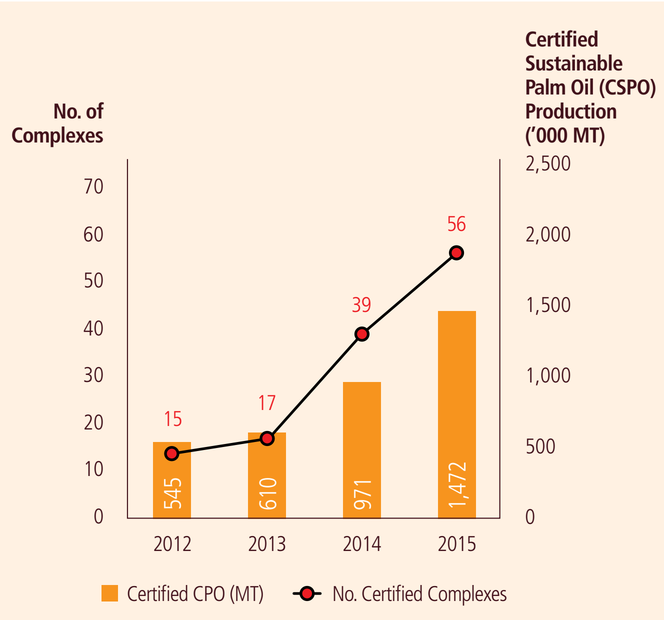
Business Operations Review
Palm Upstream

Launching of the Bio-CNG plant by YB Datuk Amar Douglas Uggah Embas, Minister of Plantation, Industries and Commodities on 28 October 2015.

SUSTAINING MOMENTUM

As a founding member of the Roundtable on Sustainable Palm Oil (RSPO), FGV has kept social and environmental concerns close to heart. Transformation initiatives within the Group remain guided by the principle of sustainable benefits for people, profit and planet. To further strengthen our commitment towards sustainability, we have revised our Sustainability Policies to include new RSPO requirements pertaining to the ban on planting of oil palm in high carbon stock and high conservation value areas.

SR *More on this can be found in our Sustainability Report*



By the end of the financial year 2015, 56 of our mill complexes had attained RSPO certification, while 10 of them retained International Sustainability and Carbon Certification (ISCC) re-certification. The Palm Upstream Cluster expects to have its 71 mills fully audited by 2016, ahead of the 2017 target. We produced 1.47 million MT of certified palm oil this year, 52% higher than in 2014.

But beyond compliance with international standards, sustainability is also a thread we have been weaving into our operations. Since 2007, Felda Palm Industries Sdn Bhd (FPI), our subsidiary, embarked on a renewable energy project to use palm oil mill effluent to produce biogas. Today, FPI has the largest number of biogas plants installed within our mills. Of the 25 biogas projects, 19 are completed, with 6 still under construction. 12 are certified with the remaining balance of 7 due to be certified in the near term. Our determination to extract further value has evolved FPI into pioneering techonology to develop the first commercial scale palm-based bio-compressed natural gas (Bio-CNG) in the world.

The Bio-CNG plant based in Sg Tengi, Kuala Kubu Baru, Selangor, can produce some 80,000 million British thermal units (MMBtu) per annum. This alone equals the annual energy requirement of two factories. The Bio-CNG produced is an alternative to fossil fuels like Liquified Petroleum Gas (LPG) and Medium Fuel Oil (MFO). Commercial production is scheduled in April 2016, with its first delivery to a wheel manufacturer for passenger and light commercial vehicles.

To put our business in perspective, the Group recognises that the near term outlook for the palm plantations market appears bearish. As we brace for the possible headwinds, we are cognisant of the long-term potential available to us. With our sights on long-term, sustainable performance, we will take the opportunity in today's weak market to grow our footprint at lower costs. We will simultaneously use this time to entrench the best standards across the Group to create a sustainable business, positioning ourselves to meet the demands of the future.

WE EXPLORE

Oil palm has diversified uses, other than edible oil products, palm products can be processed to produce biodiesel that can be blended to fuel lorries, buses and to operate power stations. FGV Downstream is ready to be among the leaders in producing biodiesel in Malaysia. Other innovative products from FGV Downstream such as Carbon Nanotubes and graphene are set to revolutionise diverse industries including aviation and automotive.

NEW MARKET PENETRATION

+15%

OUR NEW PRODUCT IN 2015

PROCESSING COST

-16%

INNOVATING

palm-based products

KEY GROWTH TARGET:

FGV aims to steadily strengthen its' market share in the global oleochemicals, oils, specialty fats and FMCG markets

Our Palm Downstream Cluster is the **second largest** revenue contributor to FGV Group

22% REVENUE CONTRIBUTION

Palm Downstream Cluster ventured into various downstream products in 2015, resulting in a major turnaround from a loss of RM14 million in 2014 to a **profit of RM9 million** in 2015

Business Operations Review
Palm Downstream

This Cluster houses our refining, processing and marketing capabilities to convert Crude Palm Oil (CPO) and Crude Palm Kernel Oil (CPKO) into specialised value added products. Our Palm Downstream Cluster is an important contributor to the Group's profitability. It is also a part of the Group's value added strategy to the Palm Upstream Cluster and the Group. This Cluster creates a ready market for Palm Upstream when market prices for CPO and CPKO are not optimal.

Palm Downstream has three sub-clusters – Manufacturing & Processing, Fast Moving Consumer Goods (FMCG), and Oleochemicals as described in the table below.

Sub-cluster		Product Range	Capacity
Manufacturing & Processing Product • **Felda Kernel Products** • **Felda Vegetable Oil Products** *(until 31 January 2016)* • **FGV Biotechnologies** • **FGV Lipid Venture** • **FGV Green Energy**	**Process PK and Produce CPKO & PKE** **Refined, Bleached & Deodorized Palm Oil (RBD) & Palm Kernel (PK) Products**	• CPKO and PKE • RBD Palm Oil (RBDPO) • RBD Palm Olein (RBDPL) • RBD Palm Stearin (RBDPS) • RBD Palm Kernel Oil (RBDPKO) • Palm Fatty Acid Distillate (PFAD) • PK Fatty Acid Distillate (PKFAD) • Biofuels/Biodiesel • Biodiesel	1,000,000 MT per annum 1,970,000 MT per annum 1,220,000 MT per annum 300,000 MT per annum 308,000 MT per annum 100,000 MT per annum 16,000 MT per annum 100,000 MT per annum 250,000 MT per annum
Fast Moving Consumer Goods • **Delima Oil Products** • **FGV China Oil**	**Packed Goods for Consumers & Industry**	• Edible Oil • Margarine • Shortening • Vegetable Ghee • Industrial Fats • Refinery, bulking & trading	DOP combined capacity of 258,000 MT per annum
Oleochemicals • **TRT US** • **FGV Cambridge Nanosystems**	**Oleochemicals Products & Others**	• Fatty Acids • Fatty Alcohols • Refined Glycerin • Methyl Esters • Graphene & Carbon Nanotubes	150,000 MT per annum 80,000 MT per annum 35,000 MT per annum 280,000 MT per annum
JV & Associate Companies • **FISB** • **FPG Oleochemicals**	**Specialty Fats, Packed Goods for Consumers & Industry** **Oleochemicals Products**		

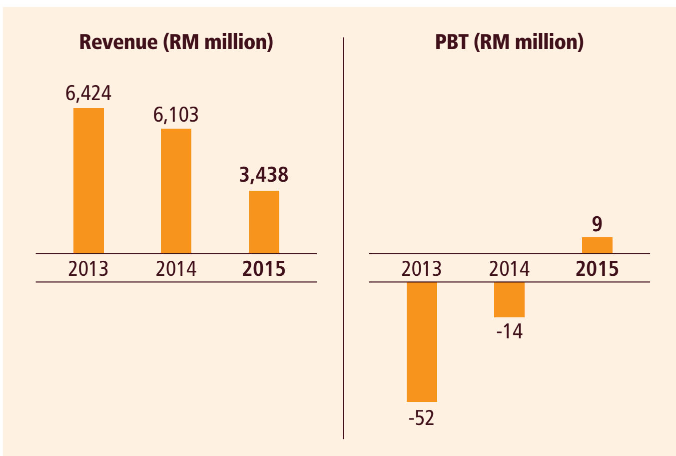
The external market for palm-based products is generally reflected by the CPO supply and demand environment in 2015. Overall, the palm-based product market in 2015 faced several challenges. Biodiesel and oleochemical products were uncompetitive due to the drop in petroleum-based products and the lower price of competing vegetable oils.

Overall demand from the major consumption markets like China and the European Union was weak as a result of the direct effect of slowdown in these economies. However, India was an exception where demand for palm-based products remained steady, bolstered by the growing middle-class population.

Growing middle-class population in India and China and other growing economies in Southeast Asia will be the demand and growth driver for vegetable oil products in the coming years. In tandem with this, we believe that food demand will see a corresponding upward trajectory and will be propelled further due to preference for healthier food options.

Financial Summary: FGV Downstream Cluster

Revenue & PBT (excluding JV)



Business Operations Review
Palm Downstream

VALUE OF DIVESTMENT

Transformation initiatives and structural changes implemented within the Group in 2015 had a positive impact on Palm Downstream's financials. Revenue reduced to RM3.4 billion in 2015 from RM6.1 billion in 2014 due to the change of FVOP's business model. This however, was a positive move that helped our bottomline.

The Cluster results turned around in 2015 as a result of various cost saving initiatives, disposal of loss-making TRT-ETGO, improvement of processing cost and higher margin in RBDPKO. Profit before tax came in at RM9 million in 2015, compared to a loss before tax of RM14 million the year before. Via transformational initiatives, several sub-clusters managed to improve Palm Downstream's total processing cost by 16%.

Centralisation of trading under FGV Trading in the Trading, Marketing and Logistics (TML) Cluster effectively meant less revenue captured in Palm Downstream. In 2015, Palm Downstream Cluster sold refined products internally to FGV Trading and recorded tolling fees.

The Oleochemical sub-cluster continued to capture larger volumes of sales of fatty acids and refined glycerine despite the lower margins experienced in the US in 2015. Our new venture, FGV Cambridge Nanosystems Ltd (FGV CNS) has started producing graphene and carbon nanotubes and is steadily securing new projects.

In 2015, further investments were made into new ventures namely FGV China Oil, FGV Cambridge Nanosystems and FGV Green Energy which are expected to add to our revenue and bottomline in the near future.

CAPABILITIES TO DRIVE PROFITABILITY

Our Manufacturing & Processing sub-cluster, which refines vegetable oil, crushes and produces palm kernel products and produces biodiesel, also achieved a positive turnaround in 2015. Compared to 2014 losses, the sub-cluster realised a profit before tax of RM11.9 million. The profit was, for the most part, attributable to performance excellence by our palm kernel crushing operations.

Given the lower export demand during the year and decline in volumes the profit is a commendable achievement. This turnaround is due to the Group transformation activities which emphasises plant efficiency, cost optimisation and sustainable growth.

For the mid-to-long term, FGV Biotechnologies will play a bigger part in Palm Downstream Cluster's portfolio. It has already obtained both Halal and Kosher certification for its Palm Methyl Ester production. These certifications will aid in our ambitions to penetrate the food industry. In 2017, we plan to complete FGV Green Energy which will facilitate further expansion in the biodiesel sector.

TURNING TIDES OF CONSUMER GOODS

The FMCG sub-cluster also turned around a positive result in 2015. Delima Oil Products (DOP) has a sizeable market share in the edible oil and fats market domestically. Internationally, FMCG exports to Myanmar, Philippines, CIS countries, Africa and the Middle East. In 2015, revenue fell to RM807 million from RM974 million in the year prior. However, the sub-cluster's bottomline profit before tax was RM14.3 million, improving from a loss before tax of RM11 million in 2014.

DOP's return to profitability is a direct result of various initiatives including gaining higher margins and the introduction of higher value new products. In 2015, DOP also ran cost saving initiatives, automated its in-house packing facilities and expanded its distribution network locally and internationally.

DOP also enforced Quality Control and Assurance improvement initiatives at DOP's plants to ensure high quality products for customer satisfaction. Saji brand cooking oil is one of DOP's top products and currently has presence in Myanmar, Philippines, Laos, Cambodia, Vietnam and Afghanistan.

Business Operations Review
Palm Downstream

MOVING FORWARD

In keeping with our group-wide vision to be a global agri-business powerhouse by 2020, we endeavour to build the Palm Downstream Cluster into a leading downstream player. By 2020, FGV aims to be among the global top three in industrial fats, among the top five in Southeast Asia for consumer goods, and become a low-cost player in second generation biofuel.

The Group is moving forward with a two-pronged strategy to effect organic and inorganic growth in the Palm Downstream Cluster. Expansion of the Oleochemical business will be via new product introductions and a focus on specialty oleo products. The Manufacturing & Processing sub-cluster focus will be placed on sustainable growth emphasising on plant efficiency, cost optimisation and use of cheaper feedstock.

The Cluster will further diversify into ventures and partner with other industry players to ensure optimum return on capital. It is our strategic priority to be in the downstream portfolio where the products are of higher value and margins are greater.

Palm Downstream will continue to be a vital player in the Group's diversification strategy to a well balanced exposure in the Palm Upstream segment. To play this role effectively, the Cluster will work to strengthen efficiency, improve competitiveness and enhance margins. Moving forward, these transformation programmes will be key.

Our Strategic Priorities Moving Forward

1 FMCG

DOP | FGV China Oil

Top 5 FMCG SEA, Top 3 global industrial fats

- Gain larger domestic market share
- Increase export margin
- New product development
- Increase cost saving
- Customer care

2 Manufacturing & Processing

FGVB | FGV LV | FGVGE

Low-cost 2nd generation global player

- Increasing Malaysia sales due to B10
- Use of high FFA feedstock
- Ship to EU market for summer blend and US upon EPA pathway approval
- Tolling-model for North Malaysia sales

FKP

Highest quality of CPKO & PKE Derivatives

3 Oleochemicals

TRT US

Optimise Oleochemical position

- Expansion of current business
- Product additions (e.g. kosher)
- Yield process reliability improvement

FGV CNS

Selective investments in high-return specialty markets

- Pursue M&A to ensure revenue and PBT realisation
- Focus on high return partnership
- Business development i.e. R&D projects, IP, patents and licensing

Significant palm-based downstream player

WE SYNERGISE

The Trading, Marketing and Logistics (TML) Cluster fortifies FGV's Trading & Marketing arm's aspiration to accelerate vegetable edible oils and fats transactions.

KEY GROWTH TARGET:

TML Cluster strives to be a Global Leader in trading, logistic and storage by 2020

BUSINESS EXPANSION AND EARNINGS DIVERSIFICATION

through wider market penetration for Trading & Marketing, capacity expansion for Storage & Handling and intensification of Multi-modal Transport Operation (MTO) for Transport & Logistics

800%

Revenue increased due to the New Trading Business Model under GSB

TML Cluster embarked into edible oil trading in February 2015, accelerating external revenue performance to grow by more than 800% in 2015. TML Cluster expects to turnaround financially in 2016 following challenging volatile foreign exchange rate in 2015.

42%

REVENUE CONTRIBUTION

TML Cluster is the LARGEST external revenue contributor, contributing

RM6.6 billion to FGV

Business Operations Review
Trading, Marketing and Logistics (TML)

TRADING & MARKETING

TRANSPORT & LOGISTICS

STORAGE & HANDLING

This is the first full year of reporting for our Trading, Marketing and Logistics (TML) Cluster, which was set up at the beginning of 2015 under the Group's new streamlined structure. The TML Cluster manages the largest external revenue business for FGV. We are a leading MTO logistics player in Malaysia and operate the largest edible oil storage and handling facilities in the world, handling up to 40% of Malaysia's total palm oil exports.

In 2015, the Cluster experienced the most challenging market conditions with weakening CPO price and volatile foreign exchange rate. CPO prices have a direct impact on external trade and the consequent revenues this segment captures.

The impact of floods, dry weather and a more noticeable El Nino in 2015 has already begun to present itself, and this could possibly become more prominent in the short to medium term. Consequently, 2016 might see productivity shocks shave some supply off the market and drive up CPO prices.

The Ringgit declined dramatically against the US Dollar, and this resulted in foreign exchange volatility for the Cluster.

COMMENDABLE REVENUES

In 2015, our TML Cluster's revenue rose to RM6.56 billion from RM0.72million in the year prior, mainly due to the new trading sub-cluster. FGV Trading is now the primary contributor to the sub-cluster, and became a vital revenue generator for the Group. In its first year of operations, FGV Trading made up some RM6.69 billion of TML's top line revenue.

But narrow margins following lower CPO prices, market oversupply and forex losses in the Trading sub-cluster brought about a RM194 million loss before tax for FGV Trading.

Sub-cluster Felda Transport experienced lower throughput in general due to the lower volumes of CPO produced within the Group. Cargo and oil tanker throughput was 6% lower in 2015 at 5.16 million MT. Our reliance on volume makes us sensitive to the volatility of the CPO market, our palm oil production, and negative refinery margin. TML incurred a loss before tax of RM93 million for the financial year ended 2015.

CHANGES FOR THE FUTURE

Structural changes were made within the Cluster to optimise on potential synergies within the integrated entity. A new Trading sub-cluster, FGV Trading, was created to centralise and integrate all the Group's trading activities under one umbrella, playing an oversight role to control the flow of assets within the Group. This allows for more efficient and synergistic use of resources across the Group, and subsequently, cost optimisation.

During the year under review, we expanded operations at Felda Transport to ready ourselves to handle higher volumes in the years to come. In addition, Felda Transport ventured into supply chain warehousing by acquiring and developing a 10-acre plot of land in Tg. Langsat, Johor into a 10,000 sq metre warehouse. The outlook for supply chain warehousing is bright, with positive demand for storage getting stronger especially from clients in the Oil & Gas, Commodities, and Infrastructure industries amongst other. Besides that, Felda Transport is bolstering its MTO business by focusing in high value deals such as Infrastructure, Defense and Aviation sectors.

Business Operations Review
Trading, Marketing and Logistics (TML)

1

Trading & Marketing

- FGV Trading Sdn Bhd
- Felma Marketing Service Sdn Bhd
- PT CGV (Indonesia)

Processed Palm Oil (Refining)

- Felda Vegetable Oil Products Sdn Bhd

2

Transport & Logistics

- Felda Transport Services Sdn Bhd

Warehousing

- FGV Logistics Sdn Bhd
  - Tanjong Langsat, Johor

3

Vegetable Oil Storage & Handling

- Felda-Johore Bulkers Sdn Bhd
- Felda Bulkers Sdn Bhd
- Felda Grains Terminal Sdn Bhd
- Langsat Bulkers Sdn Bhd
- PT Patisindo Sawit (Indonesia)
- Felda Vegetable Oil Products

Jetty

- FWQ Enterprise Pvt Ltd (Pakistan)

STRENGTHENING OUR NEW BUSINESS

The TML Cluster has set several fundamental areas to work on. Enhancing our governance and risk management will be key to monitor trading risk patterns. In addition, the Cluster will look into strengthening origination and destination - logistics.

In addition, the currency volatility warrants us to strengthen our back room mid-office systems in view to monitor, as well as, take appropriate positions to minimise currency fluctuations risks.

The TML will set off down the path of sustainable growth by expanding our trading networks to IndoChina, Philippines, Western Europe and also the Middle East and North African region. In search of additional revenue streams, we will be looking at long-term offtake contracts with reputable industry players including Olam International Limited, Wilmar Trading Pte Ltd, Louis Dreyfus Commodities Asia Pte Ltd and Intercontinental Specialty Fats Sdn Bhd. Such contracts provide more stability to our business and increase our ability to create value.

Business Operations Review
Trading, Marketing and Logistics (TML)

PROSPECTS

The TML Cluster will look to integrate its storage and logistics capabilities with the intent to expand beyond CPO. The scope of TML's capabilities could subsequently include other vegetable oils, for example soybean oil.

Similarly, we are looking at possible options to expand TML's bulking storage facilities beyond vegetable oils. In the long term, the vision is for TML to have the capabilities to cater to other industries, for example petrochemicals and oil & gas, should the opportunities arise. But for now, the Cluster will continue its transformation initiatives to enhance revenue and optimise costs besides capacity expansion locally and overseas. In 2016, upgrades and expansion of in-house facilities will be key to achieving our ambitions of growing turnover by ten-fold. To do this, growing and taking care of our customer base is critical, especially where long-term customers are concerned. Elsewhere, possible collaborations with Johor Port locally, and also overseas parties could strengthen our portfolio.

Under FGV Trading we have fully integrated the Group's trading activities, meaning seamless operation from storage and handling, through trading and product delivery to clients. The centralised unit also allows for control over the flow of assets within the Group, empowering the utilisation of group assets in the most efficient manner possible. While creating a more sustainable operation, this will also provide more savings and eventually become a primary revenue generator.

Our Strategic Priorities Moving Forward

TML Cluster	Strategy	Potential Revenue Streams
Trading & Marketing	• Strengthen origination and destination - Logistics • Finding synergies within the Cluster • FVOP refining	• Capitalise on Indonesian office to maximise origination • Long-term offtake with reputable players like Wilmar, Olam, LDC, Ruchi and ISF • Market expansion - IndoChina, Philippines, MENA and Western Europe • Trading of non-palm oil - CNO, SBO • CNF>FOB
Storage & Handling	• Increase customer base • Increase spot term cargo - oleochemicals and biodiesel • Diversification into new markets and new products - non-palm oil base	• M&A and collaborations with reputable international partners - Sime Darby, Johor Port, Vopek, and others • To expand new storage capacity internally and externally i.e. Tanjung Langsat and MENA/India • To complement FGVT's market expansion
Transport & Logistics	• Expansion of traditional business locally and internationally • MTO Business	• MTO - participation in government projects, oil & gas and government agencies • RAPID, infrastructure, defense, aviation and power plant projects • Business expansion - warehouse and supply chain at Tg. Langsat & Shah Alam • Ocean freight - long term/short term chartering • Cross border logistics business Asean Economic Community (AEC) - Myanmar

WE REFINE

We are the leading refined sugar producer in Malaysia, commanding approximately 65 percent of the domestic market share. But there is more to us than mere size. Quality wise, we offer a variety of refined sugar products with consistent particle size, colour and moisture content where only few can match.

Malaysia's
LEADING
Refined Sugar Producer

Growing in presence from Malaysia's sugar leader to an ASEAN trailblazer

KEY GROWTH TARGET:

FGV is poised to become ASEAN's largest Sugar hub producing 2.25 million MT of sugar per annum by 2020

5 Operating Subsidiaries

- MSM Prai Berhad
- MSM Perlis Sdn Bhd
- MSM Logistics Sdn Bhd
- MSM Sugar Refinery (Johor) Sdn Bhd
- MSM Trading International DMCC

Gula Prai
No. 1
Best-selling brand in Malaysia

Annual Production of
1.25
million MT

Business Operations Review
Sugar

Our Presence in Malaysia
via MSM Malaysia Holdings Bhd

Perlis

MSM Perlis Sdn Bhd (10776-K)	- Factory - Plantation

Penang

MSM Prai Bhd (3573-D)	- Factory

Selangor

MSM Prai Bhd (3573-D)	- Warehouse

Kuala Lumpur

MSM Malaysia Holdings Bhd (935722-K)	- Head Office
MSM Prai Bhd (10776-K)	- Head Office
MSM Logistics Sdn Bhd (208409-P)	- Head Office

Johor

MSM Prai Bhd (3573-D)	- Warehouse

The Sugar Cluster operates via the Group's wholly owned company, FGV Sugar Sdn Bhd and its 51% shareholding in Bursa Malaysia-listed subsidiary company, MSM Malaysia Holdings Bhd (MSM). The Sugar Cluster's refining capacity is 1.25 million MT per annum and in 2015, it produced 1.03 million MT of refined sugar, maintaining its foothold at 65% of the domestic market share.

The uplifting of sugar subsidies in 2013, increased the sugar industry competition, but did little to stir demand brought on by population growth and rising incomes.

Like other commodities, the raw sugar prices were highly volatile in 2015. Current market sentiment points to a potential supply shortage, which could drive prices higher. The surplus sugar from Thailand market was largely taken up by Indonesia at the end of 2015. By then, global raw sugar supplies fell to around 1 million MT. There was a consequent rise in speculative buying which drove up the price of raw sugar throughout the year.

Moving forward, unfavourable weather condition and El Nino in Brazil is expected to have a significant impact on crops, thus putting added pressure on the shortage situation. Experts are forecasting global supply to turn deficit in 2016, spelling an upside for the outlook on raw sugar prices.

WEAK RINGGIT TAKES ITS TOLL

In 2015, both revenue and profit before tax for the Sugar Cluster increased marginally. Revenue increased to RM2.31 billion, compared to RM2.28 billion in 2014. Profit before tax experienced a similar increase to RM400 million from RM373 million the year before.

Aside from the volatility of sugar prices, earnings were largely impacted by the performance of the Ringgit. The local currency depreciated by some 18% against the US dollar over the year.

The Cluster also faced stiff competition from the market due to increased numbers of import Approved Permits. Thus resulted in decreased sales volume for imported refined sugar.

Business Operations Review
Sugar

FACING THE CHALLENGES AHEAD

Officiated at end February 2016, the Sugar Cluster unveiled its first trading office in Dubai. As part of its internal plans to expand geographical reach, MSM Trading International DMCC will be the Group's centre to trade raw and refined sugar in the region, catering to the Middle East & North Africa (MENA) and Asia Pacific (APAC) regions.

The trading centre will be supplemented with our Indonesian office to meet the growing demands in the region. With the aid of competitive pricing in neighbouring ASEAN countries, we hope to ramp up both domestic and direct export sales to the MENA and APAC regions. Simultaneously, the Cluster will take opportunity of its growing footprint to leverage on existing capabilities and embed greater efficiency and higher quality of services along the sugar supply chain.

Across the Cluster we are moving forward with an asset-light strategy in mind. The idea is to enter the upstream sugar plantations segment in the long run but in the nearer term we must be selective about our expansion targets. Instead of acquiring sugar cane farms at this stage, the Cluster is opting to venture into M&As or partnerships in sugar mills first. This way, the Sugar Cluster will be able to control the supply of raw sugar without the high risks and startup costs involved with cane plantations. Owning our own mills effectively mean better prices and lower dependency on imports.

TOWARDS GLOBAL PRESENCE

The ultimate vision is to rank the Sugar Cluster amongst the top 10 global sugar players by 2020. To this end, we target to increase our refining capacity to 2.25 MT per annum by 2020 and beyond. Presently, the Cluster is overseeing the construction of a stand-alone sugar refinery with a 1 million MT annual capacity in Johor, slated for completion by 2017. This new facility will be the key catalyst to realise the Group's long term vision, enabling the Cluster to potentially raise its domestic market share to at least 80%, from 65% now.

Business Operations Review
Sugar

Beyond that, the Sugar Cluster is prepared to commence Phase 2 of the refinery in Johor by 2025, which would raise capacity by another 1 million MT per annum. In total, this would enlarge the Group production capacity to 3.25 million MT per annum. In the long term, capacity building will allow FGV to increase its competitiveness on end product pricing. This is set to become our competitive edge as we venture into neighbouring countries, transforming Malaysia into a regional hub for high quality refined sugar.

In order to become a regional hub, the Cluster is keeping an active eye on expansion opportunities outside Malaysia. The new trading office in Dubai is one example of such an expansion. In addition to that, the Sugar Cluster is continually seeking growth all along the value chain, in both upstream and downstream segments. Our active target locations in mind at present include Indonesia and India where we are looking not just at M&As but strategic partnerships.

In the meantime, initiatives to transform the Cluster internally remain a priority for 2016. For one, the upgrading of our production facilities will take precedence in order to enhance operational efficiencies. This will be executed in the storage, handling and packing segments. Cost rationalisation programmes will additionally take a front seat to allow the Sugar Cluster the ability to create more value in time to come. FGV's Transformation Plan provides clear direction as we steer our sugar business to global stature.

Our Strategic Priorities Moving Forward

1

Local

New Refinery

- Construction of 1.0 million MT capacity refinery in Johor - target completion by Q4/2017
- Reduced refining cost by 40% (From USD116/MT to USD68/MT)
- Targeted increase in domestic market share from 65% to 80% (minimum target) by 2019

2

Overseas

Trading

- Operationalisation of MSM Trading International DMCC, trade of raw and refined sugar and toll manufacturing refined sugar with Prai and Perlis
- Trade & distribution of refined sugar via an establishment in Indonesia

M&A

- Pursue M&As and strategic alliances in sugar-related assets
- Expand value chain upstream (plantations & mills) and downstream (refineries and sugar-based companies)
- Active target countries: Indonesia and India

WE INNOVATE

That is what first inspired us to set up an Research & Development (R&D) and Agri-Services centre over 40 years ago. Today, it is one of the largest of such establishments for oil palm research in the world and has long pioneered the cultivation of world-class oil palm planting materials. Our latest activity is on producing planting materials of specific traits that includes high yielding, disease tolerant and drought resistant palms.

KEY GROWTH TARGET:

To be the world's pre-eminent R&D Centre of Excellence for palm oil by 2020

R&D and Agri-Services Cluster

- FGV R&D and Agri-Services Sdn Bhd
- FGV R&D Sdn Bhd
- FGV Applied Technologies Sdn Bhd
- Felda Agricultural Services Sdn Bhd
- FPM Sdn Bhd

3%

REVENUE CONTRIBUTION

PROFIT BEFORE TAX

RM37.06 million

Business Operations Review
Research & Development (R&D) and Agri-Services

This Cluster plays an important enhancement role to each of the Group's business clusters. With over forty years in the industry, the R&D and Agri-Services Cluster has the largest oil palm biotechnology centre in Southeast Asia. It has become our priority to generate technologies at the forefront of the agri-business industry. Application of these technologies then translates into improved operational performance across all parts of the Group.

Oil palm breeding is a critical area of focus for the R&D and Agri-Services Cluster. A notable success is the award-winning Yangambi planting material which commands a 43% market share at present.

R&D and Technology Scopes, Product & Services Coverage

	Scope	Example
R&D	• Oil palm breeding • Biotechnology • Agronomy research & advisory • Crop protection/Integrated pest management • Environmental studies/sustainable development • Multi-crop • Genomics and Bioinformatics	• Development of elite planting material • Development of molecular tools and improvement of tissue culture technology • Development of agronomic tools and advices for yield maximisation • R&D programme for rubber, sugar and other strategic crops • Development of beneficial microbes for plant health
Applied Technology	• Mechanisation • Automation • Mill & biomass technology • Remote sensing • Food technology • Oleo-Chemicals & Bio-Chemicals	• Development tools and machines to improve productivity • Improvement of more efficient process for milling & biomass and developing new technology for biomass handling • Image analyses from aerial imaging technology • Development of more palm-based food products • Deriving higher value palm-based oleo and bio chemical products

	Product/Services Range	Example
Products	• Germinated seeds • Ramets/Clones • Fertilisers • Rat baits • Oil palm seedlings	• Felda Yangambi seeds • Butik® Rat Baits • Felda Mulch® • Felda Ory-X®
Services	• Agronomic advisory • Soil suitability study • Laboratory services • Training packages • GIS/GPS mapping	• Fertiliser recommendation • Soil/foliar sampling & analyses • Water/waste water analysis

Business Operations Review
Research & Development (R&D) and Agri-Services

EXTERNAL ENVIRONMENT

The R&D and Agri-Services Cluster experienced two major weather conditions which impacted the business during the year under review. Firstly, the El Nino phenomenon resulted in both lower FFB production and a deferment of purchases of seeds and seedlings from our major customers. Secondly, the weakening of the Ringgit (RM) against the US Dollar (USD), drove costs higher on imported raw materials for fertilisers.

NEW OPERATIONS LEAD SALES GROWTH

The R&D and Agri-Services Cluster saw growth in topline revenues in 2015 due to the whole FPM operation which produced 731,993 MT by the end of the year. As a consequence of higher production and sales, Cluster revenue grew to RM512 million compared to RM418 million in 2014.

Profit before tax declined to RM37 million from RM87 million the year before. The margin compression is for the most part a result of the steep decline of the RM against the USD. This means higher costs because raw materials for fertiliser are denominated in USD. FPM also has RM218 million in short-term borrowings, which added to the Cluster's total finance costs.

FERTILISER SPURS PERFORMANCES

The new NPK Plant in Kuantan is expected to start operations in June, putting the Cluster on track to rake in higher sales volume in the years to come. Revenue rose 20.9% to RM717.14 million with sales of 731,993 MT. However, profit before tax fell 83.4% to RM5.7 million due to foreign exchange losses.

But moving forward, the fertiliser division is anticipated to become an important contributor to the Cluster. In 2016, we plan to begin exporting to overseas markets such as Indonesia.

THE GROWTH PATH

Our R&D and Agri-Services Cluster plays a vital role in raising the Group competitiveness and helping to put our Company on the global map. This is why the Group is driven to become a globally recognised agri-services provider and leading research institution for oil palm, rubber and sugar by 2020. Already the Cluster has proceeded with advisory and technical support for the Group's on-going and future plantation projects. This means placing emphasis on soil investigation, land feasibility studies, product development and Good Agricultural Practices to name a few.

Business Operations Review
Research & Development (R&D) and Agri-Services

In the near term, R&D and Agri-Services has laid out a number of strategic priorities for 2016. Under the 'Creation of Revenue Programme', it will introduce and adopt a new enzyme technology to increase the Oil Extraction Rate (OER) of palms. The new technology will be applied at all Group's mills and we look forward to incremental OER with the use of this innovation.

In 2016, the Cluster hopes to introduce Ganoderma Tolerant Planting (GTP) material. The use of this planting material will breed us crops that are resistance to Ganoderma, reducing the incidence of severe disease in the next generation of plantings and bearing greater yields. This is also an ideal solution to basal stem rot disease amongst oil palms. We are also eyeing into commercializing beneficial microbes products for promoting plant growth and protection from disease such as Ganoderma.

The R&D and Agri-Services Cluster will look into intensifying its market penetration overseas. Its seeds business is eyeing a greater presence in IndoChina and South Africa. This will be attempted in a few ways, such as, appointing distributors in Sri Lanka, Cambodia and Nigeria. In foreign countries, the Cluster intends to pursue collaborations with local players.

In the fertiliser area, we will narrow our area of focus on special compound products and technical support in oil palm-based knowledge. While strengthening our niche, the fertiliser unit will leverage collaborations with Malaysian plantations companies and foreign corporations to fortify our positions in Indonesia, Myanmar and Philippines.

Our Strategic Priorities Moving Forward

To become a leading research institution in oil palm, rubber and sugar

1

Creation of Revenue Programme
Introduction and adoption of new enzyme technology to increase OER

2

R&D
Introduction of compact and Ganoderma tolerant planting material

3

Market Penetration
Intensification of market penetration in overseas markets for planting materials and fertiliser

WE PROCESS

Green rubber is fast gaining favour with global tyre manufacturers, partly because its quality and characteristics are superior to its synthetic, petrochemical-based counterparts. Rubber affords better grip in the wet, has low-rolling resistance and less noise and is entirely renewable. Driven by this promise of environmental sustainability, our Rubber business is now gaining traction in a new way.

7 decades of experience in upstream plantation

KEY GROWTH TARGET:

FGV is on track to expand into more value added midstream and downstream products and to be a global processed rubber player by 2020

Rubber's Subsidiaries

- FGV Rubber Sdn Bhd
- Felda Rubber Industries Sdn Bhd
- Feltex Co Ltd
- PT Felda Indo Rubber
- FGV-CVC (Cambodia) Co. Ltd

approximately **12,000 ha** of rubber plantation

9 midstream rubber processing facilities

1 downstream Green Rubber

Business Operations Review
Rubber

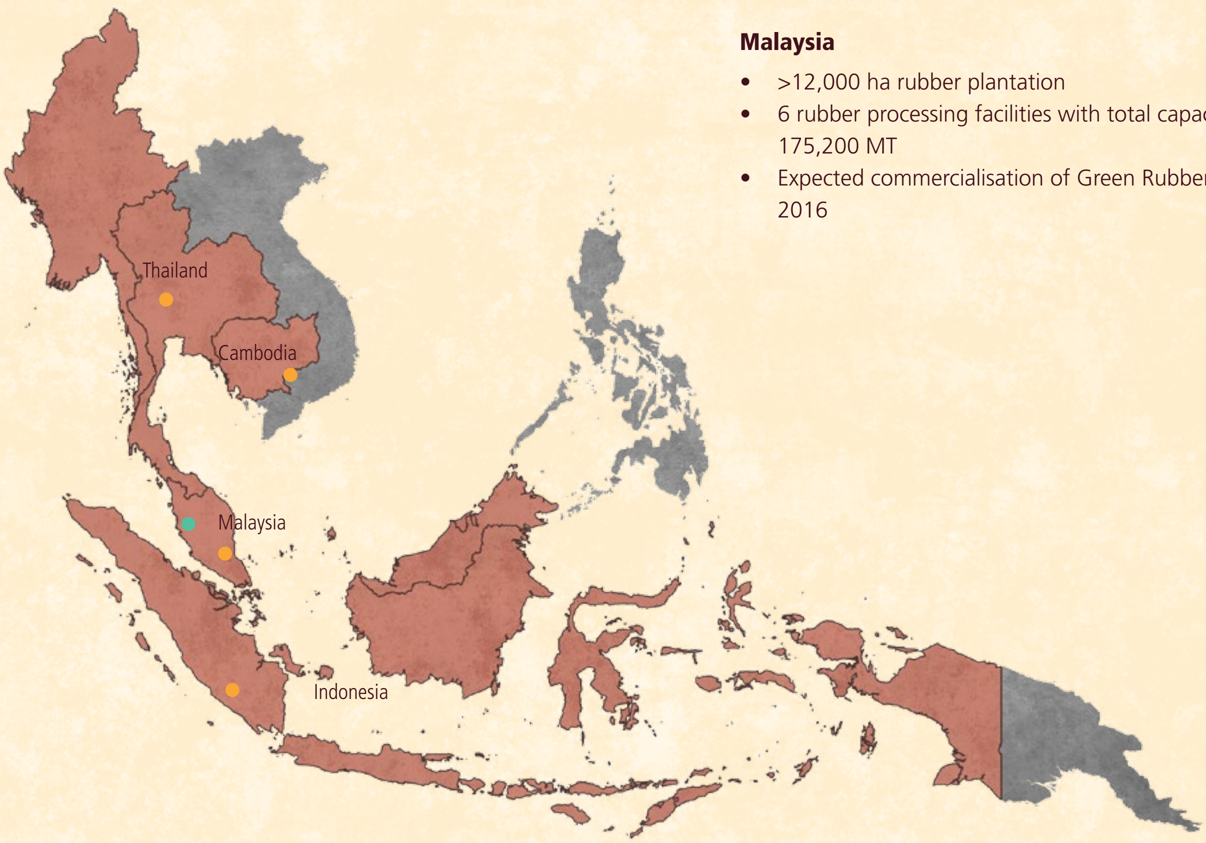
The Rubber Cluster presently sells latex concentrate, Standard Malaysian Rubber (SMR), Standard Indonesian Rubber (SIR), Cambodian Standard Rubber (CSR) and Green Rubber products. The aim is to transform this into a wholly-integrated rubber business spanning upstream, midstream and downstream activities.

We have a growing presence across Southeast Asia with processing facilities in Malaysia, Thailand, Indonesia and most recently, Cambodia.

FGV Rubber is expanding aggressively in Southeast Asia mainly in upstream and midstream, venturing into downstream

Rubber Plantation Hectarage: >12,000 ha
Total Processing Capacities: >200,000MT p.a.

Legend: Upstream (plantations)
Midstream (processing)



Indonesia
- 20,000 MT rubber processing capacity

Cambodia
- 16,000 MT rubber processing capacity

Thailand
- 23,000 MT rubber processing capacity

Malaysia
- >12,000 ha rubber plantation
- 6 rubber processing facilities with total capacity of 175,200 MT
- Expected commercialisation of Green Rubber in 2016

Business Operations Review
Rubber

In line with other commodities, the price of rubber did not perform well in 2015. Global demand for the commodity faltered and put further downward pressure on prices. Rubber prices fell 6% on average over the year to below RM5.20 per kilogramme, the fourth consecutive year of decline. Looking toward 2016, market forecasters are expecting that global demand for natural rubber will begin to stall on the assumption of weakening consumer growth. Experts estimations for natural rubber prices in 2016 linger on the lower end, ranging between RM5.50 to RM6.50 per kilogramme.

GROWTH IN A FEEBLE MARKET

Internally, topline revenue mirrored the unexciting market in 2015. Revenue from the Rubber Cluster shrunk 7% from the previous year to RM686 million. Still, it managed to improve bottom lines in leaps and bounds, narrowing the loss before tax to just RM7.3 million, compared to RM38.9 million in losses the year before. Our turnaround story is backed by efforts under our Transformation Plan that afforded us lower material purchases and rising efficiency at our plants.

At our Malaysian operations, we experienced lower production and sales volumes that inadvertently translated into lower trading volumes. This permeated most of our operations, with the Thai division witnessing lower margins, and similarly our Indonesian business suffering from lower production and sales volumes, and consequently lower margins. Despite this, these operations posted growing sales volumes against 2014 at 9%. Overall, the Cluster's efforts to reduce costs and bolster efficiency at its plants paid off amidst external headwinds.

Where revenues are concerned, the Rubber Cluster benefitted in 2015 from its new operations in Cambodia. This unit, FGV-CVC, experienced a six-fold surge in revenue to RM76 million in 2015, compared to RM12 million the year before. Contributions from the Cambodian unit made up the bulk of the Cluster's revenue growth in 2015. FGV-CVC is a relatively new venture, commencing operations in September 2014 with a rubber processing capacity of 16,000 MT a year. Currently, we are working on a new processing line to triple our existing capacity to 48,000 MT annually.

SUSTAINING TRANSFORMATIVE GROWTH

We view the cost savings and efficiency improvements as a direct draw down of our transformational initiatives. As FGV drives its ambitions of becoming a major player in the rubber industry, these activities form the basis of the way it will continue to deliver value to Stakeholders in a sustainable manner.

As these developments are entrenched and internalised, we will maintain good agriculture practices in hopes of meeting our targets again. In 2015, yield per hectare rose to 1,311 kilograms, surpassing our 2016 target of 1,260 kilograms per hectare. The Cluster anticipates an increase of 15% in production capacity next year, to be realised by the upgrading of FGV-CVC's rubber factory in Cambodia from the capacity of 16,000 to 48,000 MT annually. The capacity expansions in Cambodia will enable growing sales volume in time to come. In order to supplement this goal, the Rubber Cluster is expanding its marketing wing and placing more focus on the trading of rubber related products.

Business Operations Review
Rubber

With more sustainable products in mind, the Rubber Cluster will pay more emphasis to the market development of FGV Green Rubber. Our present initiatives centre on commercialising our in-house products Ekoprena and Pureprena. We have an on-going collaboration with MRB-Prasarana for the use of our tyres for their Rapid KL buses. In future, this partnership will be extended to research on new product applications and the latest technical findings. At present, Ekoprena and Pureprena is used to retread automotive tyres. But it can also be applied to high performance applications like aircraft tyres and automotive components among others. It is crucial we continue exploring the other niche potentials of our product offerings.

A major catalyst for the Rubber Cluster is the accreditation we are aiming to procure from reputable automotive tyre manufacturers. The establishment of our own quality control laboratory will also eventually help to attain better sales premium.

On the M&A front, the Rubber Cluster has plans to acquire rubber related downstream businesses in industries like tyre retreads, conveyor belts and even automotive parts. The theme for future acquisitions will centre around rubber compounding companies to produce technical rubber compounds, which channels into various downstream rubber industries like tyre retreads, loose fan belts and other engineering or automotive parts.

In line with the Group landbank targets under the Global Strategic Blueprint, greater land areas will also provide us access to more raw material. In turn, this will spur higher production and utilisation rates along our midstream operations.

POSITIONING FOR 2020

To frame the growth trajectory of this cluster, it is vital to appreciate where it stands within our Company. The rubber operations remain a minor contributor to Group earnings at present, but given the aspiration to top the list of agri-businesses worldwide, rubber is a key area of growth moving forward. Geographically, we aim to continue spreading our presence in Malaysia, Southeast Asia, and also India. Currently, total rubber plantation landbank is over 12,000 hectares.

The objective is to rank FGV amongst the top international players in processed rubber by that time. To do this, the Group must build up its processing capacity more than the existing volume of 200,000 MT per annum.

In the year ahead, the Rubber Cluster will further embed our transformation pursuits that will clean up basic operations. As integrated thinking becomes more important to the way operations are being managed, more improvements are expected to materialise within the Cluster. This puts the Rubber Cluster in good stead to weather negative market forces that fall beyond its realm of control, and sustainably create value for our Company moving forward.

FGV Rubber will focus on improving its sales and production to achieve its 2016 target

Our Strategic Initiatives for 2016

1. To construct a new production line
2. Import raw material
3. Green Rubber
4. Develop in-house rubber grades

Business Operations Review
Corporate Centre

Our Corporate Centre brings together all the support functions needed for our Business Clusters. This refers to its governance oversight role that covers Human Resources, Finance, Corporate Services, International Business Development and the Chief Executive Officer's Office. The integration of these functions at one cost centre allows us to work transparently while reducing costs and redundancies. The Corporate Centre provides the strategy and direction across each cluster that drives these activities in collaboration with one another.

EXECUTING THE TRANSFORMATION

This Centre drives all the initiatives of the group-wide Transformation Programme. The key pillars of this plan are Revenue Enhancement, Cost Optimisation, Growth, Sustainability, People and Operational Excellence. In 2015, the Corporate Centre team worked on several transformative projects that provided impacted results.

Towards the end of the year, it implemented a cost savings programme at the Group's headquarters. In September 2014, we set each Corporate Centre a target to reduce their budgeted spending by a minimum of 15%. From targetted overall reduction of RM219 million, it achieved a final result of RM262 million. Cost optimisation efforts will continue to extend across the Group.

In addition, to improve procurement efficiencies, vendor engagement and negotiation processes were enchanced, while simultaneously employing the, internationally accepted Material Classification Coding System (UNSPSC). In all, this has helped to obtain market competitive rates for materials and services needed. In 2015, these initiatives have so far yielded a 23% average savings against a base of RM91 million.

Efforts to attain a single group-wide ISO 9001:2015 certification provided a catalyst to enhance quality management systems across the Group. The benefit of such certification results in streamlining our processes and ensuring the ability to meet and exceed customer and Stakeholder needs. FGV is expected to be fully certified by September 2016.

STRENGTHENING HUMAN CAPITAL

Investment in human capital will lead to operational excellence. The Corporate Centre team has established a talent management and succession planning framework to attract, develop, motivate and retain productive and engaged employees. Developing a conducive system, that is also aligned to the Group strategy, will reduce the risks of not having the right successors in place for critical positions. In addition, it will help us minimise operational costs by reducing the turnover of high potential employees.

With this framework in place, employees are rest assured of their career development, thus allowing them to focus their energy on maximising their full potential. These efforts in human capital enhancements were acknowleged through our project agreement with Olam International to conduct a 'Gabonese Nationals Training Programme' for over 2,000 smallholder farmers.

Training of the first batch of 54 Gabonese workers was completed by experienced FGV trainers in October 2015. They were trained in plant and soil science, the cultivation and maintenance of oil palm estates, RSPO standards, occupational safety and health, best agricultural practices and basic English language. In addition, they were given the opportunity to learn how to farm on a commercial scale.

CREATING SUSTAINABLE BUSINESS CORPORATE

Accelerating the Group's transformation initiatives remains Centre's priority moving forward. We are cognisant of the need to continually improve our standards and will lay down the foundations to optimise the way we work in view of yielding better outcomes.

The path towards integrated thinking will allow the FGV family to strategise on a more holistic view, hence attaining our goals not just on a financial platform, but also from a non-financial perspective.

Investor Relations

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

Since our listing in 2012, we have 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 the confidence and coping with swift market development. Moving forward, the Investor Relations team aims to be more proactive in managing the Group's value with the investment community.

THE YEAR UNDER REVIEW

During the year under review, the Group further enhanced its Transformation Programme to streamline the business further. This effort was complemented by Cost Optimisation Exercise across the entire business chain, Best Management Practices (BMP) at plantations and business units.

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

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

To achieve this and enhance Shareholder value, the Investor Relations team is exploring the possibility of using several financial instruments such as the American Depositary Receipt (ADR) platform to allow FGV access to North American equities market. ADR is a stock that trades in the United States but represents a share in a foreign corporation. ADRs are bought and sold on American stock markets just like regular stock, and are issued in the U.S. by a bank or brokerage.

Building on this and the challenging yet interesting market development, the Investor Relations team actively engaged with the investment commodity, both local and foreign, to provide clarity and consistently update them on FGV Group'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 Palm Upstream and Downstream, Trading, Marketing and Logistics, Sugar, R&D and Agri-services as well as the Rubber Clusters.

Summary of Investor Relations Activities

Year	2014	2015
Number of briefings to analysts and fund managers	4	6
Site visits to Group's facilities	5	1
Number of conferences organised by financial institutions	5	2
Number of analysts/fund managers met during in-house meetings and conferences	340	242

Investor Relations

ANALYST BRIEFINGS

We conducted 'live' briefings and conference calls for analyst, Shareholders and fund managers in 2015, including 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.

Date	Event	Type of Meeting
24 Feb 15	Fourth Quarter 2014 Financial Results	Conference Call
26 May 15	First Quarter 2015 Financial Results	Conference Call
24 Aug 15	Second Quarter 2015 Financial Results	Conference Call
26 Nov 15	Third Quarter 2015 Financial Results	Conference Call

INVESTOR MEETINGS

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

For the year 2015, we conducted several meetings where we met a total 242 analysts and fund managers. These meetings were held either in-house, during conferences, or at roadshows in Malaysia and abroad.

SITE VISITS

We arranged only one site visit for 2015 due to scheduling difficulties. However, looking forward to 2016 we have planned site visits to our plantations in east Malaysia and downstream facilities in 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 the regards to the Group's performance as well as industry trends.

Throughout 2015, we participated in five conferences. This year we are looking at participating in 3-5 conferences and roadshows.

INVESTOR RELATIONS CALENDAR OF EVENTS

Date	Events	Venue	Type of engagement
2015			
24 Feb 15	Fourth Quarter 2014 Analyst Briefing	Kuala Lumpur	Conference Call
19 Mar 15	RHB Annual Regional Food & Fuel Day	Kuala Lumpur	Conference
24-27 Mar 15	Non Deal Roadshow	London	Roadshow
23 Apr 15	Invest Malaysia Conference	Kuala Lumpur	Conference
26 May 15	First Quarter 2015 Analyst Briefing	Kuala Lumpur	Conference Call
12 Jun 15	Announcement on proposed acquisition of Rajawali	Kuala Lumpur	Conference Call
16 Jun 15	FGV Annual General Meeting	Kuala Lumpur	AGM
24 Jun 15	FGV Roundtable & Iftar with Investment Community	Kuala Lumpur	Conference
6 Aug 15	FGV Corporate Hari Raya	Kuala Lumpur	Celebration
25 Aug 15	Second Quarter 2015 Analyst Briefing	Kuala Lumpur	Conference Call
03-04 Sept 15	World Capital Markets Symposium 2015	Kuala Lumpur	Conference
26 Nov 15	Third Quarter 2015 Analyst Briefing	Kuala Lumpur	Conference Call
9 Dec 15	Site Visit with analyst	Kuala Lumpur	Site Visit

Investor Relations

Date	Event	Venue	Type of engagement
2016			
29 Feb 16	Fourth Quarter 2015 Analyst Briefing	Kuala Lumpur	Conference Call
07-09 March	POC 2016	Kuala Lumpur	Conference
31 Mar-01 Apr 16	BIMB site visit to FGV Zon Sabah	Lahad Datu	Site Visit
6 Apr 16	MIDF meeting with FGV Sarawak	Kuching	Site Visit
27 May 16	1Q 2016 Analyst Briefing	Kuala Lumpur	Conference Call
1 Jun 16	FGV Annual General Meeting	Kuala Lumpur	AGM
14 Jun 16	FGV Mid-Year Updates & Iftar with Investment Community	Kuala Lumpur	Celebration
28 Jul 16	FGV Corporate Hari Raya with Investment Community	Kuala Lumpur	Celebration
09-10 Aug 16	Site visit to FGV downstream plants in Johor	Johor	Site Visit
23 Aug 16	Second Quarter 2016 Analyst Briefing	Kuala Lumpur	Conference Call
08-09 Nov 16	Site visit to FGV Research Centre, PPTR	Kuala Lumpur	Site Visit
22 Nov 16	Third Quarter 2015 Analyst Briefing	Kuala Lumpur	Conference Call

Note: The suggested dates may vary as they are based on estimations only.

RESEARCH ANALYST COVERAGE

As at 31 December 2015, FGV Group increased coverage to 35 analysts and 28 research houses.

List of banks and research houses

1. Affin Hwang 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. Inter-Pacific Securities Sdn Bhd
10. KAF-Seagroatt & Campbell Securities Sdn Bhd
11. MIDF Amanah Investment Bank Bhd
12. Morgan Stanley
13. Public Investment Bank Berhad
14. RHB Research Institute Sdn Bhd
15. TA Enterprise
16. UOB Kay Hian
17. Kenanga Investment Bank Berhad
18. J.P. Morgan Chase Bank Berhad
19. Deutsche Bank
20. UBS
21. Maybank Investment Bank
22. Employee Provident Fund
23. Permodalan Nasional Berhad
24. KWAP
25. M&A Securities Sdn Bhd
26. Lembaga Tabung Haji
27. Valuecap Sdn Bhd
28. Citibank Malaysia

Board of Directors

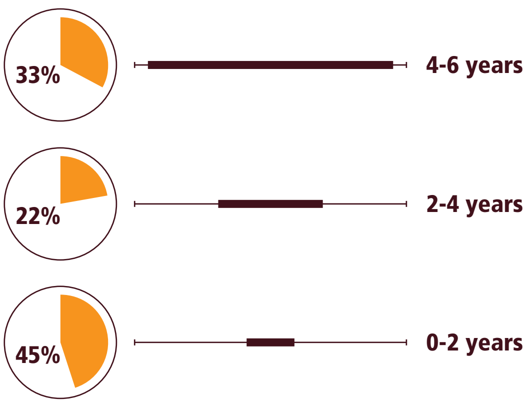
Board Balance and Composition*

5 INDEPENDENT NON-EXECUTIVE DIRECTORS

3 NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

1 NON-INDEPENDENT EXECUTIVE DIRECTOR

Length of tenure*



Key Features of our Board*

- The Board comprises a majority of Independent Directors
- The Chairman is a Non-Independent Non-Executive Director
- The role of the Chairman and the Group President/Chief Executive Officer are distinct

* *As at 7 April 2016*

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

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

3 Dato' Yahaya Abd Jabar
Senior Independent
Non-Executive Director

4 Dato' Mohd Emir Mavani Abdullah
Group President/Chief Executive Officer,
Non-Independent Executive Director
(Ceased office on 1 April 2016)

5 Datuk Nozirah Bahari
Non-Independent Non-Executive Director
(Resigned on 7 April 2016)

Board of Directors

6 4 7 8 9 10 11

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

7 **Tan Sri Dr. Sulaiman Mahbob**
Independent Non-Executive Director

8 **Dato' Mohd Zafer Mohd Hashim**
Independent Non-Executive Director

9 **Dato' Mohamed Suffian Awang**
Independent Non-Executive Director

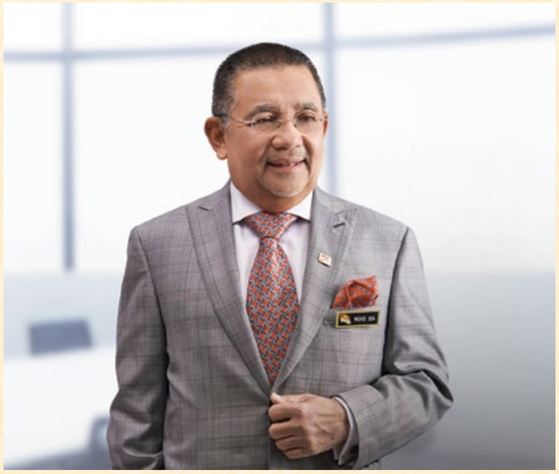
10 **Dato' Zakaria Arshad**
Group President/Chief Executive Officer, Non-Independent Executive Director
(Appointed on 1 April 2016)

11 **Dato' Siti Zauyah Md Desa**
Non-Independent Non-Executive Director
(Appointed on 7 April 2016)

Directors' Profile

YB TAN SRI HAJI MOHD ISA DATO' HAJI ABDUL SAMAD

Position: Chairman, Non-Independent Non-Executive Director



Nationality	Malaysian
Age	66
Appointment to the Board	Appointed as Chairman and Non-Independent Non-Executive Director on 1 January 2011
Board Committee membership	Nil

Qualification:
Bachelor of 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, Encorp Berhad
- Chairman, Felda Holdings Bhd
- Chairman, Pontian United Plantations Berhad

No. of Board Meetings attended in the financial year: 12 out of 13 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

Directors' Profile

DATUK DR. OMAR SALIM

Position: Non-Independent Non-Executive Director

Nationality	Malaysian
Age	58
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

Qualifications:
- Bachelor of Arts from the University of Malaya
- Diploma in Public Administration from National Institute of Public Administration (INTAN)
- Diploma in Management Science from INTAN
- Masters in Business Administration from the University of Birmingham, UK
- Doctorate in Business Administration from Universiti Kebangsaan Malaysia

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
- Director, Felda Holdings Bhd
- Director, Pontian United Plantations Berhad

No. of Board Meetings attended in the financial year: 11 out of 13 Board Meetings held during the financial year under review

Conflict of interest with the Company: Nil

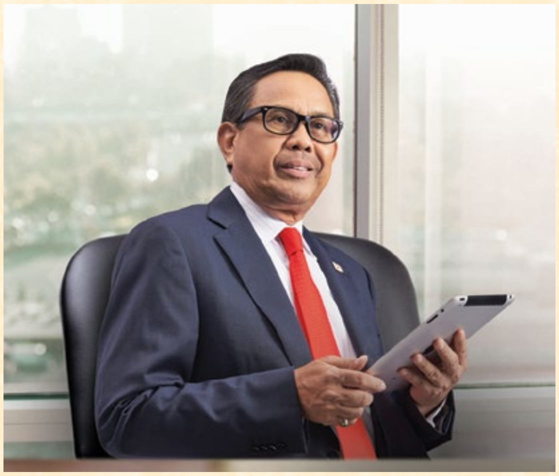
Family relationship with any director and/or major Shareholder: Nil

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

Directors' Profile

DATO' YAHAYA ABD JABAR

Position: Senior Independent Non-Executive Director



Nationality	Malaysian
Age	63
Appointment to the Board	• Appointed to the Board as an Independent Non-Executive Director on 18 January 2012 • Appointed to the Board 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 of 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)
- 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)
- 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)
- 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: 12 out of 13 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

Directors' Profile

DATO' MOHD EMIR MAVANI ABDULLAH*

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

Nationality	Malaysian
Age	52
Appointment to the Board	• Appointed to the Board on 1 January 2012 as Non-Independent Non-Executive Director • Appointed to the Board 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 • Ceased office on 1 April 2016
Board Committee membership	Nil

Qualifications:
- Chemistry Degree from Universiti Kebangsaan Malaysia
- Masters of Engineering Management from Warwick University, UK
- Completed various executive education programmes in institutions including Harvard University and Yale University

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)
- Group President/Chief Executive Officer, FGV (2013-2016)

Directorship in other public companies: Nil

No. of Board Meetings attended in the financial year: All 13 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's profile is based on information as at 1 April 2016*

Directors' Profile

DATUK NOZIRAH BAHARI*

Position: Non-Independent Non-Executive Director

Nationality
Malaysian

Age
60

Appointment to the Board
- Appointed to the Board as Non-Independent Non-Executive Director on 16 July 2013
- Resigned on 7 April 2016

Board Committee membership
- Member of the Audit Committee
- Resigned as Audit Committee Member on 7 April 2016

Qualifications:
- 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, Ministry of Health (1985-1988)
- Principal Assistant Secretary, Planning and Policy Division, Ministry of Agriculture (1988-1991)
- Director, Manpower Planning Unit (MAMPU), Prime Minister's Department, branch office in Sabah (1991-1993)
- Deputy Finance Officer of Treasury Sabah (1993-2000)
- Principal Assistant Secretary, Procurement and Supplies Division, Ministry of Finance (2000-2002)
- Deputy Undersecretary, Procurement and Supplies Division, 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), Ministry of Finance (2011-2015)

Directorship in other public companies:
- Director, Bintulu Port Holdings Berhad

No. of Board Meetings attended in the financial year: 9 out of 13 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 Nozirah Bahari's profile is based on information as at 7 April 2016*

Directors' Profile

YB DATUK NOOR EHSANUDDIN MOHD HARUN NARRASHID

Position: Independent Non-Executive Director

Nationality	Malaysian
Age	52
Appointment to the Board	Appointed to the Board as Independent Non-Executive Director on 16 July 2013
Board Committee membership	• Member of the Nomination and Remuneration Committee • Member of the Investment Committee

Qualifications:
Degree in Civil Engineering and Mechanical from Southern Illinois University, Carbondale, USA

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 Bhd
- Director, Encorp Bhd
- Director, Iris Corporation Bhd

No. of Board Meetings attended in the financial year: 11 out of 13 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

Directors' Profile

TAN SRI DR. SULAIMAN MAHBOB

Position: Independent Non-Executive Director

Nationality	Malaysian
Age	67
Appointment to the Board	Appointed to the Board as Independent Non-Executive Director on 15 March 2014
Board Committee membership	Chairman of the Board Governance & Risk Management Committee

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

Skills and experience:
- Economic Planning Unit (EPU), Prime Minister's Department (1972-1982)
- Under Secretary Economics, Ministry of Finance (1985-1994)
- Executive Director, Malaysian Institute of 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 Bhd
- 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

No. of Board Meetings attended in the financial year: 11 out of 13 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

Directors' Profile

DATO' MOHD ZAFER MOHD HASHIM

Position: Independent Non-Executive Director

Nationality	Malaysian
Age	43
Appointment to the Board	Appointed to the Board as Independent Non-Executive Director on 20 January 2015
Board Committee membership	• Chairman of the Audit Committee • Member of the Investment Committee

Qualifications:
- Fellow of Institute of the Chartered Accountants in England and Wales
- Chartered Accountant with Malaysian Institute of Accountants
- Bachelor of Science in Economics and Mathematics, London School of Economics and Political Science, University of London

Skills and experience:
- 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, MMC Corporation Bhd (2002-2004)
- Chief Financial Officer, Bank Muamalat Malaysia Bhd (2004-2008)
- Chief Financial Officer, Maybank Investment Bank Bhd (2008-2009)
- President & Group Managing Director, Bank Pembangunan Malaysia Bhd (2009-2014)

Directorship in other public companies: Director, Malaysian Bulk Carriers Bhd

No. of Board Meetings attended in the financial year: 10 out of 13 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

Directors' Profile

DATO' MOHAMED SUFFIAN AWANG

Position: Independent Non-Executive Director

Nationality	Malaysian
Age	44
Appointment to the Board	Appointed to the Board as Independent Non-Executive Director on 20 January 2015
Board Committee membership	• Chairman of the Investment Committee • Member of the Nomination and Remuneration Committee

Qualifications:
- 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:
- Chairman, Pecca Group Bhd
- Director, Koperasi Permodalan Sukarelawan Kuala Lumpur Bhd

No. of Board Meetings attended in the financial year: All 13 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

Directors' Profile

DATO' ZAKARIA ARSHAD*

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

Nationality	Malaysian
Age	56
Appointment to the Board	Appointed as Group President/Chief Executive Officer, Non-Independent Executive Director on 1 April 2016
Board Committee membership	Nil

Qualification:
Bachelor of Social Science Economics (Hons) Universiti Sains Malaysia

Skills and experience:
- Administration and Marketing Manager, Felda Rubber Industries Sdn Bhd (1984-1999)
- Manager (Business), Malaysia Cocoa Manufacturing Sdn Bhd (1999-2002)
- General Manager (Commercial & Administration), Felda Rubber Products Sdn Bhd (2002-2004)
- General Manager, Felda Marketing Services Sdn Bhd (2004-2005)
- Senior General Manager, Felda Rubber Industries Sdn Bhd (2006 -2010)
- Chief Executive Officer, Delima Oil Products Sdn Bhd (2010-2013)
- Chief Executive Officer, Felda Vegetable Oil Products Sdn Bhd (2012-2013)
- Executive Vice President/Head of Palm Downstream Cluster, Felda Global Ventures Holdings Berhad (2014-Present)

Directorship in other public companies:
- Director, MSM Malaysia Holdings Berhad
- Managing Director, Felda Holdings Bhd

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' Zakaria Arshad's profile is based on information as at 1 April 2016*

Directors' Profile

DATO' SITI ZAUYAH MD DESA*

Position: Non-Independent Non-Executive Director

Nationality	Malaysian
Age	56
Appointment to the Board	Appointed as Non-Independent Non-Executive Director on 7 April 2016
Board Committee membership	Member of the Audit Committee (Appointed on 7 April 2016)

Qualifications:
- GCE 'A' Levels, Aston College, Wrexham, Wales, UK
- BSc (Hons) in Quantity Surveying, University of Reading, UK
- Diploma in Public Administration, National Institute of Public Admin (INTAN), Malaysia
- MBA (International Banking), University of Manchester, UK

Skills and experience:
- Quantity Surveyor, Public Works Department, Malaysia (1982-1983)
- Assistant Lecturer, Universiti Teknologi Malaysia (1983-1987)
- Quantity Surveyor, Hashim & Lim Consultancy, Malaysia (1988)
- Cadet Training for Administrative and Diplomatic Service, National Institute of Public Administration, Malaysia (1998-1989)
- Assistant Secretary (Armed Forces Unit), Contract Management Division, Ministry of Finance, Malaysia (1989-1993)
- Assistant Secretary (Free Trade Zone & Service Tax Unit), Tax Analysis Division, Ministry of Finance, Malaysia (1995-1996)
- Assistant Secretary (Privatisation Unit), Finance Division, Ministry of Finance, Malaysia (1996-1998)
- Assistant Secretary (Multilateral and Bilateral Unit), Loan Management & Financial Policy Division, Ministry of Finance, Malaysia (1998-2001)
- Principal Assistant Secretary (Multilateral Unit), Loan Management & Financial Policy Division, Ministry of Finance, Malaysia (April 2001-June 2003)
- Director's Advisor to the constituency belonging to Malaysia, Myanmar, Nepal, Singapore and Thailand, Asian Development Bank, Manila (July 2003-July 2006)
- Principal Assistant Secretary (Multilateral Unit), Loan Management, Financial Market & Actuary Division, Ministry of Finance, Malaysia (August 2006-March 2008)
- Head of Section (External Funding), Loan Management, Financial Markets & Actuary Division, Ministry of Finance, Malaysia (March 2008-April 2008)
- Deputy Secretary (Infrastructure), Investment, MOF (Inc) & Privatisation Division, Ministry of Finance, Malaysia (April 2008-September 2008)
- Deputy Secretary (Economy), Investment, MOF (Inc) & Privatisation Division, Ministry of Finance, Malaysia (September 2008-November 2012)
- Undersecretary, Loan Management, Financial Market & Actuary Division, Ministry of Finance, Malaysia (16 November 2012-12 January 2014)
- Undersecretary, Government Investment Companies Division, Ministry of Finance, Malaysia (13 January 2014-11 December 2014)
- Director of National Budget, National Budget Office, Ministry of Finance, Malaysia (12 December 2014-1 February 2016)
- Deputy Secretary General (Policy), Ministry of Finance, Malaysia (2 February 2016-Present)

Directorship in other public companies:
- Danainfra Nasional Berhad
- Malaysia Debt Ventures Berhad
- Johor Corporation Berhad
- Johor Petroleum Development Corporation Berhad
- Govco Holdings Berhad
- Bank Kerjasama Rakyat Malaysia Berhad
- Felda Holdings Bhd

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

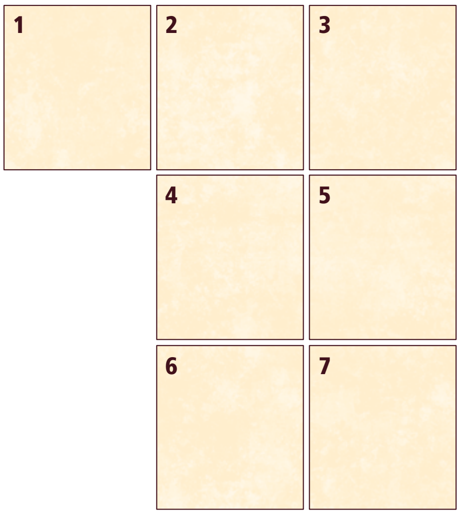
List of convictions for offences within the past 10 years: Nil

* *Dato' Siti Zauyah Md Desa's profile is based on information as at 7 April 2016*

We're planting seeds for future sustainable growth. Through the use of high yielding planting materials, we're replanting our 2nd generation plants to ensure sustainable growth for our Company and continued value for our Shareholders.

Key Management as at 15 April 2016






1. **Dato' Mohd Emir Mavani Abdullah**
2. **Dato' Zakaria Arshad**
3. **Ahmad Tifli Dato' Haji Mohd Talha**
4. **Datuk Abd Halim Hamid**
5. **Dato' Khairil Anuar Haji Aziz**
6. **Dato' Sheikh Awab Sheikh Abod**
7. **Palaniappan Swaminathan**


Key Management as at 15 April 2016

8. **Mohd Najid Md Yahya**
9. **Zalily Mohd Zaman Khan**
10. **Syahrilazli Mahammad**
11. **Muhammad Hudhaifa Ahmad**
12. **Abu Bakar Haji Isa Ramat**
13. **Koo Shuang Yen**
14. **Abd Rashid Atan**

Key Management as at 15 April 2016

DATO' MOHD EMIR MAVANI ABDULLAH

Position	Group President/Chief Executive Officer *Ceased office on 1 April 2016*
Nationality	Malaysian
Age	52

Qualification:
- Chemistry Degree from Universiti Kebangsaan Malaysia
- Masters of Engineering Management from Warwick University, UK
- Completed various executive education programmes in institutions including Harvard University and Yale University

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 Nasional 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)
- Group President/Chief Executive Officer, FGV (2013-2016)

Directorship in related companies:
Nil

DATO' ZAKARIA ARSHAD

Position	Group President/Chief Executive Officer*(Appointed on 1 April 2016)* Head of Palm Downstream Cluster
Nationality	Malaysian
Age	56

Qualification:
- Bachelor of Social Science Economics (Hons) Universiti Sains Malaysia
- Senior Management Development Programme Harvard Business School, USA
- Fellow International Society of Nanoscience, Cambridge, UK
- Corporate Partnership Programme Pembroke College, University of Cambridge, UK

Skills and experience:
- Administration and Marketing Manager, Felda Rubber Industries Sdn Bhd (1984-1999)
- Manager (Business), Malaysia Cocoa Manufacturing Sdn Bhd (1999-2002)
- General Manager (Commercial & Administration), Felda Rubber Products Sdn Bhd (2002-2004)
- General Manager, Felda Marketing Services Sdn Bhd (2004-2005)
- Senior General Manager, Felda Rubber Industries Sdn Bhd (2006-2010)
- Chief Executive Officer, Delima Oil Products Sdn Bhd (2010-2013)
- Chief Executive Officer, Felda Vegetable Oil Products Sdn Bhd (2012-2013)
- Executive Vice President/Head of Palm Downstream Cluster, FGV (2014-Present)
- Vice Chairman of Palm Oil Refinery Association of Malaysia (PORAM) (2015-Present)
- Member of Vistage Worldwide Inc. USA. Peer to Peer membership organisation for CEO's and business owners of small to mid-size businesses (2011-Present)
- Advisor to Mobile Food Trucks and Street Food Association, Malaysia (MSA) (2015-Present)
- Board of Trustees, Malaysia Palm Oil Council (MPOC) (Present)

Directorship in related companies:
- Several companies within FGV Group

Key Management as at 15 April 2016

AHMAD TIFLI DATO' HAJI MOHD TALHA

Position	Group Chief Financial Officer/Executive Vice President
Nationality	Malaysian
Age	51

Qualification:

- Foundation Course in Accounting, Trent University, Nottingham, UK
- Member of the Institute of Chartered Accountants in UK and Wales
- Chartered Accountant with Malaysian Institute of Accountants

Skills and experience:

- Hobson Phillips & Sharpe Chartered Accountants, Nottingham, UK (1985)
- Audit Senior, Price Waterhouse Kuala Lumpur (1991)
- Accountant, Perbadanan Usahawan Nasional Bhd (1993)
- Financial Controller, Boustead Trading Sdn Bhd (1994-1995)
- Group Financial Controller as well as the Chief Operating Officer, Kumpulan Mofaz Sdn Bhd (1995-2002)
- Deputy General Manager in Strategy, Proton Bhd (2003-2007)
- Chief Executive Officer of a subsidiary of Proton Bhd (2004-2006)
- Head of International Sales & Services Division, Proton Bhd (2006-2007)
- Chief Operating Officer, Motorsports Knights (M) Sdn Bhd (2007-2008)
- Head of Scomi Coach, Scomi Engineering (2008-2009)
- Head of IT, Scomi Group (2009-2011)
- Senior Vice President/Group Chief Financial Officer, FGV (2011-2014)
- Executive Vice President/Group Chief Financial Officer, FGV (2014-Present)

Directorship in related companies:

Several companies within FGV Group

DATUK ABD HALIM HAMID

Position	Head of Palm Upstream Cluster & Acting Global Head of Rubber Cluster/Executive Vice President
Nationality	Malaysian
Age	62

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 Holdings 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)
- Executive Vice President/Head of Palm Upstream Cluster & Acting Global Head of Rubber Cluster (2015-Present)
- Board Member, Malaysian Palm Oil Board (MPOB) (2015-Present)
- Board Member, Malaysian Palm Oil Association (MPOA) (2015-Present)
- Board Member, Malaysia Rubber Board (LGM) (2010 - present)
- Board Member, Tun Abdul Razak Research Centre (TARRC) - London (2012 - present)
- Chairman, Feltex Co. Ltd-Thailand (2013- present)
- PT Felda Indo Rubber-Indonesia (2013 - present)

Directorship in related companies:

Several companies within FGV Group

Key Management as at 15 April 2016

DATO' KHAIRIL ANUAR HAJI AZIZ

Position	Head of Trading, Marketing and Logistics Cluster/ Executive Vice President
Nationality	Malaysian
Age	49

Qualification:
- BA (Hons) in Business Administration majoring in Marketing Management, Coventry University, UK

Skills and experience:
- Systems Analyst, Resource Management Division at the National Health Service (NHS) in Wakefield, UK (1992-1993)
- Renong Management Trainee, Renong Group Bhd (1993-1994)
- United Engineers Malaysia Bhd (UEM) (1994-1995)
- Cement Industries of Malaysia Bhd (1996-1998)
- Time Engineering Bhd (TEB) (1999-2000)
- Head of Marketing and Sales Division, JARING Communications Sdn Bhd (a subsidiary of MIMOS Bhd) (2001-2004)
- Chief Executive Officer of MLABS Systems Bhd (an associate company of Universiti Sains Malaysia) (2004-2006)
- Director, International Business and Chief Marketing Officer, SCAN Associates Berhad (2006-2009)
- Executive Chairman, GSSB Consulting Sdn Bhd (2010-2014)
- 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, Pelaburan MARA Berhad (PMB) (2014-Present)
- Non-Executive Director, Kuantan Port Authority (2015-Present)
- Executive Vice President, Head of TML Cluster (2014-Present)

Directorship in related companies:
Several companies within FGV Group

DATO' SHEIKH AWAB SHEIKH ABOD

Position	Head of Sugar Cluster/Executive Vice President *Deceased on 14 April 2016*
Nationality	Malaysian
Age	56

Qualification:
Bachelor of Science, Northeastern Oklahoma State University, USA

Skills and experience:
- Acting Chief Executive Officer, Malaysian International Merchant Bank (2003-2004)
- President and Chief Executive Officer of Affin Investment Bank (2005-2007)
- Chairman, PECD Bhd (2007-2010)
- Chairman, Finance & Investment Committee of Percetakan Nasional Malaysia Bhd (2008-Present)
- Chairman, Board Governance Risk Committee of Percetakan Nasional Malaysia Bhd (2014-Present)
- Chairman, Axis Consultancy & Advisory Services Sdn Bhd (2008-Present)
- President/Group Chief Executive Officer of MSM Malaysia Holdings Bhd (2014-Present)
- Executive Vice President/Head of Sugar Cluster, FGV (2014-Present)

Directorship of other companies:
Director of Percetakan Nasional Malaysia Bhd

Directorship in related companies:
Several companies within FGV Group

Key Management as at 15 April 2016

PALANIAPPAN SWAMINATHAN

Position	Head of R&D and Agri-Services Cluster & Head of Group Environment & Sustainability Division/ Executive Vice President
Nationality	Malaysian
Age	61

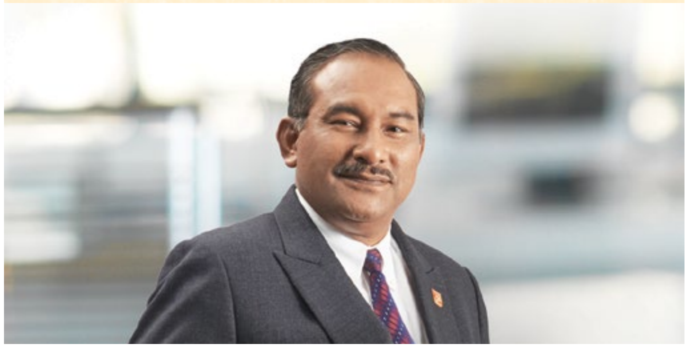
Qualification:
- Bachelor of Science (Honours) from University of Malaya
- Master of Science from University of Malaya
- ACCA Certified Diploma in Accounting and Finance
- Certificate in plant breeding from the International Agricultural Centre, Wageningen, Netherlands

Skills and experience:
- Research Officer, Perbadanan Khidmat Pertanian Felda (now known as Felda Agricultural Services Sdn Bhd) (1978-2002)
- 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 (2003-2005)
- Committee Member, Main Research and Development Committee of the Malaysian Palm Oil Association (MPOA) (2006-Present) and the Malaysian Palm Oil Board (MPOB) Task Force for Ganoderma and for Bud Rot Disease (2013-Present)
- Member of the Board of Governors, RSPO (2015-Present)
- Member of the Consultative Committee on Sustainable Palm Oil Project, CIRAD (2014-2015)
- Member of Palm External Advisory Panel (P&G) (2014-Present)
- Member of the Advisory Committee for Biotechnology and Molecular Science, Universiti Putra Malaysia (2006)
- Member of the Board of Advisors for the proposed Kulliyyah of Agricultural Science and National Resources, International Islamic University Malaysia (2009)
- Chief Executive Officer, Felda Agricultural Services Sdn Bhd (2006-2014)
- Board member, MyBiomass Sdn Bhd (2013-Present)
- Committee member, Kuala Muda Estate Owner (2010-Present)
- Board member, Taiko Clay Chemicals Sdn Bhd (2015-Present)
- Executive Vice President/Head of R&D and Agri-Services Cluster, FGV (2014-Present)
- Head of Group Environment & Sustainability Division (2016-Present)

Directorship in related companies:
Several companies within FGV Group

MOHD NAJID MD YAHYA

Position	Chief Human Resources Officer/Senior Vice President
Nationality	Malaysian
Age	50



Qualification:
- Graduated in Standard Military Course and commissioned as army officer from the Royal Military Academy Sandhurst, Camberley, UK
- Diploma in Human Resources Management from University of Malaya
- Diploma in Management Science from National Institute of Public Administration (INTAN)

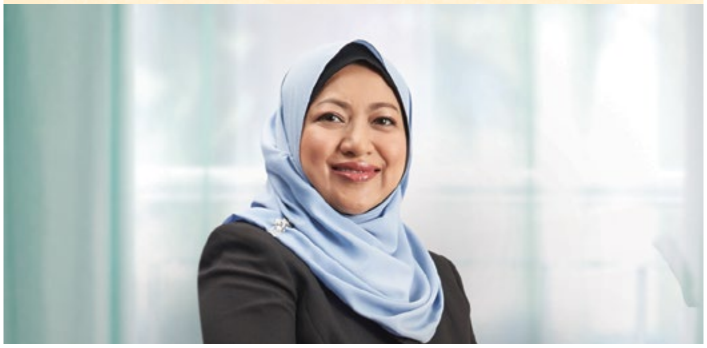
Skills and experience:
- Military Commander (1985-1997)
- Senior Manager, Employee Relations & Benefits Administration, Standard Chartered Bank Malaysia (1997-2004)
- Group Head of Rewards & Employee Relations, Sime Darby Bhd (2004-2006)
- Director, Human Resources, Al Rajhi Bank (one of the pioneers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

Directorship in related companies:
Several companies within FGV Group

Key Management as at 15 April 2016

ZALILY MOHD ZAMAN KHAN

Position	Group Chief Internal Auditor/Vice President
Nationality	Malaysian
Age	48



Qualification:
- Bachelor of Arts in Accountancy, University of South Australia, Australia
- Fellow of CPA Australia
- Chartered Accountant with the Malaysian Institute of Accountants
- Certified Internal Auditor from Institute of Internal Auditors, USA
- Chartered Member of Institute of Internal Auditors
- Certified in Control Self-Assessment from Institute of Internal Auditors, USA
- Certified in Risk Management Assessment from Institute of Internal Auditors, USA
- A member of the Institute of Internal Auditors Malaysia's Research and Technical Advisory Committee

Skills and experience:
- Semi Senior, Arthur Andersen & Co (1990-1994)
- Group Finance Manager, Sapura Telecommunications Bhd (1994-1999)
- Deputy General Manager, Internal Audit, Golden Hope Plantations Bhd (2000-2007)
- Vice President, Group Corporate Assurance Department Plantation Division, Sime Darby Bhd (2008)
- General Manager and Head, Group Internal Audit, Boustead Holdings Bhd (2009-2012)
- Vice President/Group Chief Internal Auditor, FGV (2012 to present)

Directorship in related companies:
Nil

SYAHRILAZLI MAHAMMAD

Position	Head of International Business and Indonesia Operations/ Senior Vice President
Nationality	Malaysian
Age	38

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 Bhd (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)
- Senior Vice President/Head of International Business and Indonesia Operations, FGV (2013-Present)

Directorship in related companies:
Several companies within FGV Group

Key Management as at 15 April 2016

MUHAMMAD HUDHAIFA AHMAD

Position	Head of Group Strategy and Corporate Affairs/ Vice President
Nationality	Malaysian
Age	38

Qualification:
- Bachelor's Degree in Business Studies/Administration/Management from Drexel University, USA
- Master's Degree in Computer Science/Information Technology from Drexel University, USA

Skills and experience:
- System Engineer, Motorola Corporations, USA (1998)
- Senior Software Engineer III, Verizon Communications (formerly Bell Atlantic Corporation), USA (1999-2004)
- Consultant, TradeRoof Consulting, Malaysia (2004-2005)
- Manager, Quality & Knowledge Management, Infopro Malaysia (2005-2007)
- Project Manager, IBM Malaysia (2007-2009)
- Manager, Accenture Consulting (2009-2010)
- Senior Manager, Performance Management and Delivery Unit (PEMANDU), in the Prime Minister's Department (2010-2013)
- General Manager/Senior General Manager, CEO's Office/Head of Group Corporate Strategy, FGV (2013-2015)
- Vice President/Head of Group Strategy and Corporate Affairs (2015-Present)

Directorship of other companies:
- Director, AXA Affin General Insurance Bhd (2015-Present)
- Director, Proxcel Sdn Bhd (2015-Present)
- Director, Nilai Education Sdn Bhd (2015-Present)
- Director, Taiko Clay Chemicals Sdn Bhd (Present)
- Director, Kao Trading (Malaysia) Sdn Bhd (Present)

Directorship in related companies:
Several companies within FGV Group

ABU BAKAR HAJI ISA RAMAT

Position	Chief Counsel/Vice President
Nationality	Malaysian
Age	36

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

Skills and experience:
- Called to the Bar of the High Court of Malaya (2009)
- Advocate & Solicitor, Messrs. Hafarizam Wan & Aisha Mubarak (2009-2013)
- 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

Key Management as at 15 April 2016

KOO SHUANG YEN

Position	Company Secretary
Nationality	Malaysian
Age	53

Qualification:
- Associate of the Chartered Institute of Management Accountants, UK
- Chartered Accountant with Malaysian Institute of Accountants

Skills and experience:
- Head of Finance, Felda Engineering Services Sdn Bhd (1991-2006)
- Head of Finance, Felda Enterprises Sdn Bhd (2007-2008)
- Group Accountant, Downstream Division, Felda Holdings Bhd (2009-2010)
- Senior General Manager, Group Finance, Felda Holdings Bhd (2011-2012)
- Company Secretary, Felda Holdings Bhd and its Group of Companies (1995-2012)
- Head of Cluster Finance & Accounting Unit, FGV (2013 to present)
- Head of Budgeting Unit, FGV (2015 to present)
- Company Secretary, MSM Malaysia Holdings Bhd and its Group of Companies (2011 to present)
- Company Secretary, FGV and its Group of Companies (2014 to present)

Directorship in related companies:
A subsidiary company of FGV Group

ABD RASHID ATAN

Position	Company Secretary
Nationality	Malaysian
Age	54

Qualification:
- Diploma in Business Studies, Institut Teknologi Mara
- Bachelor in Business Administration (Finance) from Drake University, Iowa, USA
- Bachelor in Accountancy (Honours), Universiti Teknologi Mara
- Chartered Accountant with Malaysian Institute of Accountants

Skills and experience:
- Assistant Assessment Officer, Inland Revenue Board (1988-1995)
- Manager, HBM Management Sdn Bhd (1995-1997)
- Company Secretary, UDA Holdings Bhd and its Group of companies (1997-2013)
- Company Secretary, MSM Malaysia Holdings Bhd and its Group of Companies (2015 to present)
- Company Secretary, FGV and its Group of Companies (2015 to present)

Directorship in related companies:
Nil

"I have always set my personal goals higher than that for the Company. What keeps me awake is determining how to achieve my goals. Aspiring to be one of the top global players in the sugar industry, I kept myself busy thinking and strategising the way forward, getting there quickly and how to stay there. Employees' affairs are also very close to my heart and finding ways to ensure they as well as other Stakeholders are happy is another thing that keeps me awake at night."

WE ARE DEEPLY SADDENED BY THE LOSS OF DATO' SHEIKH AWAB SHEIKH ABOD, WHO PASSED AWAY ON 14 APRIL 2016

Thank you for your sweet contribution to the Group. May Allah SWT bless the late Dato' Sheikh Awab Sheikh Abod and grant his family patience and solace.

Al-Fatihah

Chairman's Statement on Corporate Governance

Dear Shareholders

On behalf of the FGV Board, I am pleased to present the Group's corporate governance statement for 2015. This report gives details on our progress, achievements, challenges and areas in which we seek to improve.

We aim to ensure that good corporate governance continues to provide a solid basis for our business, in promoting transparent and ethical business conduct at all levels, and continuing to add value for our Stakeholders. We hold the view that while governance structures and processes are important, it is how well they are implemented and function within the Group that is the question we must carefully consider. The Board Governance & Risk Management Committee has been mandated by the Board to review the effectiveness and adequacy of the Group's governance structures.

In 2014, we embarked on a journey to ensure excellence in the way we conduct our corporate governance policies and activities within our organisation. This pursuit lead to 6 initiatives which paved way to meeting those objectives. The below table outlines our efforts and its progress, in addition to showcasing our long-term goals.

Initiatives	Enhancing Approach	Objectives	Progress
6 Initiatives toward excellence in Corporate Governance	1. Corporate Governance (CG) Checklist	• To create necessary documents, policies, procedures and work instructions to have in place (required and/or good to have). • To review the documents, policies, procedures and work instructions every 3 years or earlier based on necessity.	Phase 1 of FGV Board Manual completed and launched on 26 November 2014. Work-In-Progress: Phase 2 of FGV Board Manual was carried out in FY2015- 016; expected to be approved in March/April 2016 and launch in Q3 2016. Group Governance Department shall undertake Phase 3 for CG Best Practices in H2/2016-H1/2017.
	2. FGV's Code on Corporate Governance (FGV-CoCG)	The FGV-CoCG shall provide a standard code foundation for all business decisions and activities to enable FGV to achieve sustainable businesses worldwide.	Work-In-Progress: expected to be completed in FY2016.
	3. FGV Corporate Governance Plan (FGV-CGP) (+Compliance Plan (FGV-CP)	• To provide the guardrail that guides, directs, and controls business decisions and activities to enable FGV Group to achieve sustainable businesses globally. • To drive FGV to focus on processes and structures in order to achieve business prosperity, and discharges corporate accountability with the ultimate objective of long-term value realisation for Shareholders and Stakeholders.	Work-In-Progress: FGV-CP is expected to be completed in FY2016 and FGV-CGP is expected to be completed in 2017.

Chairman's Statement on Corporate Governance

Initiatives	Enhancing Approach	Objectives	Progress
6 Initiatives toward excellence in Corporate Governance	4. FGV - Corporate Governance Scorecard (FGV-CGS)	The scorecard shall allow easier monitoring of corporate governance compliance within the Group.	Work-In-Progress: expected completion in FY2017.
	5. FGV - Corporate Governance Award (FGV-CGA)	To recognise and reward excellent companies that exhibit high performance and excellent attributes of corporate governance within FGV Group.	FGV-CGA was conducted in FY2015. Award ceremony to recognise CG winners was held on 31 March 2016 during "Hari Tadbir Urus Kumpulan Felda 2016 – Ke Arah Kecemerlangan Bisnes".
	6. Enhance Systems & Procedures Toward Good Governance (ISO9001:2015)	The ISO 9001:2015 shall prepare the foundation blocks for a compliance culture as it adds internal management audit and external QMS audit by SIRIM annually.	Work-In-Progress: Internal Quality Audit (IQA) at Group level will be conducted in Q12016 together with a SIRIM Adequacy Audit. Expected to be certified by SIRIM in Q22016. The ISO 9001:2015 SIRIM certification initiative is by TQM Department.

AN ENGAGED BOARD

The Board, Board Committees and individual Director evaluation affords us the opportunity to continuously improve and evolve governance within the Group. We engaged the services of an independent external consultant to assist the Board in its self-evaluation, and in 2015, we extended the mandate to include an assessment of how the Board has evolved and the extent of the implementation of findings from previous years. This was augmented by a Director peer review process to provide constructive feedback to each Director in support of continuous improvement at an individual level.

I am pleased with the progress the Board has made, in working as an effective and cohesive unit that draws on the strengths of each Director without placing undue reliance on any one individual. We consider the Board's strength to be its ability to leverage its collective experience and wisdom, and its willingness to ask the seemingly simple questions that ensure that all avenues have been explored prior to making a decision on matters of strategy and the assessment of risk.

LOOKING AHEAD

As regulations continue to evolve, we constantly look for ways to enhance Directors' knowledge. This also happens at Board Committee level, where time is spent on in-depth discussions of relevant topics and impending legislation. This allows the Group an opportunity to proactively engage with relevant Stakeholders on matters that have potential to impact our strategy.

We remain committed to the highest standards of corporate governance, integrity and professionalism, and maintain a commercial mindset across the Group. Our governance framework operates across our business units, functional operating structures, and in the regions where we operate. In the year under review, we continued to monitor the implementation of our subsidiary governance framework and, where necessary, introduced principles of engagement with boards of directors of subsidiary entities.

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

Statement on Corporate Governance

Felda Global Ventures Holdings Bhd (FGV or Company) and its Group of Companies (FGV Group or the Group) applies sound corporate governance frameworks and policies, which the Board of Directors of FGV (the Board) considers pivotal to delivering sustainable growth in the interests of all Shareholders and Stakeholders. FGV's values-driven culture and code of ethics underpin its governance framework and policies, committing the Group to high standards of business integrity and ethics in all its activities.

FGV applies the 8 Principles and 26 Recommendations of the Malaysian Code on Corporate Governance 2012 (MCCG 2012). In addition, relevant chapters of the Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Bhd (Bursa Securities) as well as the adoption of better practices as prescribed in the Corporate Governance Guide 2nd edition (the Guide). The table highlighting FGV's compliance with the Principles and Recommendations of MCCG 2012 is set out on pages 359 and 360.

The Board considers corporate governance to be a priority and endeavours to go beyond compliance. The application of governance requirements should facilitate, not detract from, the Directors' ability to execute their responsibilities and duties.

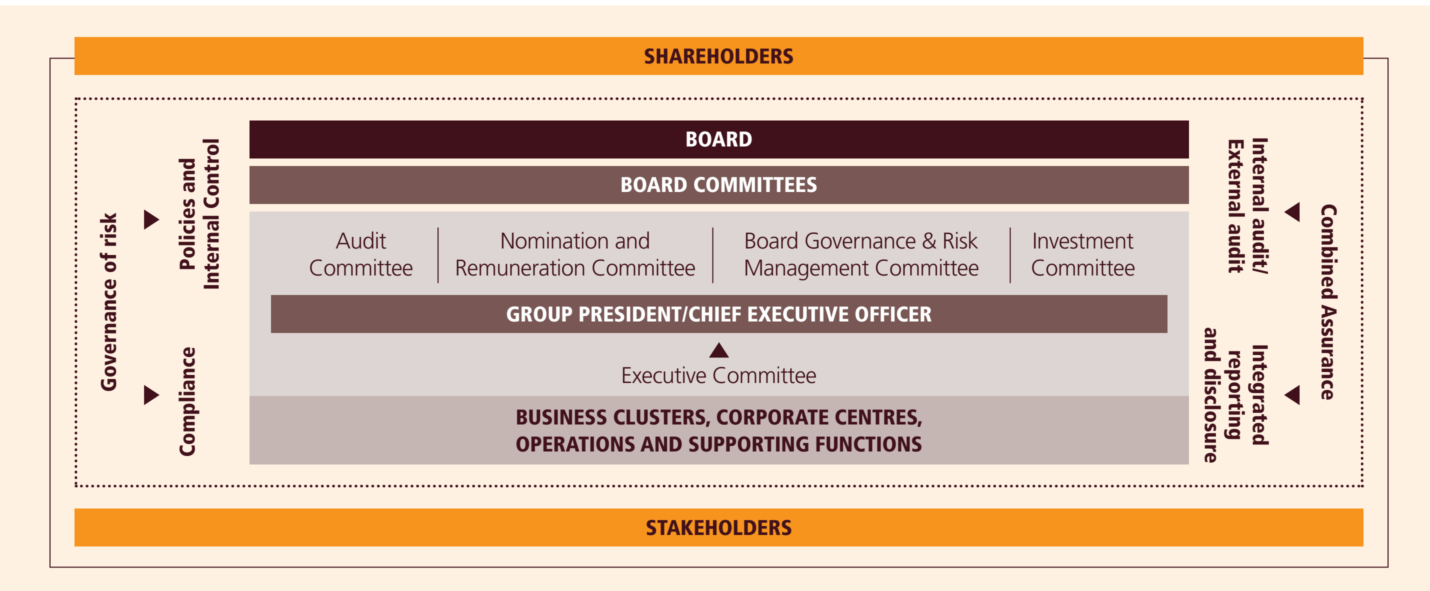
FGV's efforts and commitment to strong governance have been recognised when on 9 December 2014, FGV was announced as the winner of "Industry Excellence 2014 – Plantation" during MSWG-ASEAN Corporate Governance Index Findings & Recognition 2014 – The Malaysian Chapter. FGV was also ranked at number 19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

OUR GOVERNANCE FRAMEWORK

Consistent with the Board's commitment to corporate governance, FGV continuously reviews its governance framework and policies as they form the thrust for good corporate citizenship and sustainability of FGV's businesses.

In line with the Board's efforts to continuously improve FGV Group's governance, FGV has reviewed its Governance Framework which resulted in the introduction of a revised Governance Framework. The revised Governance Framework clarifies further the chain of command, delegation of authority, accountability, and decision making process of the Group. It is adapted to accommodate FGV's internal developments such as the Group's new business operating model, the revised organisation chart, to name but a few, and to reflect national and international best practices.

Our revised Governance Framework is illustrated in the diagram below:



Statement on Corporate Governance

COLLECTIVE RESPONSIBILITY 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, guidelines, and adoption of best practices 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 FGV Code of Ethics and Conduct (CoEC) and Code of Business Practice (CoBP) for Directors. The CoEC and CoBP outlines the ethical standards of behaviour and conduct expected from all Directors of FGV Group. All Directors have given their commitment to comply with the CoEC and CoBP through a signed declaration. The Directors' CoEC and CoBP are made available to the Directors and are also published on the Company's corporate website.

THE BOARD CHARTER

In line with the principles of good corporate governance, our Board has formally adopted a Board Charter, which provides guidance to the Board in the fulfilment of its roles, duties and responsibilities. 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 was last reviewed on 26 November 2015.

The Board Charter is made available on the Company's corporate website at www.feldaglobal.com.

RESPONSIBILITIES AND DUTIES

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.
2. Overseeing the conduct of the Group's business.
3. Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures.
4. Succession planning, self-evaluation and appointments.
5. Overseeing the development and implementation of investor relations programmes and a Stakeholder communications policy.
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.

FORMAL SCHEDULE OF MATTERS RESERVED FOR THE BOARD

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:

- Matters relating to the Board and Group President/Chief Executive Officer appointments and Board structures.
- Matters relating to the Board, Group President/Chief Executive Officer and Top Management remunerations.
- Approval of strategic plans, investments, divestments, delegation of authorities and any major changes in the activities of the Group.
- Approval of the annual budgets, financial statements, dividends, matters related to managing risks and controls, and financial decisions.

PROVIDING EFFECTIVE LEADERSHIP

OUR DIRECTORS AND COMPOSITION OF THE BOARD

The Board remains focussed on enhancing the diversity of Directors' perspectives. Directors are chosen for their corporate leadership skills, experience and expertise. Diversity of experience in business, as well as academic backgrounds, are considered. The right blend of skills and experience is crucial in ensuring the attainment of long-term value for FGV's Shareholders.

New directors are inducted. They are apprised of FGV's business, their duties and responsibilities as Directors and are also given the opportunity to visit FGV's plants and operations. The development of industry and FGV Group knowledge is a continuous process and Directors are briefed on legal developments and changes in the risk and general business environment on an on-going basis.

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 nine (9) members on the Board, comprising:

- five (5) Independent Non-Executive Directors,
- three (3) Non-Independent Non-Executive Directors, and
- one (1) Non-Independent Executive Director (Group President/Chief Executive Officer).

Statement on Corporate Governance

The Board composition 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. 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.

BOARD OF DIRECTORS*

Independent Non-Executive Directors

DATO' YAHAYA ABD JABAR

TAN SRI DR. SULAIMAN MAHBOB

YB DATUK NOOR EHSANUDDIN MOHD HARUN NARRASHID

DATO' MOHD ZAFER MOHD HASHIM

DATO' MOHAMED SUFFIAN AWANG

Non-Independent Non-Executive Directors

YB TAN SRI HAJI MOHD ISA DATO' HAJI ABDUL SAMAD

DATUK DR. OMAR SALIM

DATUK NOZIRAH BAHARI

Non-Independent Executive Director

DATO' MOHD EMIR MAVANI ABDULLAH

Right balance of skills and experience to make a meaningful contribution to the business of the Company

BOARD SKILLS AND DIVERSITY*

1	Experience	Capital projects	
		Upstream business	
		Financial	
		Public policy and regulatory	
		Legal and mergers and acquisitions	
2	Skills	Financial acumen	
		Remuneration	
		Strategy and risk	
		Governance	
		Corporate knowledge	
		Capital projects and manufacturing	
		Global experience	
3	Tenure	4 to 6 years	**4** Directors
		2 to 4 years	**3** Directors
		0 to 2 years	**2** Directors

* *As at 29 March 2016*

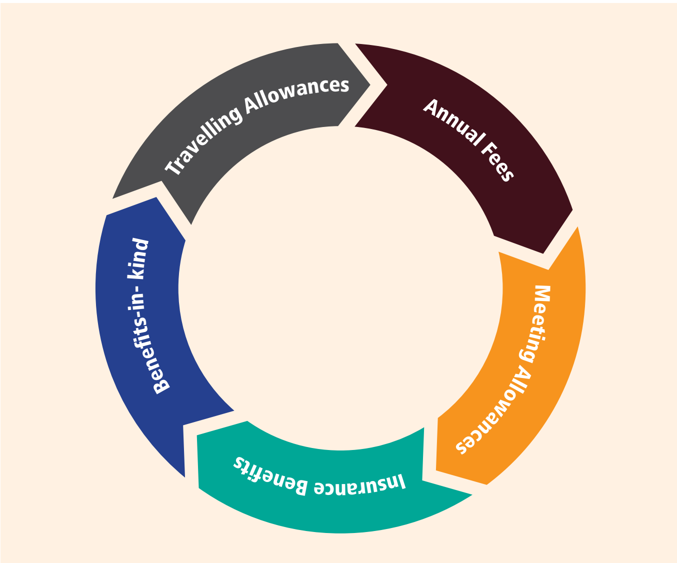
The Board has identified the need to improve gender diversity on the Board and will continue efforts to seek female candidates to take up Board positions. The Board will continue to seek to appoint capable and competent Directors in order to reach at least 30 percent female representation on the Board.

The Board had on 29 March 2016 approved the FGV Board Nomination and Election Policy and Procedures to enhance, clarify and formalise its policies on Board Composition, Independence, Conflict of Interest and Board Assessment. The Policy on Board Composition provides the size of the Board, the selection criteria, the Directors' skills sets and Board diversity to be considered for new appointments of Directors. The Policy on Board Composition provides that FGV shall adopt and pursue Board diversity in considering the composition of the Board and shall adopt a merits-system which does not discriminate, including on the grounds of gender and ethnicity. The Board shall be implementing improvements in its practices on nomination and election of Directors as detailed in the FGV Board Nomination and Election Policy and Procedures.

Statement on Corporate Governance

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 and duties of the Board and Board Committees. The Directors' remuneration comprised the following:



The Board Remunerations Policy was last revised in February 2016.

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	- RM560,000 (Chairman) - RM120,000 (Non-Executive Directors)
Audit Committee	- RM64,000 (Chairman) - RM32,000 (Non-Executive Directors)
Investment Committee, Board Governance & Risk Management Committee and Board Steering Committee for the Fund Raising Exercise	- RM32,000 (Chairman) - RM16,000 (Non-Executive Directors)
Nomination and Remuneration Committee	- RM35,000 (Chairman) - RM20,000 (Non-Executive Directors)

In addition to remuneration from the Group level, Non-Executive Directors receive basic fees from their directorships at subsidiary level.

Meeting Allowances (Board and all Board Committees)

Local	- RM2,000
Overseas (Flight time <= 8 hours)	- RM2,000
Overseas (Flight time > 8 hours)	- RM5,000
Teleconferencing	- RM1,000

Executive Directors

The basic salaries of the Executive Directors are 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 performance bonus scheme for all employees, including the Executive Directors. Performance 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. However, the Executive Directors are entitled to receive basic fees from their directorships at subsidiary level.

The summary of composition of the Executive Directors remuneration package is as follows:

1. **FIXED REMUNERATION**
   Basic salary
   Benefits-in-kind
2. **VARIABLE REMUNERATION**
   Performance bonus scheme
3. **TOTAL REMUNERATION**

Range of Remuneration per annum *	Number of Directors	
	Executive	Non-Executive
RM1 to RM50,000	-	3
RM150,001 to RM200,000	-	3
RM200,001 to RM250,000	-	2
RM250,001 to RM300,000	-	2
RM350,001 to RM400,000	-	1
RM1,750,001 to RM1,800,000	-	1
RM2,250,001 to RM2,300,000	1	-
Total	**1**	**12**

* *The range of remuneration is based on the total Directors' remuneration in the Group for FYE 2015*

Statement on Corporate Governance

DIRECTORS' REMUNERATION IN FYE 2015

Directors' remuneration for the FYE 2015 in aggregate from FGV and the Group, with categorisation into components, distinguishing between Executive and Non-Executive Directors, are stated as follows:

FELDA GLOBAL VENTURES HOLDINGS BERHAD

NAME OF DIRECTORS	SALARY[1]	BONUS	ANNUAL FEES		
			Board	Audit Committee	Nomination and Remuneration Committee
	(RM)	(RM)	(RM)	(RM)	(RM)
Non-Independent Non-Executive Director					
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	-	-	560,000.00	-	-
Datuk Dr. Omar Salim	-	-	120,000.00	1,753.00	1,096.00
Datuk Nozirah Bahari	-	-	120,000.00	30,334.00	-
Datuk Haji Faizoull Ahmad[2]	-	-	54,904.00	-	-
Independent Non-Executive Director					
Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah[3]	-	-	6,575.00	-	-
Dato' Yahaya Abd Jabar	-	-	120,000.00	32,000.00	35,000.00
Tan Sri Ismee Ismail[4]	-	-	6,575.00	1,753.00	-
YB Datuk Noor Ehsanuddin Mohd Harun Narrashid	-	-	120,000.00	-	20,000.00
Fazlur Rahman Ebrahim[5]	-	-	6,575.00	3,507.00	-
Tan Sri Dr. Sulaiman Mahbob	-	-	120,000.00	-	-
Dato' Mohd Zafer Mohd Hashim[6]	-	-	113,753.00	60,668.00	-
Dato' Mohamed Suffian Awang[7]	-	-	113,753.00	-	18,959.00
Non-Independent Executive Director					
Dato' Mohd Emir Mavani Abdullah	1,283,580.00	106,965.00	-	-	-
TOTAL	**1,283,580.00**	**106,965.00**	**1,462,135.00**	**130,015.00**	**75,055.00**

Notes:
1 *Salary and allowances not inclusive of the Company's contribution to provident fund.*
2 *Datuk Haji Faizoull Ahmad had retired on 16 June 2015.*
3 *Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah had resigned as Director on 20 January 2015.*
4 *Tan Sri Ismee Ismail had resigned as Director on 20 January 2015.*
5 *Fazlur Rahman Ebrahim had resigned as Director on 20 January 2015.*
6 *Dato' Mohd Zafer Mohd Hashim was appointed as Independent Non-Executive Director on 20 January 2015.*
7 *Dato' Mohamed Suffian Awang was appointed as Independent Non-Executive Director on 20 January 2015.*

Statement on Corporate Governance

Investment Committee (RM)	Board Governance & Risk Management Committee (RM)	Board Steering Committee For The Fund Raising Exercise (RM)	ANNUAL FEES FROM SUBSIDIARIES	BENEFITS-IN-KIND (RM)	OTHER BENEFITS (RM)	TOTAL (RM)
-	-	-	1,083,900.00	54,334.00	92,500.00	**1,790,734.00**
1,753.00	15,167.00	-	72,000.00	11,380.00	60,000.00	**283,149.00**
-	-	2,411.00	-	-	26,000.00	**178,745.00**
877.00	-	-	75,394.00	-	24,500.00	**155,675.00**
-	1,753.00	1,753.00	-	-	-	**10,081.00**
877.00	16,000.00	-	-	-	67,000.00	**270,877.00**
-	-	877.00	-	-	-	**9,205.00**
16,000.00	877.00	-	104,000.00	-	110,500.00	**371,377.00**
-	-	877.00	-	-	-	**10,959.00**
-	29,633.00	-	-	-	30,000.00	**179,633.00**
15,167.00	-	-	-	-	47,000.00	**236,588.00**
30,334.00	-	-	-	-	64,000.00	**227,046.00**
-	-	-	537,106.00	297,721.00	53,000.00	**2,278,372.00**
65,008.00	**63,430.00**	**5,918.00**	**1,872,400.00**	**363,435.00**	**574,500.00**	**6,002,441.00**

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The aggregate remuneration of Directors with categorisation into Directors fees, salaries, bonuses, allowance and benefits in kind from FGV and the Group, distinguishing between Executive Directors and Non-Executive Directors are also provided on page 238 of this Annual Integrated Report.

Statement on Corporate Governance

GOVERNANCE PROCESSES

BOARD NOMINATION AND ELECTION PROCESS

The candidates 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. For appointment of Independent Directors, the Nomination and Remuneration Committee assesses candidates based on the criteria of independence.

The FGV Board Nomination and Election Policy and Procedures, which was approved by the Board on 29 March 2016, provides that the sourcing of the candidates to the Board may be undertaken internally via recommendation by the Chairman of the Nomination and Remuneration Committee, and within the bounds of practicality, by any Directors or Major Shareholder of FGV or undertaken externally through the recommendation of independent third party service providers appointed by the Board. The Nomination and Remuneration Committee shall then make a full assessment of the candidates to assess the necessary and desirable core competencies to maintain an appropriate balance of skills, experience, expertise and diversity for the Board to discharge its responsibilities effectively. The selection criteria includes the following:

1. Skills, knowledge, expertise and experience;
2. Contribution and performance;
3. Character, professionalism and integrity;
4. Number of directorships and other external obligations which may affect the Director's commitment, including time commitment and value contribution; and
5. In the case of candidates for the position of Independent Director, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected by Independent Directors.

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.

The Nomination and Remuneration Committee reviews and recommends to the Board the rotation and re-election of Directors at the AGM. Where a Director is due to retire from office, the Nomination and Remuneration Committee reviews the composition of the Board and decides whether to recommend the retiring Director for re-election taking into consideration the Director's attendance and time commitment.

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 the Group. Site visits to the Group's plantation and mills operation, refineries and research centres and various training for the Board and Top Management were organised during FYE 2015.

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 on-going 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 training on subject matter that aids the Directors in the discharge of their duties as Directors, at the Company's expense. During the FYE 2015, 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. 11th Palm Oil Conference and 2016 Price Outlook.
3. 3rd Oleochemical Outlook Conference.
4. 7th Annual Corporate Governance Summit: Creating Sustainable Value Through Governance.
5. Audit, Internal Control and Fraud Detection Seminar.
6. Biofuels Worlds, Jakarta.
7. Budget Retreat 2015.
8. Bursa Malaysia Palm and Lauric Oils Price Outlook Conference and Exhibition (POC 2015).
9. Global Expert Series Programme.
10. Governance, Directors' Duties and Regulatory Updates Seminar.
11. Gulfood Dubai.
12. National Seminar on Trans Pacific Partnership Agreement.
13. Remuneration Reward Practices Seminar 2015.
14. The 13th Annual Roundtable Conference on Sustainable Palm Oil.

Statement on Corporate Governance

15. The role of the Boards in fraud risk management.
16. Wasatiyyah International Seminar 2015.
17. World Economic Forum Annual Meeting 2015.
18. Induction programme.
19. FGV Board Walkabout 2015.

FGV BOARD MEETINGS

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 Meetings 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.

During the FYE 2015, the Board met thirteen (13) times to deliberate and consider a variety of significant matters that required its guidance and approval. The Board held two ad hoc meetings on 20 May 2015 and 10 June 2015 during the year and due to short notice of these meetings, some Directors were unable to attend, but were fully briefed on the matters discussed. All Directors have complied with the requirement that Directors must attend at least 50 percent of Board Meetings held in the FYE 2015 pursuant to the Bursa Securities Listing Requirements. The attendance of the respective Directors in respect of the Board Meetings held during the FYE 2015 is set out below:

Board Meeting Attendance FYE 2015

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	12/13	92.3%
Datuk Dr. Omar Salim	11/13	84.61%
Datuk Nozirah Bahari	9/13	69.23%
Datuk Haji Faizoull Ahmad (Retired on 16 June 2015)	0/7	0%
Independent Non-Executive Director		
Dato' Yahaya Abd Jabar	12/13	92.3%
Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah (Resigned on 20 January 2015)	Not applicable	Not applicable
Tan Sri Ismee Ismail (Resigned on 20 January 2015)	Not applicable	Not applicable
YB Datuk Noor Ehsanuddin Mohd Harun Narrashid	11/13	84.61%
Tan Sri Dr. Sulaiman Mahbob	11/13	84.61%
Fazlur Rahman Ebrahim (Resigned on 20 January 2015)	Not applicable	Not applicable
Dato' Mohd Zafer Mohd Hashim (Appointed on 20 January 2015)	10/13	76.92%
Dato' Mohamed Suffian Awang (Appointed on 20 January 2015)	13/13	100%
Non-Independent Executive Director		
Dato' Mohd Emir Mavani Abdullah	13/13	100%

Statement on Corporate Governance

AMONG MATTERS CONSIDERED THROUGHOUT THE YEAR

Matters reserved for the Board

- Appointment of new Directors
- Revision of composition of the Board Committees of FGV
- Appointment of joint FGV Company Secretary
- New composition of the Board in FGV Group of Companies
- Re-appointment/re-election of Directors retiring at the 2015 AGM
- Proposed Annual Fees for FGV Board, FGV Board Committees' Members and Independent Advisors of FGV Investment Committee
- Annual Assessment of the Effectiveness of the Board, Board Committees and Individual Directors
- Annual Assessment of the Independent Directors of FGV Board
- Revision of Board Remunerations Policy
- Group President/Chief Executive Officer's salary increment proposal for the Financial Year 2015
- Extension of the Fixed Term Contracts for the Group's Top Management
- Promotion of the Group's Top Management positions
- Annual review on the remuneration package for the Group President/Chief Executive Officer and the Group's Top Management

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

- The Company's and the Group's financial performance against budget, forecasts and key performance targets
- Quarterly Results and Audited Financial Statements
- Major investment proposals in accordance with the Group DAL including their funding requirements
- Divestment proposals of FGV subsidiaries

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

- Top ten risks of the Group
- Status of compliance with Board Governance
- Revision of the FGV Board Charter and FGV Board Committees Terms of reference

Succession planning, self-evaluation and appointments

- Group Human Resources Policies
- Voluntary Separation Scheme Proposal
- Salary Structure Revision Proposal
- Group-wide Employee Bonus Proposal for the Financial Year 2014
- Performance Remuneration Plan Proposal, which included Employees Long-Term Incentive Plan Proposal
- Group-wide Employee Salary Increment Proposal for the Financial Year 2016
- Revision of Group-wide medical facilities

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

- Proposals of new and revised policies, which included Authority Limits, Whistleblowing Policy, Group Procurement Policy, Sponsorships and Donations Policy
- Disclosures in the Statement on Corporate Governance, Statement on Risk Management and Internal Control, and Report on the Audit Committee to be included in the Annual Integrated Report for the financial year 2014
- Employees Code of Ethics and Conduct

Statement on Corporate Governance

BOARD PAPERS

The Board regularly reviews reports on progress against financial objectives, and also receives regular reports and presentations on risks profile and material litigation. The agenda for the Board and Board Committee Meetings are set by the FGV Chairman or Board Committee Chairman respectively, in reference to the responsibilities and duties of the respective Board and Board Committees and in consultation with the Group President/Chief Executive Officer and FGV Company Secretaries. Regular reports are also provided to the Board by Board Committees on their deliberation and recommendations.

The agenda and supporting papers are distributed in advance at least seven (7) days prior to the meetings for all Board and Board Committee Meetings to allow time for appropriate review to facilitate full discussion at the meetings. However, papers that are deemed urgent may still be submitted to FGV Company Secretaries to be tabled to the Board at the Board Meeting, subject to the approval of the FGV Chairman or Board Committee Chairman respectively, 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 additional information papers and relevant training where necessary to ensure they are apprised on key business, operational, corporate, legal, and regulatory as well as industry matters.

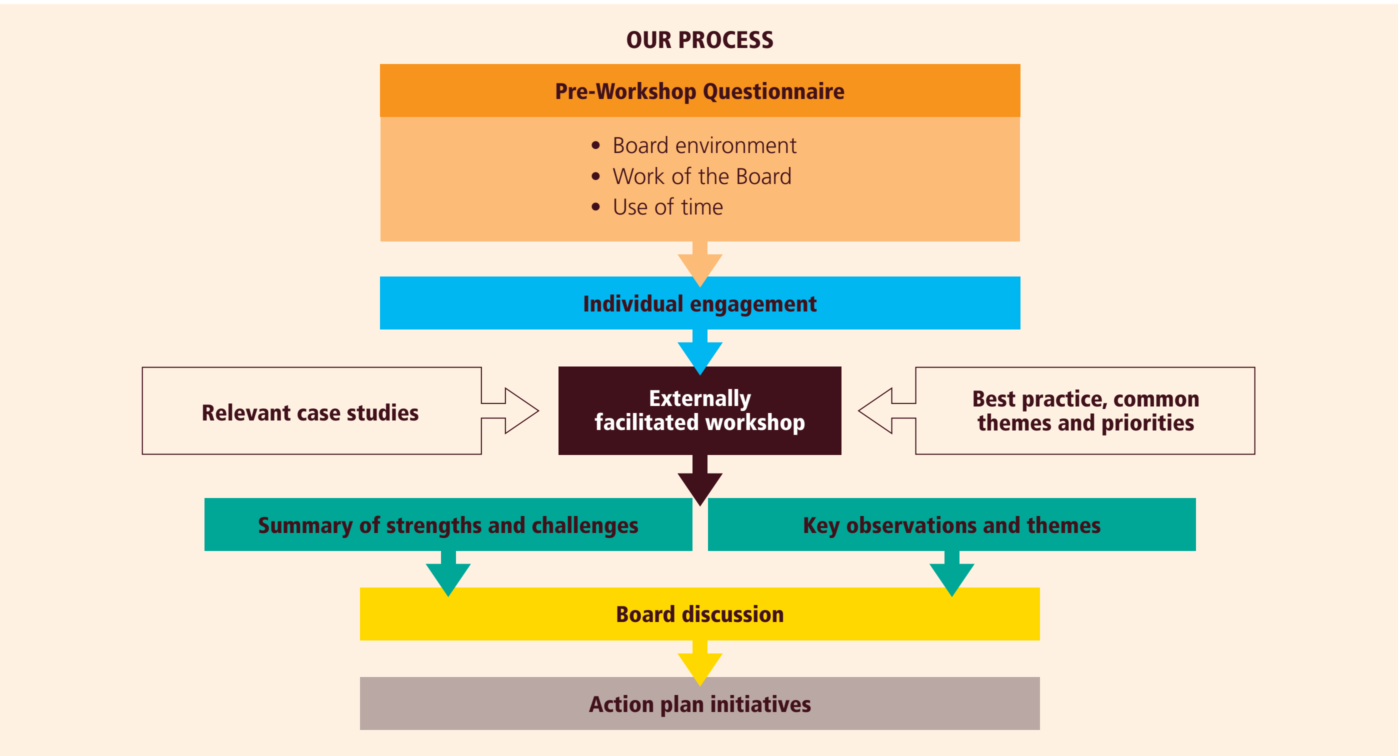
ACCESS TO INFORMATION AND MANAGEMENT

The Board has full and unrestricted access to anyone in the Company or the Group in order to conduct any investigation and to obtain any information pertaining to the Company or the Group, including access to the Company auditors and consultants, relevant to the furtherance of the Board's duties and responsibilities.

The Board may also seek relevant internal and external independent professional advice or other advice to assist the Board in performing its responsibilities and duties, at the expense of the Company. The company has in place a procedure for Directors to seek independent professional advice.

All Directors shall have direct access to the FGV Company Secretaries.

BOARD PERFORMANCE EVALUATION



Statement on Corporate Governance

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 MCCG 2012 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. For the FYE 2014, no major concerns were raised.

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' authorities 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.

The above Board Committees' Terms of Reference, composition and activities are summarised in the respective Board Committees' Report in the following pages of this Annual Integrated Report:

P. 110 *Report on the Audit Committee*

P. 119 *Report on the Investment Committee*

P. 121 *Report on the Nomination and Remuneration Committee*

P. 125 *Report on the Board Governance & Risk Management Committee*

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 did not hold any meeting in 2015 and was abolished on 24 February 2015.

FGV BOARD MEETING/ANNUAL GENERAL MEETING DATES

20 Jan	Board Meeting
24 Feb	Board Meeting
25 Mar	Board Meeting
28 Apr	Board Meeting
20 May	Board Meeting
26 May	Board Meeting
10 June	Board Meeting
16 June	Annual General Meeting
11 Aug	Board Meeting
24 Aug	Board Meeting
22 Sept	Board Meeting
20 Oct	Board Meeting
26 Nov	Board Meeting
8 Dec	Board Meeting

Statement on Corporate Governance

BOARD COMMITTEES MEETING ATTENDANCE FYE 2015

	Directors	Audit Committee	Nomination and Remuneration Committee	Board Governance & Risk Management Committee	Investment Committee
1	Dato' Mohd Zafer Mohd Hashim *(Independent Non-Executive Director)*	■ 7/7			● 9/11
2	Fazlur Rahman Ebrahim *(Independent Non-Executive Director)*	■ Not applicable			
3	Tan Sri Ismee Ismail *(Independent Non-Executive Director)*	● Not applicable			
4	Datuk Dr. Omar Salim *(Non-Independent Non-Executive Director)*	● Not applicable	● 1/1	● 2/4	■ 1/1
5	Dato' Yahaya Abd Jabar *(Senior Independent Non-Executive Director)*	● 7/7	■ 10/10	● 4/4	● 1/1
6	Datuk Nozirah Bahari *(Non-Independent Non-Executive Director)*	● 4/7			
7	Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah *(Independent Non-Executive Director)*			■ Not applicable	
8	Tan Sri Dr. Sulaiman Mahbob *(Independent Non-Executive Director)*			■ 4/4	
9	YB Datuk Noor Ehsanuddin Mohd Harun Narrashid *(Independent Non-Executive Director)*		● 10/10	● Not applicable	● 11/12
10	Dato' Mohd Emir Mavani Abdullah *(Non-Independent Executive Director)*			● Not applicable	
11	Dato' Mohamed Suffian Awang *(Independent Non-Executive Director)*		● 9/9		■ 11/11
12	Datuk Haji Faizoull Ahmad *(Non-Independent Non-Executive Director)*				● 0/1

■ Chairman ● Member

Notes:

1. *Fazlur Rahman Ebrahim had resigned as Chairman/Member of the Audit Committee on 20 January 2015.*
2. *Tan Sri Ismee Ismail had resigned as a Member of the Audit Committee on 20 January 2015.*
3. *Datuk Dr. Omar Salim had resigned as a Member of the Audit Committee, Member of the Nomination and Remuneration Committee and Chairman/Member of the Investment Committee on 20 January 2015. Datuk Dr. Omar Salim was appointed as a Member of the Board Governance & Risk Management Committee on 20 January 2015.*
4. *YB Datuk Noor Ehsanuddin Mohd Harun Narrashid had resigned as a Member of the Board Governance & Risk Management Committee on 20 January 2015.*
5. *Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah had resigned as Chairman/Member of the Board Governance & Risk Management Committee on 20 January 2015.*
6. *Dato' Mohd Emir Mavani Abdullah had resigned as a Member of the Board Governance & Risk Management Committee on 20 January 2015.*
7. *Dato' Yahaya Abd Jabar had resigned as a Member of the Investment Committee on 20 January 2015.*
8. *Datuk Haji Faizoull Ahmad had resigned as a Member of the Investment Committee on 20 January 2015.*
9. *Tan Sri Dr. Sulaiman Mahbob was appointed as Chairman of the Board Governance & Risk Management Committee on 24 February 2015.*
10. *Dato' Mohamed Suffian Awang was appointed as Chairman of the Investment Committee and a Member of the Nomination and Remuneration Committee on 20 January 2015.*
11. *Dato' Mohd Zafer Mohd Hashim was appointed as Chairman of the Audit Committee and a Member of the Investment Committee on 20 January 2015.*

Statement on Corporate Governance

REPORT ON THE AUDIT COMMITTEE

Dear Shareholders

The Audit Committee has maintained rigour as it discharges its board mandate in matters relating to risks, financial reporting, internal controls and compliance.

For the year under review, the Committee endeavoured to further enhance engagement with Stakeholders with this Annual Integrated Report to provide Stakeholders with better insights into the workings of FGV, whilst maintaining the requirements and guidances from the Bursa Malaysia Main Market Listing Requirements and the MCCG 2012.

The focus of the Audit Committee during the year has been on various matters relating to risk management, financial and operational review, internal controls and managing the independence of the external auditors.

Dato' Mohd Zafer Mohd Hashim
Chair of the Audit Committee

The Board of Directors of Felda Global Ventures Holdings Berhad (FGV or Company) is pleased to present the Report on the Audit Committee for the financial year ended 31 December 2015.

The Audit Committee was established on 25 March 2010 to act as a Committee of the Board. The full details of the Audit Committee's Terms of Reference are published in the Company's corporate website at www.feldaglobal.com.

COMPOSITION AND MEETINGS

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

The Audit Committee held seven (7) meetings during the financial year ended 31 December 2015.

The members of the Audit Committee during the financial year 2015 and up to 29 March 2016 and the record of their attendance are as follows:

DIRECTORS	Date of appointment in the Audit Committee	Designation	Tenure in the Audit Committee	Number of meetings attended in 2015
1. **Dato' Mohd Zafer Mohd Hashim** (Independent Non-Executive Director)	20 January 2015	Chairman	Approximately 1 year 2 months	7 out of 7
2. **Fazlur Rahman Ebrahim** (Independent Non-Executive Director)	8 April 2014 (Resigned as Chairman/Member on 20 January 2015)	Chairman	Approximately 9 months	Not applicable
3. **Tan Sri Ismee Ismail** (Independent Non-Executive Director)	17 April 2013 (Resigned as Member on 20 January 2015)	Member	Approximately 1 year 9 months	Not applicable
4. **Datuk Dr. Omar Salim** (Non-Independent Non-Executive Director)	30 January 2012 (Resigned as Member on 20 January 2015)	Member	Approximately 3 years	Not applicable
5. **Dato' Yahaya Abd Jabar** (Senior Independent Non-Executive Director)	7 December 2012	Member	Approximately 3 years 4 months	7 out of 7
6. **Datuk Nozirah Bahari** (Non-Independent Non-Executive Director)	20 January 2015	Member	Approximately 1 year 2 months	4 out of 7

Statement on Corporate Governance

Dato' Mohd Zafer Mohd Hashim is a Fellow of Institute of Chartered Accountants in England and Wales ("ICAEW") and a Chartered Accountant with 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 Bursa Securities Listing Requirements which stipulates that at least one (1) member of the Audit Committee must be a qualified accountant.

During the financial year, the Group President/Chief Executive Officer, FGV Chief Financial Officer, FGV 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 on 12 February 2015, 17 March 2015, 13 May 2015, 18 August 2015 and 26 November 2015 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 on 12 February 2015 and 26 November 2015 with the external auditors without the presence of Management during the financial year. The Chairman of the Audit Committee held five (5) private meetings and discussions with FGV Chief Internal Auditor on the internal audit reports and any related matters.

SUMMARY OF THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

PURPOSE

The purpose of the Audit Committee is to assist 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 outcome;
4) Reviewing conflict of interest situations and related party transactions; and
5) Undertake any such other functions as may be determined by the Board from time to time.

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

AUTHORITIES

The Board has authorised the Audit Committee, within the scope of its duties and responsibilities set out in the Audit Committee's Terms of Reference to:

1) investigate any activity or matter within its Terms of Reference;
2) acquire the resources which are required to perform its duties;
3) have full and unrestricted access to anyone in FGV Group of Companies (FGV Group or the Group) in order to conduct any investigation and any information pertaining to the Group;
4) have full and unrestricted access to information pertaining to the Group, their records, properties and personnel;
5) 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;
6) obtain relevant internal and external independent professional advice, as it deems necessary, to assist the Audit Committee in the proper discharge of its roles and responsibilities, at the expense of the Company;
7) 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
8) meet exclusively among itself, whenever deemed necessary.

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

Statement on Corporate Governance

KEY RESPONSIBILITIES

The key responsibilities of the Audit Committee are as follows:

1) **Assessing the risks and control environment**
   a) To review the sufficiency and effectiveness of the Group's overall enterprise risk management framework, strategies, policies and systems.
   b) To assess the effectiveness of the system of internal control vis-à-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.

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

3) **Evaluating the external and internal audit process and outcome**
   a) To review with the external auditors the following:
      (i) their audit plan and ensure coordination where more than one audit firm is involved;
      (ii) their evaluation of the system of internal controls;
      (iii) their audit report;
      (iv) 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);
      (v) the management letter and management's response; and
      (vi) the adequacy of assistance given by the Group's employees to the external auditor;
   b) to review any letter of resignation from the external auditors and report the same to the Board;
   c) to review whether there is any reason that the external auditor is not suitable for reappointment, and make relevant recommendation to the Board;
   d) to recommend the nomination of a person or persons as external auditors, including matters relating to the audit fee;
   e) to ensure the proper policies and procedures are established and to assess the suitability and independence of external auditors, including obtaining written assurance from external auditors confirming they are, and have been, independent throughout the conduct of audit engagement in accordance with the terms of reference of all relevant professional and regulatory requirement;
   f) to set policy on non-audit services which may be provided by the external auditors, and conditions and procedures which must be adhered to by the external auditors in the provision of such services;
   g) to review engagement of non-audit services by the external auditors to ensure that their independence is maintained;
   h) In relation to the Group's internal audit function, to undertake the following:
      (i) 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 recommendations to the Board;
      (ii) 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 recommendations to the Board;
      (iii) 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;
      (iv) review any appraisal of or assessment of the performance of the Group's internal audit function;
      (v) approve any appointment or removal of the FGV Chief Internal Auditor;
      (vi) appraise the performance and approve the remuneration (including annual increment, bonus and promotion) of the FGV Chief Internal Auditor; and
      (vii) take cognizance of resignation of the FGV Chief Internal Auditor and provide the resigning individual an opportunity to submit his/ her reasons for resigning.

Statement on Corporate Governance

4) **Reviewing conflict of interest situations and related party transactions (including recurrent related party transactions)**
   a) To review any conflict of interests situation and related party transaction that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
   b) In respect of related party transaction, including recurrent related party transactions, to:
      (i) ensure that the Group has adequate procedures and processes to identify, and where relevant, monitor and track related party transactions in a timely manner, and to review these procedures and processes annually;
      (ii) 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;
      (iii) 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 transaction for approval by the FGV Board; and
   c) Related party transactions and conflict of interest situations shall be a permanent agenda item of the Audit Committee meetings.

5) **Other responsibilities and duties**
   a) 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 the Group.
   b) Where the Audit Committee is of the view that a matter reported by it to the Board of FGV has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Audit Committee must promptly report such matter to Bursa Malaysia Securities Berhad.
   c) To review the Company's Annual Integrated Report including specifically approving the Statement on Risk Management and Internal Control, the Statement on Corporate Governance and other statements related to strategy, financials and performance for inclusion in the Company's Annual Integrated Report and recommend to the Board for approval. This is to support and enable the Board to fulfill the oversight responsibility on the Company's Annual Integrated Report Reporting Framework, which includes:
      (i) an acknowledgement of the Board's responsibility to ensure the integrity of the Company's Annual Integrated Report;
      (ii) an acknowledgement that the Board have applied their collective mind to the preparation and presentation of the Company's Annual Integrated Report; and
      (iii) an opinion or conclusion about whether the Company's Annual Integrated Report is presented in accordance with the Company's Annual Integrated Report Reporting Framework.
   d) To undertake such other functions as may be agreed to by the Audit Committee and the Board.

Statement on Corporate Governance

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 Audit Committee's 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:

1) Assessing the Risks and Control Environment

- 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 progress reports of the Management Audit Committee, which is a platform to monitor the resolution of issues from the external auditors' report and internal audit reports.

2) Overseeing Financial Reporting

- Reviewed the financial performance of the Group on a quarterly basis from a presentation by the FGV Chief Financial Officer. This included information on performance by clusters.
- Reviewed the following matters and subsequently recommended their approval to the Board:
  - The announcements of the Quarterly Unaudited Financial results for the financial year.
  - The Audited Financial Statements of the Group for the financial year 2014 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 which are aligned to the Dividend Policy.
  - The revision of assumptions for calculation of Land Lease Liability and its impact to the financial statements.
  - The Foreign Exchange Hedging Policy.
  - The Report on the Audit Committee to be included in the Annual Integrated Report for the financial year 2014.

3) Reviewing the External Audit Process

- 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 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 2014 and from quarterly reviews of the 2015 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 2014 for the subsequent year reappointment based on input from management and recommended the same for approval by the Board.
- Met with the external auditors in private meetings without the presence of Management twice (2) during the year to confirm that there were no restrictions on the scope of their audit and to discuss any related matter.
- 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. The details of the External Auditor Policy are further explained at page 116 of this Annual Integrated Report.
- Approved the non-audit services by the External Auditor which exceeded 25% of the annual fee for audit of the statutory financial statements of the Group per the External Auditor Policy.
- Reviewed the non-audit services provided by the external auditor for financial year 2014.

Statement on Corporate Governance

4) Reviewing the Internal Audit Process

- Approved the revision of the Group Internal Audit Charter for clarity of the purpose, authority and responsibility of Group Internal Audit.
- Approved the Annual Group Internal Audit Plan and its revision at half year, which was prepared on a priority ranking system based on a risk assessment of the audit universe to provide sufficient audit coverage. For 2015, the internal audit strategy was to assess the supervision and monitoring responsibilities and systems at various levels of the Group towards enhancing the Group's governance, risk management and control processes.
- 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 reports on analysis and status of whistleblowing complaints up until August, 2015.
- Approved the transfer of the investigation role of Group Internal Audit to the Management, including the Whistleblowing Committee's secretariat role effective from 1 September 2015.
- Approved the closure of Group Internal Audit's office in Sahabat, Sabah to operate centrally from the Kuala Lumpur office only from mid-2016.
- Appraised the performance and approved 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 FGV Chief Internal Auditor on the internal audit reports and any related matters.

5) Reviewing the Related Party Transactions

- 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.
- Reviewed a Recurrent Related Party Transactions proposal for approval of the Board.

6) Reviewing the Whistleblowing Process

- 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 Statement on Risk Management and Internal Control and Statement on Corporate Governance to be included in the Annual Integrated Report for the financial year 2014 and recommended the same to the Board for approval.

The Audit Committee Chairman updated the Board on matters deemed to be of major importance deliberated at the Audit Committee Meetings and its recommendations. The copies of confirmed minutes of each of the Audit Committee Meeting were also circulated to the Board for noting at the next practicable Board Meeting.

AMONG THE PRINCIPAL MATTERS HIGHLIGHTED TO THE BOARD

- The Audit Committee's views on the Quarterly Unaudited Financial Results and the Audited Financial Statements.
- Key findings from the Group Internal Audit Reports.
- Key findings from the External Auditor's Reports from quarterly reviews and yearly review.

Statement on Corporate Governance

PERFORMANCE REVIEW

During the financial year, the Board evaluated the Audit Committee's performance, including the term of office and performance of the Audit Committee and each of its members. This performance assessment constituted part of the annual Board Effectiveness Assessment, pertaining to the assessment of Board Committees.

EXTERNAL AUDITOR POLICY

The External Auditor Policy approved by the Board on 25 March 2015 covers appointment and re-appointment of external auditors, assessing their performance and independence, audit partner rotation, audit delivery and reporting, engagement of external auditor for non-audit services and removal of external auditor.

APPOINTMENT AND RE-APPOINTMENT OF EXTERNAL AUDITORS

The External Auditor Policy states that the Group shall only engage external auditor from Top Four firms of professional accountants for the financial statement statutory audit of the Group and as far as practicable, shall retain the engagement of one external audit firm for the Group covering all listed and unlisted subsidiaries within Malaysia and outside Malaysia.

Any new appointment or replacement of external auditors shall be through a formal tendering process.

FGV currently engages Messrs. PricewaterhouseCoopers (PwC) as its external auditor for the Group.

ASSESSING PERFORMANCE OF EXTERNAL AUDITOR

The External Auditor Policy requires that the External Auditor's performance and independence be assessed using an assessment checklist covering the following, upon completion of every annual audit.

- Calibre of external audit firm;
- Quality of process/performance;
- Audit team;
- Independence and objectivity;
- Audit scope, planning and methodology;
- Audit fees;
- Audit deliverables; and
- Audit communication.

The assessment shall be undertaken by the Group subsidiaries before the finalization of the Group's statutory financial statements and submitted for the Audit Committee's deliberation. Where the Audit Committee concludes that the performance of the external auditor is less than satisfactory, the Audit Committee shall consider the next course of action, which may include:

- Discussion with the external audit firm to resolve performance issues;
- Replacement of members within the external audit team; or
- Not recommending reappointment of the external auditor.

ASSESSING INDEPENDENCE OF EXTERNAL AUDITOR

The external auditor shall be required to update the Audit Committee of its Independence Framework and discuss independence issues as part of its Group Audit Plan presented to the Audit Committee by the third quarter of every financial year. The External Auditor shall provide a written assurance confirming that the engagement team has been independent throughout the conduct of the audit of the statutory financial statements in accordance with the terms of all relevant professional and regulatory requirements.

The External Auditor Policy states that relationships that may result in impairment of the external auditor's independence and objectivity shall be prohibited. Any threats to independence shall be disclosed to the Audit Committee together with assessment of the mitigation actions to eliminate the threats or reduce them to an acceptable level.

A suitability and independence assessment has been undertaken through a checklist of factors considered prior to proposing the re-appointment of the external auditor for the financial year ended 31 December 2015 at the general meeting in June 2015. The factors considered were calibre of the firm, its quality process/performance, the audit team, its independence and objectivity, audit scope and planning, audit fees and audit communications. From the assessment, the Audit Committee concluded that PwC remains suitable and independent for re-appointment as the external auditor.

During the year, the external auditor has presented its written assurance on independence through their Group Audit Plan and Report to the Audit Committee for the audit of the statutory financial statements for the financial year ended 31 December 2015.

AUDIT PARTNER ROTATION

The External Auditor Policy requires rotation of the lead and signing partner every 5 years and when rotated off the audit, the partner shall not be a member of the engagement team or be a key audit partner on the engagement for two (2) years.

The current lead and signing partner of PwC has only been assigned to the Group for two (2) years since the annual audit of the statutory financial statements for the year ended 31 December 2014.

AUDIT DELIVERY AND REPORTING

Upon approval of the audit fees by the Board, the external auditor's engagement letter shall be signed by FGV Chief Financial Officer.

Statement on Corporate Governance

The deliverables and reports from the audit of the statutory financial statements shall be communicated and agreed upon through Group Audit Plan on annual basis by the third quarter of every financial year.

Management representation letter shall be issued to the external auditor upon completion of the statutory audit for each company under the Group.

ENGAGEMENT OF EXTERNAL AUDITOR FOR NON-AUDIT SERVICES

The external auditor may be engaged to perform permitted audit or non-audit services as detailed in the policy provided the engagement does not impair independence of the external auditor in its audit of the statutory financial statements. The policy also specifies prohibited non-audit services which the external auditor shall not be engaged for.

All services to be awarded to the external auditor shall be subjected to independence assessment and monitoring. The provision of non-audit services to the Group shall not impair the external auditors' independence or objectivity.

The engagement of permitted non-audit services shall be reviewed and approved by the Audit Committee where the annual fees for non-audit services exceed 25% of the annual fee for audit of the statutory financial statements of the Group.

A report on the engagement of the external auditor for all other audit and non-audit services together with the fees for each engagement shall be reported to the Audit Committee every 6 months or as and when the total of non-audit service fees exceed the 25% threshold.

The maximum allowable non-audit services is 50% of the annual fee for audit of the statutory financial statements of the Group.

During the year, the Audit Committee approved the appointment of PwC for non-audit service fees which exceeded the 25% threshold. The fees for non-audit services paid to PwC for the financial year ended 31 December 2015 is disclosed in page 136 of this Annual Integrated Report.

REMOVAL OF EXTERNAL AUDITOR

The Audit Committee shall recommend to the Board the termination of the external auditor after considering the request and reason for removal or resignation of the external auditor.

The selection of new external auditor shall be conducted through invitation of a closed tender procurement process of the other Top Three accounting through the Group's normal procurement policies and procedures.

The termination shall be approved by the FGV Shareholders at the Annual General Meeting together with the proposal for the appointment of a new external auditor.

KEEPING UPDATED ON RELEVANT INFORMATION

The Audit Committee members are regularly kept updated on changes to accounting standards and issues related to financial reporting through quarterly meetings.

GROUP INTERNAL AUDIT

The 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 as affirmed through a Quality Assurance Review conducted by the Institute of Internal Auditors Malaysia in 2014.

There are a total of 62 internal auditors across the Group headed by Pn. Zalily Mohd. Zaman Khan, FGV Group Chief Internal Auditor. All internal auditors have the relevant qualifications and have the necessary expertise developed based on the audit needs of the Group.

COMPOSITION OF INTERNAL AUDITORS

Professional Status	Percentage of Total Auditors
Professional accounting (ICAEW, CPA, ACCA, CA) or Certified Internal Auditor (CIA) or post-graduate	19
Certified IS Auditor (CISA)	5
Graduate	44
Graduate pursuing professional accounting (ICAEW, CPA, ACCA, CA) or Certified Internal Auditor (CIA)	24
Others	8

Statement on Corporate Governance

Group Internal Audit provides independent and objective assurance of the adequacy and effectiveness of governance, risk management and controls 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 working 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. In keeping to the scope of internal auditing as defined in the Institute of Internal Auditors' International Standards for the Professional Practise of Internal Auditing, Group Internal Audit has ceased undertaking new investigation audits since 1 September 2015. The investigation role has been centralised at the Group Human Resources Division from 1 September 2015 onwards.

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.

SUMMARY OF ACTIVITIES OF GROUP INTERNAL AUDIT

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

1. Carried out internal audits according to the Annual Group Internal Audit Plan approved by the Audit Committee and additional special unplanned audits at the request of the Audit Committee. Reported the findings, recommendations and management's corrective action to the Audit Committee every quarterly.
2. 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. Group Internal Audit ceased its investigation role effective from 1 September 2015 with approval of the Audit Committee. The investigation roles fully undertaken by the management from 1 September 2015.
3. Undertook selective follow-up audits and implemented periodical follow-up mechanisms for all audit recommendations. The status of implementation tracked was reported to the Management Audit Committee monthly and accordingly reported to the Audit Committee every quarterly.
4. Undertook follow-up of the matters reported by the external auditor in its Audit Committee report.
5. 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.
6. 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 2014, the Report on the Audit Committee 2014 and the Statement on Corporate Governance 2014.
7. Attended IT Project Steering Committee meetings to provide guidance on control processes.
8. 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 2015 is RM10.49 million (2014: RM11.05 million).

This Report is made in accordance with a resolution of the Board of Directors and approved at the Board Meeting dated 29 March 2016.

Statement on Corporate Governance

REPORT ON THE INVESTMENT COMMITTEE

Dear Shareholders

The members of the Investment Committee have an aligned approach in delivering its responsibilities of evaluating the Company's investment proposals.

We understand that investment theory is often at odds with behavioural tendencies and as such, are disciplined in our development of investment policy and focused in our investment goals. A willingness by Committee members to challenge and debate the issues at hand using facts and data instead of relying on opinions is encouraged. Furthermore, the Committee adopts a clear investment strategy that includes a reasonable set of assumptions about the organisation's risk tolerance and the portfolio's expected returns.

I can confirm that the information the Committee has received has been balanced, appropriate and timely, and has enabled the Committee to fulfil its remit.

Dato' Mohamed Suffian Awang
Chair of the 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.

COMPOSITION AND MEETINGS

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 held twelve (12) meetings during the financial year ended 2015.

The members of the Investment Committee during the financial year 2015 and up to 29 March 2016 and the record of their attendance are as follows:

DIRECTORS	Date of appointment in the Investment Committee	Designation	Tenure in the Investment Committee	Number of meetings attended in 2015
1. Dato' Mohamed Suffian Awang (Independent Non-Executive Director)	20 January 2015	Chairman	Approximately 1 year 2 months	11 out of 11
2. Datuk Dr. Omar Salim (Non-Independent Non-Executive Director)	20 January 2012 (Resigned as Chairman/ Member on 20 January 2015)	Chairman	3 years	1 out of 1
3. YB Datuk Noor Ehsanuddin Mohd Harun Narrashid (Independent Non-Executive Director)	16 July 2013	Member	Approximately 2 years 8 months	11 out of 12
4. Dato' Yahaya Abd Jabar (Senior Independent Non-Executive Director)	8 October 2013 (Resigned as Member on 20 January 2015)	Member	Approximately 1 year 3 months	1 out of 1
5. Datuk Haji Faizoull Ahmad (Non-Independent Non-Executive Director)	8 April 2014 (Resigned as Member on 20 January 2015)	Member	Approximately 9 months	0 out of 1
6. Dato' Mohd Zafer Mohd Hashim (Independent Non-Executive Director)	20 January 2015	Member	Approximately 1 year 2 months	9 out of 11

Statement on Corporate Governance

SUMMARY OF THE TERMS OF REFERENCE OF THE INVESTMENT COMMITTEE

PURPOSE

The purpose of the Investment Committee is to review, monitor and recommend to the Board significant matters related to all existing and potential investments of FGV and its Group of Companies (the Group), in line with FGV's prevailing Discretionary Authority Limits (DAL) and Investment Policy. The Investment Committee shall facilitate FGV Board's statutory and fiduciary responsibility relating to the functions and duties of the Investment Committee.

SCOPE AND FUNCTIONS

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.

PERFORMANCE REVIEW

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

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

SUMMARY OF ACTIVITIES OF THE INVESTMENT COMMITTEE

During the FYE 2015, the Investment Committee reviewed/considered on the following matters and made recommendations to the Board for approval:
1. Reviewed all major investment proposals in accordance with the Group DAL including their funding requirements. 2. Reviewed divestment proposals of FGV subsidiaries. 3. Reviewed major acquisitions in accordance with the Group DAL including their funding requirements. 4. Reviewed disposal proposals. 5. Reviewed joint-venture proposals and Memorandum of Understanding proposals.

During the FYE 2015, the Investment Committee reviewed/considered on the following matters:
1. Reviewed due diligence expenses for investments and acquisitions within limits set out in the Group DAL. 2. Received updates on post-investment risk mitigation strategies to ensure implementation of these strategies after the Board's approval.

The Investment Committee Chairman updated the Board on matters deemed to be of major importance deliberated at the Investment Committee Meetings and its recommendations. The copies of confirmed minutes of each of the Investment Committee Meeting were also circulated to the Board for noting at the next practicable Board Meeting.

This Report is made in accordance with a resolution of the Board of Directors and approved at the Board Meeting dated 29 March 2016.

Statement on Corporate Governance

REPORT ON THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders

The Committee has dual roles in Nomination and Remuneration responsibilities. Under its nomination purview, the Committee is responsible for the review of the Board's structure, size and composition, including the identification, assessment and recommendation of potential Board candidates. The Committee keeps under review the leadership needs of, and succession planning for, the Group in relation to both Executive Directors and other senior management. In addition, on behalf of the Board, the Committee monitors progress towards the implementation of the Board diversity policy and considers any potential situational conflicts of interest declared by our Board members.

The Committee's responsibility under remuneration include the approval of the Group's remuneration policy. As part of its role, it considers the terms of fixed pay, annual incentive plans, share plans, other long-term incentive plans, benefits and the individual remuneration packages of Executive Directors and other senior management and in doing so takes into account the pay and conditions across the Group. No Directors are involved in deciding their own remuneration.

I can confirm that the information that the Committee has received has been balanced, appropriate and timely, and has enabled the Committee to fulfil its remit.

Dato' Yahaya Abd Jabar
Chair of the Nomination and Remuneration Committee

COMPOSITION AND MEETINGS

Under the MCCG 2012, 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.

The Nomination and Remuneration Committee held ten (10) meetings during the financial year ended 2015.

The members of the Nomination and Remuneration Committee during the financial year 2015 and up to 29 March 2016 and the record of their attendance are as follows:

DIRECTORS	Date of appointment in the Nomination and Remuneration Committee	Designation	Tenure in the Nomination and Remuneration Committee	Number of meetings attended in 2015
1. **Dato' Yahaya Abd Jabar** (Senior Independent Non-Executive Director)	20 January 2012	Chairman	Approximately 4 years 2 months	10 out of 10
2. **Datuk Dr. Omar Salim** (Non-Independent Non-Executive Director)	20 January 2012 (Resigned as Member on 20 January 2015)	Member	3 years	1 out of 1
3. **YB Datuk Noor Ehsanuddin Mohd Harun Narrashid** (Independent Non-Executive Director)	29 August 2013	Member	Approximately 2 years 7 months	10 out of 10
4. **Dato' Mohamed Suffian Awang** (Independent Non-Executive Director)	20 January 2015	Member	Approximately 1 year 2 months	9 out of 9

Statement on Corporate Governance

SUMMARY OF THE TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

PURPOSE

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.

KEY RESPONSIBILITIES

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.
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 Integrated Report by

Statement on Corporate Governance

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.

PERFORMANCE REVIEW

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

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

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SUMMARY OF ACTIVITIES OF THE NOMINATION AND REMUNERATION COMMITTEE

During the FYE 2015, the Nomination and Remuneration Committee reviewed/considered the following matters and made recommendations to the Board for approval:

1. Assessment of the Effectiveness of the Board, Board Committees and Individual Directors;
2. Annual Assessment of the Independent Directors of FGV Board;
3. Proposed appointment of new Directors;
4. Proposed appointment of Joint Company Secretary;
5. Revised composition of the Board Committees of FGV;
6. Proposed new composition of the Board in FGV Group of Companies;
7. Proposed Bonus Payout for the Financial Year 2014;
8. Group President/Chief Executive Officer's salary increment proposal for the Financial Year 2015;
9. Re-appointment/re-election of Directors retiring at the 2015 AGM;
10. Extension of the Fixed Term Contracts for the Group's Top Management;
11. Reviewed the promotion of the Group's Top Management positions;
12. Annual review on the remuneration package for the Group President/Chief Executive Officer and the Group's Top Management;
13. Proposed amendments to Board Remunerations Policy;
14. Group Human Resources Policy, International Assignment Policy, Asset and Personal Interest Declaration Policy, Parking Subsidy Policy, Total Rewards Philosophy, Training and Development Policy;
15. Voluntary Separation Scheme Proposal;
16. The disclosure in the Statement on Corporate Governance to be included in the Annual Integrated Report for the financial year 2014 relating to the followings:
    a) activities of the Nomination and Remuneration Committee in the discharge of its duties for the Financial Year 2014;
    b) the Board composition;
    c) the Board nomination and election process of Directors and the criteria used by the Nomination and Remuneration Committee in the selection process;
    d) the assessment undertaken by the Nomination and Remuneration Committee in respect of its Board, Board Committees and individual Directors and criteria used for such assessment;
    e) trainings attended by the Directors; and
    f) the Directors' remuneration;
17. Proposed Annual Fees for FGV Board, FGV Board Committees' Members and Independent Advisors of FGV Investment Committee;
18. Employees Code of Ethics and Conduct;
19. Employees Long Term Incentive Plan Proposal;
20. Salary Structure Revision Proposal;
21. Performance Remuneration Plan Proposal;
22. Medical Facilities for 2016; and
23. Salary Increment Proposals for the Financial Year 2016.

The Nomination and Remuneration Committee Chairman updated the Board on matters deemed to be of major importance deliberated at the Nomination and Remuneration Committee Meetings and its recommendations. The copies of confirmed minutes of each of the Nomination and Remuneration Committee Meeting were also circulated to the Board for noting at the next practicable Board Meeting.

During the FYE 2015, the Nomination and Remuneration Committee considered the proposed appointment of Dato' Mohd Zafer Mohd Hashim and Dato' Mohamed Suffian Awang as Non-Independent Non-Executive Directors of FGV and deliberated that they are suitable candidates to sit as Directors in FGV after taking into account the current and future needs of FGV and having assessed their independent status.

This Report is made in accordance with a resolution of the Board of Directors and approved at the Board Meeting dated 29 March 2016.

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REPORT ON THE BOARD GOVERNANCE & RISK MANAGEMENT COMMITTEE

Dear Shareholders

The tone from the top of the Group, which is set by senior management, is critical to effective governance and risk management. During the year the Committee continued to focus on steps taken to communicate and reinforce the Group's commitment to doing the right thing.

The overarching objective of the Committee's work is to maintain assurance that the Group continues to operate within the Board-approved strategy and that the Group's risk management systems and controls are properly structured and implemented. Given the continuing challenging macroeconomic conditions and the pace and complexity of changing regulatory requirements, the Committee has been proactive in ensuring that the risks facing the Group are well understood and that steps are being taken to mitigate these risks. Further details can be found on pages 140 to 148 of the Statement on Risk Management and Internal Control.

I can confirm that the information that the Committee has received has been balanced, appropriate and timely, and has enabled the Committee to fulfil its responsibility.

Tan Sri Dr. Sulaiman Mahbob
Chair of the 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.

The Board Governance & Risk Management Committee shall be assisted by the Group President/Chief Executive Officer, the Group Governance Division and the Group Risk Management Division, to drive the governance and compliance, ethics and integrity and risk management programs across the Group.

COMPOSITION AND MEETINGS

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 held four (4) meetings during the financial year ended 2015.

The members of the Board Governance & Risk Management Committee during the financial year 2015 and up to 29 March 2016 and the record of their attendance are as follows:

DIRECTORS	Date of appointment in the Board Governance & Risk Management Committee	Designation	Tenure in the Board Governance & Risk Management Committee	Number of meetings attended in 2015
1. **Tan Sri Dato' Sri Dr. Wan Abdul Aziz Wan Abdullah** (Independent Non-Executive Director)	29 August 2013 (Resigned as Chairman/ Member on 20 January 2015)	Chairman	Approximately 1 year 5 months	Not Applicable
2. **Tan Sri Dr. Sulaiman Mahbob** (Independent Non-Executive Director)	(Appointed as Member on 8 April 2014) (Appointed as Chairman on 24 February 2015)	Chairman	Approximately 1 year 11 months	4 out of 4

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DIRECTORS	Date of appointment in the Board Governance & Risk Management Committee	Designation	Tenure in the Board Governance & Risk Management Committee	Number of meetings attended in 2015
3. Dato' Yahaya Abd Jabar (Senior Independent Non-Executive Director)	29 August 2013	Member	Approximately 2 years 7 months	4 out of 4
4. YB Datuk Noor Ehsanuddin Mohd Harun Narrashid (Independent Non-Executive Director)	29 August 2013 (Resigned as Member on 20 January 2015)	Member	Approximately 1 year 5 months	Not Applicable
5. Dato' Mohd Emir Mavani Abdullah (Non-Independent Executive Director)	29 August 2013 (Resigned as Member on 20 January 2015)	Member	Approximately 1 year 5 months	Not Applicable
6. Datuk Dr. Omar Salim (Non-Independent Non-Executive Director)	20 January 2015	Member	Approximately 1 year 2 months	2 out of 4

SUMMARY OF THE TERMS OF REFERENCE OF THE BOARD GOVERNANCE & RISK MANAGEMENT COMMITTEE

RESPONSIBILITIES

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 Malaysian Code on Corporate Governance 2012 (MCCG 2012).

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.

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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 Integrated Report.

a. 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 Integrated Report.

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.

f. 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.

g. The Committee shall undertake any such other functions as may be determined by the Board from time to time.

GROUP GOVERNANCE DIVISION

On 24 April 2013 the Board had approved the establishment of the Governance and Risk Management Division with the objective of assisting the Board in managing the Boards' responsibilities on risk management, governance and controls.

The Governance and Risk Management Division was separated into two divisions on 25 August 2014 as the Group Governance Division (GGD) and the Group Risk Management Division respectively.

The roles of GGD are divided into two main focus areas:

1. To facilitate the implementation of the MCCG 2012 and undertake the following roles:

    (i) Formulating a Corporate Governance Blueprint for the Group with a view of meeting the principles from the MCCG 2012.
    (ii) Implement or where required, coordinate implementation of the approved Corporate Governance Blueprint.
    (iii) Formulating policies and procedures as the risk management mechanism for the Group and to meet the corporate governance requirements.
    (iv) Maintain the relevance of the Group's Governance Framework through rigorous update of the related policies and procedures.
    (v) Create and maintain awareness of the Group's Governance Framework, policies and procedures.

2. To assist management in creating organisational environment which encourages ethics and integrity based culture and to identify and evaluate factors which affect the integrity of the organisation and recommend and implement courses of action which safeguard the organisation's integrity.

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GROUP RISK MANAGEMENT DIVISION

The role of Group Risk Management Division (GRMD) is to undertake the systematic identification of the Group's key risks that needs to be managed based on the risk appetite of the Board of Directors and undertake the following responsibilities:

(i) Formulate and implement methods to effectively identify and assess risks, including providing the necessary coaching and guidance to derive the key risks of the Group.
(ii) Facilitate the Board in steering the Group towards managing through risk management.
(iii) Propose to the Board the key risks and the appropriate actions to be taken on the risks.
(iv) Based on the Board's approval, provide guidance to the Management on the appropriate actions to be taken on the risks, e.g. where risks are to be managed through controls, the controls implemented must be relevant to mitigate the risk.
(v) To formulate and implement a mechanism to review the effectiveness of the actions taken on the risks and report accordingly to the Board.

GRMD's functions and activities are guided by the Company's Risk Management Policies and Procedures approved by the Board.

Please refer to the Statement on Risk Management and Internal Control on pages 140 to 148 of the Annual Integrated Report for more details on risk management activities for the financial year ended 31 December 2015.

PERFORMANCE REVIEW

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

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

SUMMARY OF ACTIVITIES OF THE BOARD GOVERNANCE & RISK MANAGEMENT COMMITTEE

During the FYE 2015, the Board Governance & Risk Management Committee reviewed/considered on the following matters and made recommendations to the Board for approval:

1. Reviewed FGV Board Charter and FGV Board Committees Terms of reference.
2. Received updates on top ten risks.
3. Received updates on status of compliance of Board Governance.
4. Reviewed the Whistleblowing Policy and Procedures.
5. Reviewed proposed new policies and procedures, which included FGV Group Procurement Policies and Policy on Sponsorships and Donations.
6. Reviewed Report on the Audit Committee, Statement on Risk Management and Internal Control and Statement on Corporate Governance to be included in the Annual Integrated Report for the financial year 2014 and recommended the same to the Board for approval.
7. The Board Governance & Risk Management Committee also received updates on whistleblowing report.
8. Reviewed and approved new enhanced risk reporting template.

The Board Governance & Risk Management Committee Chairman updated the Board on matters deemed to be of major importance deliberated at the Board Governance & Risk Management Committee Meetings and its recommendations. The copies of confirmed minutes of each of the Board Governance & Risk Management Committee Meetings were also circulated to the Board for noting at the next practicable Board Meeting.

This Report is made in accordance with a resolution of the Board of Directors and approved at the Board Meeting dated 29 March 2016.

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INDEPENDENT DIRECTORS

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 continues 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 MCCG 2012'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, none of the Independent Non-Executive Directors of FGV Board have served a cumulative term of nine (9) years tenure and are therefore within this Recommendation.

FGV Board Nomination and Election Policy and Procedures which was approved by the Board on 29 March 2016 formally adopted the above requirements of Bursa Securities Listing Requirements and MCCG 2012 .

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DIVISION OF ROLES BETWEEN THE CHAIRMAN AND THE 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 the Group President/Chief Executive Officer is separate.

The **Chairman**'s main role is to ensure effective conduct of the Board through the execution of the following:

- Guide and mediate the Board's actions with respect to organisational priorities and governance concerns;
- Ensure that Executive Directors look beyond their executive functions and accept their full share of the responsibilities of governance;
- Undertakes the primary responsibility for organising the information necessary for the Board to deal with items on the agenda and for providing this information to Directors on a timely basis with the assistance of FGV Company Secretaries;
- Ensure that Board meetings are effective, including ensuring that all relevant issues are on the agenda and that all Directors receive timely and relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings;
- Ensure that the Board behaves in accordance with its Board Charter;
- Undertake appropriate public relations activities in conjunction with the Group President/Chief Executive Officer;
- Be the spokesperson for the Company at the Annual General Meeting and in the reporting of performance and profit figures;
- Be the major point of contact between the Board and the Group President/Chief Executive Officer;
- Be kept fully informed of current events by the Group President/Chief Executive Officer on all matters which may be of interest to Directors;
- Regularly review progress on important initiatives and significant issues facing the Company and/or the Group in conjunction with the Group President/Chief Executive Officer, and other relevant Top Management or such other appropriate Top Management, progress on important initiatives and significant issues facing the Company and/or Group;
- Provide mentoring for the Group President/Chief Executive Officer; and
- Initiate and oversee the annual Group President/Chief Executive Officer performance evaluation process.

The Chairman has never assumed any executive position in the Company.

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The specific responsibilities of the **Group President/Chief Executive Officer** are to:

- Develop the strategic direction of the Group and provide directions in the implementation of short and long terms strategies and plans.
- Oversee the day-to-day operations to ensure smooth and developing the strategic direction of the Group and provide directions in the implementation of short and long terms strategies and plans. Directing and controlling all aspects of the business operations in a cost effective manner.
- Communicate the Group's mission, vision and values to all employees.
- At each of its scheduled meetings, the Board shall receive from or through the Group President/Chief Executive Officer:
  - summary reports on the performance and activities of the Group, in relation to the corporate strategies and risk appetite of the Group, and specific proposals for capital expenditure acquisitions and disposals; and
  - such assurances as the Board considers necessary to confirm that the Management's limits are being observed.
- To act within all specific authorities delegated to him/her by the Board.
- Execute management of the Group's business, covering, inter-alia, the development of a sustainable strategic plan, an annual operating plan and budget, performance benchmarks to gauge Management's performance, and an analysis of Management reports.
- Overseeing the human resource of the organisation with respect to key positions in the Group hierarchy and ensuring the general well-being of employees, including the determination of remuneration as well as terms and conditions of employment for Top Management personnel and issues pertaining to discipline of all employees.
- Representing the interest of the Group with major customers, governments and their agencies, and industries at large, to ensure general goodwill towards the Group and cooperation in planned development.
- Assist members of the Board Committees, as required, in discharging their duties.
- Assist the Chairman in organising information necessary for the Board to deal with the agenda and for providing such information to Directors on a timely basis.
- Assess business opportunities of potential benefit to the Company and the Group.
- Responsible to propose major capital expenditure to ensure their alignment with corporate strategy economic grounds.

In discharging the above responsibilities, the Group President/Chief Executive Officer may delegate appropriate functions to any Executive Director of the Board.

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COMPANY SECRETARIES

FGV Company Secretaries have the prerequisite qualifications and experience to support the Board. FGV Company Secretaries organise and attend all Board and Board Committee meetings and ensure 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.

FGV Company Secretaries are 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. FGV Company Secretaries are 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 FGV Company Secretaries. The Board through the Board evaluation assessment questionnaire evaluated the support and services of FGV Company Secretaries for the financial year under review. The appointment and removal of any of FGV Company Secretaries is a matter for the Board, as a whole.

AUTHORITY LIMITS

FGV Board's delegation of powers to the Board Committees, the Group President/Chief Executive Officer, the Cluster Boards and Management are aligned to the Board Charter and are expressly set out in an approved Group Discretionary Authority Limits (Group DAL) and Employee Approving Authority (EAA). The Board approved the EAA on 25 March 2015 and the revised Group DAL on 22 September 2015, which is used consistently throughout FGV and its subsidiaries. The Group DAL and EAA 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.

CLUSTER BOARDS

The Board appoints its 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.

The Cluster Boards are collectively responsible to assist the Board in the proper stewardship of the assigned companies under the respective Business Cluster. The Cluster Boards are responsible to adopt and implement FGV's corporate governance policies and practices for its respective Business Cluster which operate within clearly defined terms of references.

The Cluster Boards shall assume responsibility in the following four (4) principal matters:

a) Strategic Direction, Strategic Plan and Annual Business Plan

The Cluster Boards shall review Assigned Companies' proposals on the Annual Business Plan, including Budget, taking into account the sustainability of the Assigned Companies' business, including consideration given to the environmental, social and governance aspects of the business.

The Cluster Boards shall recommend to the Main Board the strategic direction, strategic plan and the Annual Business Plan of the respective Business Cluster, for the approval of the Main Board.

Upon approval by the Main Board, the Cluster Boards shall adopt the strategic direction, strategic plan and Annual Business Plan for its Assigned Companies.

The Cluster Boards shall also monitor the implementation of the strategic direction, strategic plan and the Annual Business Plan of its respective Business Cluster.

b) Business conduct of the Business Cluster

The Cluster Boards shall oversee the conduct of the Business Cluster as a whole, to ensure that the business is properly managed. This includes the financial and non-financial conduct of the Business Cluster.

The Cluster Boards shall ensure that there are measures (e.g. Key Performance Indicators, Key Risk Indicators) in place against which Business Cluster's conduct can be assessed.

In relation to the monitoring of the Business Cluster's financial conduct, the Cluster Boards is responsible for the following:

i) Monitor financial performance against approved budget;

ii) Review the Business Cluster's funding requirements on a continuing basis, including significant treasury matters and its recommendations for financing requirements; and

iii) Ensure proper procedures are in place and that the financial statements of the Business Cluster are reviewed for integrity and approved for timely lodgement to the FGV Group.

c) Principal risks, internal controls and mitigation measures

The Cluster Boards shall identify principal risks of all aspects of the Business Cluster and ensure the implementation of the internal controls as well as mitigation measures to manage the risks, consistent with the risk appetite of the Main Board.

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The Cluster Boards shall be responsible for the following:

i. continuously appraise the Business Cluster's major, current and emerging risks and oversee that appropriate risk management procedures are in place;

ii. ensure proper implementation of internal control policies and procedures for Business Cluster, to effectively monitor and manage those risks, in line with FGV policies on related matters; and

iii. ensure compliance of the Business Cluster's conduct to the regulatory requirements. The Cluster Head shall be responsible to seek advice from the Cluster Boards on any compliance issues.

d) Shareholder communication policy for the Business Cluster

The Cluster Boards shall adopt the Stakeholder communication policy of FGV, as approved by the Main Board.

EXECUTIVE COMMITTEE

The Executive Committee is established to support the Group President/Chief Executive Officer in stewardship of the Group to centrally monitor the Group's performance, co-ordinate and align the Group management and business operations to achieve FGV Group's vision, mission, strategies, through good corporate governance principles and best business and control practices based on the directions, guidance, decisions and policies of the Board of Directors and the Board Committees. The current Executive Committee members are the Group President/Chief Executive Officer, all Business Cluster Heads, FGV Chief Financial Officer, FGV Chief Counsel, FGV Chief Human Resources Officer, the Head, Group Strategy, FGV Company Secretaries and the Head, International Business. The Head, Business Development & Acquisition, the Head, Group Governance Division, and FGV Chief Internal Auditor attend the Executive Committee meetings as invitees. The Executive Committee meets once a month or more frequently as circumstances dictate. The Executive Committee held 14 meetings in the financial year.

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 are made available to the Directors in the Directors' Manual and are also published 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 interests arise 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.

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/or FGV Chief Financial Officer. The full report on the Investor Relations unit activities are as stated on pages 69 to 71 of this Annual Integrated 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 FGV 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.

Statement on Corporate Governance

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 2015, FGV conducted 242 engagement sessions with investors and analysts via face-to-face meetings and conference calls. Investor queries may be addressed to the unit through the following contact:

Ariff Ahmad
Group Investor Relations
Level 42, 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, the 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 INTEGRATED REPORT

This is FGV's first Annual Integrated Report (AIR) 2015 and its fourth Annual Report produced since its listing on Bursa Securities on 28 June 2012. The AIR provides a comprehensive report on the Group's operations and financial performance. The AIR is also printed in summary form together with a digital version of the AIR in CD-ROM format. An online version of the AIR is also available on FGV's corporate website.

MEDIA COVERAGE

Media coverage on the Group 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 Annual General Meeting (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 act 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.

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 has made available the summary of the minutes of the 2015 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 non-recurring income. 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.

The dividend policy will be reviewed from time to time based on the Board's view of FGV Group's financial and cash flow position. 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.

Statement on Corporate Governance

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 AIR 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 announcement of results to ensure the 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 Financial Reporting 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 in the Directors' Report on pages 175 to 178 and the Financial Statements set out on pages 175 to 347 of this Annual Integrated 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 Board Committees each have defined roles as detailed in pages 110 to 128 of this Annual Integrated Report, aimed at supporting the Board's oversight of proper implementation of governance, risk management and control systems. 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 140 to 148 of this Annual Integrated Report.

WHISTLEBLOWING MECHANISM

The Group has in place 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 26 November 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.

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

1. Hotlines administered by the Group Governance Division 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
Malaysia	1 800-888-717

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

Statement on Corporate Governance

Up until August 2015, all reports were investigated by the Group's Internal Audit function with the conclusions of the investigations and status of cases reported and investigated presented to the Audit Committee and Board Governance & Risk Management Committee on a quarterly basis. Subsequently from 1 September 2015 onwards, the investigation role has been centralised at the Group Human Resources Division. In line with this change, from 1 September 2015 onwards, conclusions and status of cases reported and investigated are presented to the Board Governance and Risk Management Committee on a quarterly basis.

RELATED PARTY TRANSACTIONS AND RECURRENT RELATED PARTY TRANSACTIONS MECHANISM

The Company has in place a Related Party Transactions and Recurrent Related Party Transactions Policy which is continuously reviewed. 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' mandate at the previous AGM in 2015 for Recurrent Related Party Transactions of a revenue or trading nature from the AGM date until the next AGM in June 2016. At the forthcoming AGM, the Company will seek Shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature for the next year. 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 AIR.

RELATIONSHIP WITH EXTERNAL AUDITORS

The Group's transparent and professional relationship with the external auditors is primarily maintained through the Audit Committee. 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 Integrated Report on pages 110 to 118. The terms of engagement of the Group's external auditors are reviewed by the Audit Committee prior to submission to the Board for approval.

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.

The Group has formulated an External Auditor Policy, which details out the selection criteria, assessment and management of independence of relationship with the External Auditors. Details on the External Auditor Policy is provided on pages 116 and 117 of this Annual Integrated Report.

The fees paid/payable to the external auditor, Messrs. PwC, in financial year 2015 were as follows:

Fees paid/payable to Messrs. PricewaterhouseCoopers (PwC) in 2015	**RM' 000**
Audit Fees	
• PwC Malaysia	3,626
• Member firms of PwC International Limited (PwCIL)	767
Audit Related Fees	
• PwC Malaysia and member firms of PwCIL	1,293
Other non-audit fees paid to PwC Malaysia and member firms of PwCIL	1,936
Total	**7,622**

CORPORATE INTEGRITY

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.

FGV is committed to a culture of integrity. The CoEC and 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.

FGV Group commits to:

(i) Adopt an open and honest attitude in all aspects;
(ii) Perform to our best ability at global standards, whilst continuously improving the quality of our products and services;
(iii) Deliver products and services to customers as pledged;
(iv) Take pride in contributing towards FGV's success; and
(v) Uphold FGV's core values PRIDE (Partnership, Respect, Integrity, Dynamism and Enthusiasm).

Statement on Corporate Governance

SUSTAINABILITY

The FGV Group conducts 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. Further details on FGV's sustainability values are provided on pages 150 to 159 of this Annual Integrated Report.

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 29 March 2016.

On behalf of the Board

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

Mitigating Our Risks

Successful execution of our corporate strategies and achievement of our business goals require that we regularly address the uncertainties in our global business environment. Our business is subject to constant and significant change that requires us to regularly assess our corporate strategies. At FGV, risk management is an integrated discipline that supports informed decision-making throughout the company. We recognize the pivotal role it plays in balancing strategic planning with business execution and compliance and are driving this journey forward.

Our approach to managing risk recognizes the need for clear, timely direction and support from the Board of Directors, senior management and our business unit management. Our starting point for managing risk is our strategic planning process, from which relevant external and internal threats and opportunities are derived and key risks are identified. Risks and opportunities are identified by observing, analyzing and anticipating trends along with macroeconomic, industry-specific, regional and local developments.

These risks and opportunities are regularly monitored for changes, and further action taken, if necessary. Amongst our key risks for 2015 include:

Top Risks	Context	Mitigation
Ageing palm tree profile affecting overall palm oil yield	The yield of Fresh Fruit Bunch (FFB) depends on the age and maturity of oil palms, which reach their prime productive period at years 10 through 20 after planting. To ensure continuous long term efficient production and sustainable yields, it is advisable for plantation company to do replanting approximately every 25 years. However, newly planted oil palms do not yield FFB until they reach harvestable age, which is at least 36 months after planting, and the yield of young trees is significantly lower than the yield of mature trees. Our replanting programme has a short to medium term impact on the FFB produced which in turn may affect our revenue and margins.	Our replanting programme is structured on a rolling basis to minimise the effect on FFB production in any given year. The programme has commenced since 2009 and will continue until the age profile of our plantation is fully corrected.
Fluctuation of local and international commodity prices affecting prices of FFB, CPO and other palm oil based products	Fluctuating Crude Palm Oil (CPO) prices which sometimes lower than breakeven point resulting to lower and decreasing in profit. A significant and prolonged low price for CPO would have a material adverse effect on FGV cash flows and profits.	To mitigate during periods of depressed CPO prices, Cost Control Unit was established at Headquarters to monitor estate costs and a steering committee for costs saving initiative was formed.
Erratic weather conditions impacting operation	Adverse weather such as prolonged hot weather in early part of the year and flooding which occurred in the year end affected the supply of FFB which in turn will affect FGV sales.	A Task Committee was set up to specifically look into the matter. FGV implemented Best Management Practices and increased the maintenance of the estate infrastructure. The estates also explore new methods such as piping systems to mitigate drought conditions.
High dependence on foreign labour	FGVPM is highly dependent on foreign workers especially from Indonesia for its plantation operations. Additionally, policy changes, increased competition and intensified scrutiny of labour management may result in delay in operations, which in turn leads to decrease in sales and profit.	The Company has taken several initiatives to improve the relationship with local and foreign authorities so that we will be viewed as preferred employer. As a measure to reduce dependency on human labour, in 2015, the Company has implemented increased mechanization techniques.

Mitigating Our Risks

Top Risks	Context	Mitigation
Volatile FOREX movement may result in losses or loss of opportunity gain	Changes in exchange rate between USD and Ringgit Malaysia could have adverse effect on FGV results of operations and financial condition. A substantial portion of our revenues from CPO trading, sugar exports and raw materials are denominated in USD.	The company applies a strict hedging policy to reduce any exchange rate exposure through specific hedging activities. Controls and monitoring oversight has also been strengthened to ensure risks on FOREX transactions are constantly mitigated.
Risks related to meeting global sustainability standards and certifications	FGV is committed to achieving compliance to RSPO Guidelines, labour laws and other quality standards to achieve excellence in quality management of our businesses. Compliance to these standards will ensure wider market reach with the current demand for sustainable palm oil. However, challenges to keep up with certification requirements for a wide range of businesses and increased allegations on non-conformity may lead to reputational issues that need to be managed.	A new Sustainability Division is being set up to ensure corporate, environmental and other sustainability requirements are consistently monitored and managed.

Statement on Risk Management and Internal Control

ENHANCING OUR MANAGEMENT OF RISK AND OPPORTUNITY

FGV is committed to effective risk management in pursuit of its strategic objectives, with the ultimate aim of growing Shareholder value sustainably. In recent years, we have enhanced our capability to anticipate risks and respond with agility and confidence in managing them. As we expand our business globally, we recognise that proactive risk management is both an essential element of sound corporate governance and a crucial enabler in realising opportunities.

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 Integrated 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").

GOVERNANCE OF RISK MANAGEMENT

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 an 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 & 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. The full details of BGRMC's, AC's and IC's terms of reference are published in the Company's corporate website.

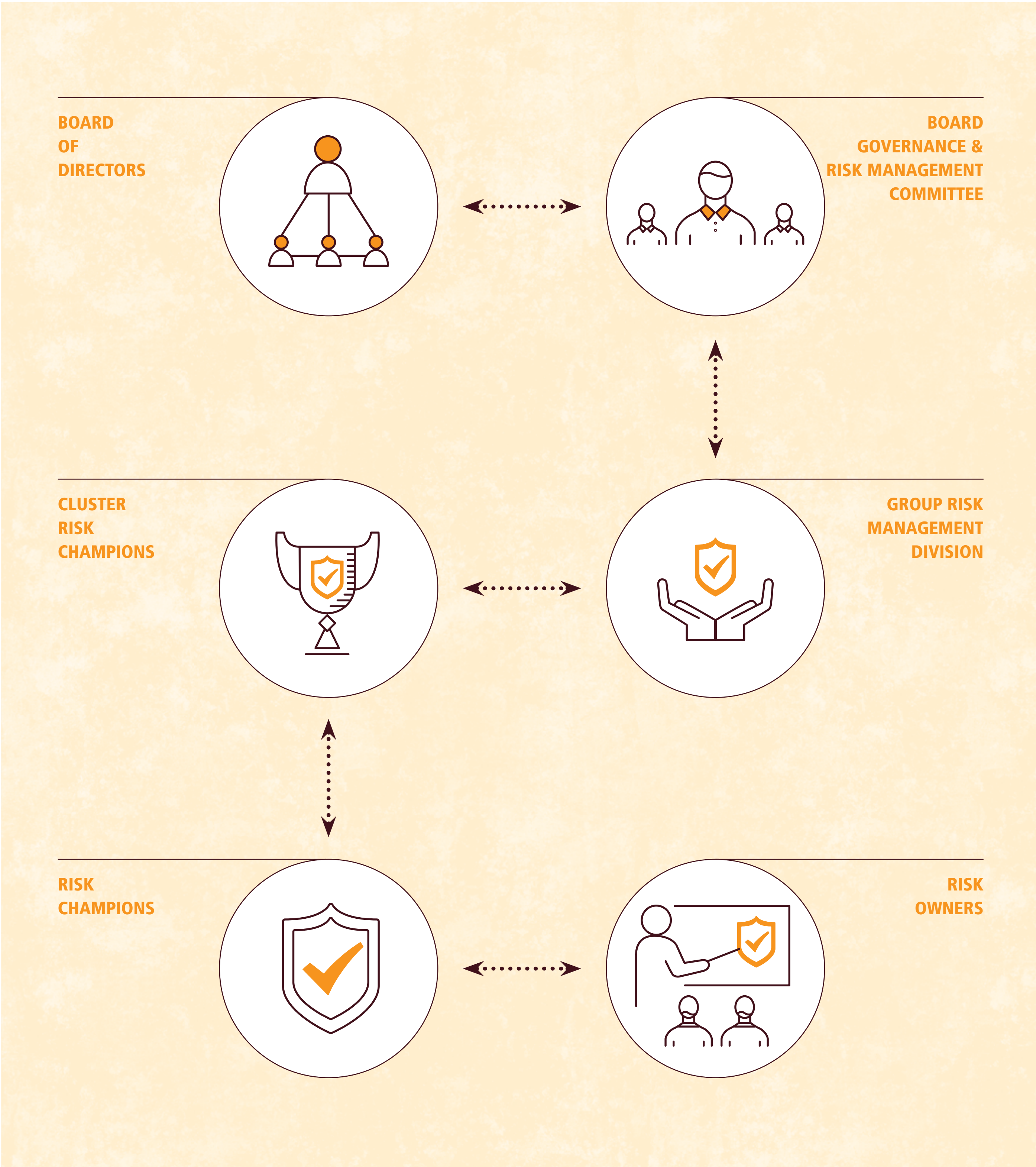
As part of FGV's continual transformation plan to achieve operational excellence, FGV appointed a Chief Risk Officer in January 2015 to head and enhance Group Risk Management Division's (GRMD) capabilities to support the Board's risk management responsibilities. Amongst others, GRMD undertakes the following roles:
- 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, and in developing relevant and effective mitigation strategies to manage risks;
- Preparing risk reports to BGRMC and Board;
- Undertaking analysis 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. These 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.

Statement on Risk Management and Internal Control

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

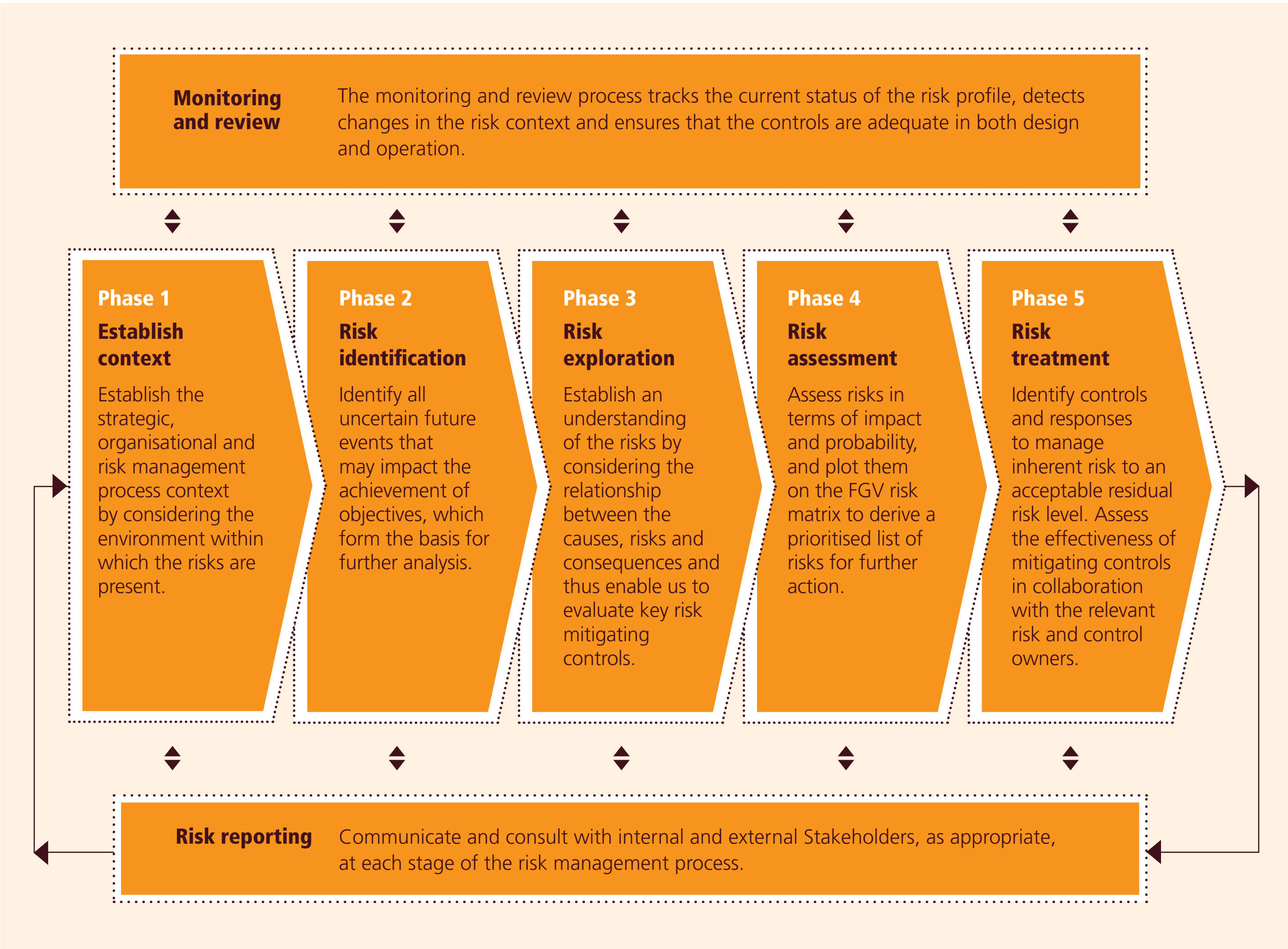


Statement on Risk Management and Internal Control

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

OUR RISK MANAGEMENT PROCESS

FGV's structured risk management process, which is aligned to industry standards, is detailed below. This process is rolled out across the Group, and risk profiles are developed at Business Clusters, Corporate Centers, and subsidiaries.



Statement on Risk Management and Internal Control

KEY RISK MANAGEMENT ACTIVITIES FOR 2015

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

Review of Risk Management Framework, Policies and Procedures

Appreciating the importance of a sound risk management system, FGV appointed external consultants to conduct a comprehensive risk management review to identify and close possible gaps in the current risk management framework including GRMD policies and procedures. The recommendations by the consultant will be reviewed for implementation in 2016.

Enhanced Reporting of Key Risks

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.

Additionally, GRMD has enhanced its risk reporting to include a top-down risk assessment methodology which enhances identification of macro and strategic level risks that may not be detected from reliance only of the bottom-up approach via the risk register. This provides more robust and effective risk management, and supports the Group's business objectives through both ensuring operational risks are under control as well as managing high level risks of the Company's strategic initiatives.

In all, besides the FGV top risks derived from the ERM Risk Register, principal enterprise and business risks affecting FGV Group on top and beyond risks in the ERM risk register are identified and analysed. Key project related risks as well as overview of new, emerging risk landscapes are also reported to the Board. All the identified risks are linked to the relevant company objectives.

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.

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.

GRMD Risk Register Review

GRMD conducted several Risk Register Reviews of selected Risk Registers. This is an on-going activity to ensure relevant and effective risk reporting by the Clusters, Corporate Centres and subsidiaries of the Group.

Enhancement of Enterprise Risk Management System

The Enterprise Risk Management System which was rolled out in 2014 continues to be used to update key enterprise risks of the Clusters, Corporate Centres and subsidiaries on a quarterly basis. GRMD conducts administering activities for the system and further enhancements were implemented through the developer to ensure ease of use and accuracy of information.

RISK MANAGEMENT APPROACH FOR FGV LISTED SUBSIDIARY

MSM, as a listed subsidiary of FGV, undertakes its risk management and control responsibilities through MSM's Audit Committee, MSM's Investment Committee and MSM's Board Governance & Risk Management 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.

Statement on Risk Management and Internal Control

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:

INTERNAL CONTROL STRUCTURE

Ethics & Integrity
- Code of Ethics & Conduct for Employees
- Integrity Initiatives
- Whistleblowing Policy & Procedures
- P-R-I-D-E

Authority & Responsibility
- Organisation Structure
- Authority Limits
- Job Description

Competency
- Learning Areas Framework
- Functional Capability Development
- Leadership Programs
- Developmental Capability Development

Policies & Procedures
- Group and Operational Policies & Procedures

Information & Monitoring
- Financial and Operational Review
- Executive Information System
- Budgetary Process
- KPI Monitoring
- Group Internal Audit

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 2015, the Group has undertaken the following integrity awareness initiatives:
  - Integrity Awareness road show tour program through Jelajah Integriti & Integrity Talk. As at 31 December 2015, 7,082 staffs from a total of 19,000 staffs have signed the Integrity Pledge.
  - Pilot study for FGV SMART Integrity System to measure the level of integrity for individual and organisation was carried out from May 2015 – July 2015.
  - Integrity Tagline Competition – "Integrity Is Your Only True Compass" the winner was announced on Mar 2015

  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 2015, a total of 8,846 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, which are supported by Corporate Centre Divisions at FGV level. In achieving the Group's strategic and business objectives, the Group has undergone several key transformational changes and an effective organisational architecture has been designed which combines employees in functions and product structures, across the Group's Business Clusters and Corporate Centre Divisions. A matrix reporting model has been designed and implemented within FGV Group which provides the following benefits:

Statement on Risk Management and Internal Control

a) Clear segregation of roles which allow for sharper focus and more efficient use of resources.
b) Centralisation and consolidation of key functions based on the Group Support Function's strategy and framework.
c) Clear key outcomes and key performance indicators to drive and sustain the desired behaviour for a high performance culture.

- ***Group Discretionary Authority Limits (DAL)***
  Consistent with the spirit of continually enhancing 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 22 September 2015.

- ***Employee Approving Authority (EAA)***
  Group EAA has been implemented in April 2015 to ensure accountability across Business Clusters, Corporate Centre Divisions and subsidiaries. It defines the delegation of authority in respect of HR related processes and shall be read together with the Group DAL.

- ***Job Description***
  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. A well developed and effective job description has been designed for clarity of responsibilities and relationship between functions which will enhance collaboration across the Group moving towards operational efficiency besides supporting the future people planning. It can retain and motivate the best talents by ensuring that employee's expectations are aligned with business expectations.

3. **Competency**

The skills, experience, productivity, diversity and excellence of our people are what enables us to operate our facilities safely, reliably and efficiently, and to deliver growth and value for our Shareholders and Stakeholders. We prepare our people for the challenges ahead and institute programmes and support systems to ensure systematic development.

Our Development initiatives are predicated on THREE major factors:

- A Tri-partite relationship of shared responsibility. This Tri-Partite relationship ensures not one single person is responsible, but rather a shared responsibility is practiced thus mitigating risks or failure.

- Employees are responsible to plan and ensure their own development.
- Immediate Leaders are responsible to ensure their staff are given the appropriate guidance and support.
- FGV is responsible in providing the direction, support systems, policies, and appropriate funding.

Statement on Risk Management and Internal Control

- Learning Areas Framework

In addition to shared responsibilities, it is imperative that all parties know what needs to be developed, when and to which group of people. A Learning Areas Framework allows all parties to understand the expectations of development. The Learning Areas are similar. However, the emphasis is different between a young executive new to the job force, as compared to the Top Leadership. A young executive would require emphasis on Functional capabilities as they need to demonstrate the ability to do the job they are assigned to. For Top Leadership, Functional Capability is sufficient to be at awareness level. Each of the Learning Areas will have separate learning modules to meet the needs of each targeted audience. To ensure enculturation of FGV's Culture, all learning modules will incorporate FGV's values of P.R.I.D.E.

	Modules	Functional Capability	Developmental Capability (1) Personal Effectiveness	(2) Relating to Others	(3) Managing Work	(4) Business Savvy	(5) Leading Others
Program Title	**Target Audience**	**In-House/ External**	**In-House**	**In-House**	**In-House**	**In-House**	**In-House**
C-Suite	Top Leadership (SVP & above)						
Senior Leaders Program	Senior Leadership (GM-SVP)						
Functional Leaders (FLP)	Middle Management (Mgr-GM)						
Becoming A Leader (BAL)	Junior Management (Execs & Sr. Exec)						
Becoming A Supervisor (BAS)	Supervisors						

Denotes emphasis of Learning Content

- Emphasis on Functional Capability

For FGV to move ahead in the industry, it needs to become an innovative organisation. To be innovative, FGV's workforce needs to be technically and functionally competent par excellence. As part of the Functional Capability development, the following programs have been identified:

a) Trainee Programs. These programs are designed for fresh graduates in an effort to provide continuous supply of talent to the Group. These programs are as follows:
   (i) Cadetship in Plantation Management Course (Cadet Planters).
   (ii) Cadetship in Palm Oil Mill Engineering Programme (Cadet Mills)
   (iii) Accountant Trainees (Cadet Accountant). They will have the option of being certified in ACCA, ICAEW or a Certified Internal Auditor.
   (iv) Management Trainees (Cadet Management). They will have an option to enrol in a management skills-based certification like Project Management Professional (PMP), and other Management certifications.
b) Supervisors Program. The backbone of the rank & file are the Supervisors. Ensuring they are properly trained and developed will ensure the bulk of the workforce of FGV is well led, engaged and productive and thus creates an innovative supportive culture.
   (i) Plantation Supervisors Program.
   (ii) Mills Supervisors Program.

Statement on Risk Management and Internal Control

- Leadership Bench-strength

  To meet the demands of the business and the industry, FGV requires a continuous supply of strong leaders. The following are Leadership Programs developed for each level of FGV's workforce:

  a) Top Leadership. C-Suite Programs that may include leadership Talk Series, In-House courses and courses at renowned centres like Harvard, IMD, MIT-Sloan.
  b) Senior Leaders Program (SLP). Primarily for FGV's N minus 2 and N minus 3.
  c) Functional Leaders Program (FLP). Being the Middle Managers, this program upskills our Managers and Senior Managers to become competent in the areas of Business and Managerial skills.
  d) Becoming a Leader Program (BAL). This is meant for Young Executives new to the workforce. This will provide a strong foundation on what it means to be a leader.
  e) Becoming A Supervisor Program (BAS). This gives supervisors new to the role to move from a functional/technical role to a leadership role.

- Capability Development

  These are myriads of courses that range from Personal Effectiveness, Relating to Others, Managing Work to Business Prowess. This will be done on a modular continuous basis to ensure skills and competencies are always updated.

4. **Policies and Procedures**

- ***Group and Operational Policies and Procedures***
  The Group operates based on existing policies and procedures. These policies and procedures are established with reference to International Standards such as ISO 9001, ISO 14001, OSHAS 18001, RSPO, HACCP, HALAL etc. The latest version of ISO 9001:2015 has given greater emphasis in managing risk within its operations. The Operational Policies and Procedures 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. Both Group and Operational Policies also facilitate compliance to regulations, listing and governance requirements.

5. **Information and 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 business performance, to analyse and make the appropriate making business decisions with the view to achieve the Group's organisational goals.

  In 2015, the system was recently upgraded and further enhanced as part of our continuous improvement exercise with the aim to give users greater flexibility and speed to make decisions.

- ***Financial and Operational review***
  The Group President/Chief Executive Officer and FGV 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.

- ***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 Centres towards meeting the Group's short term and long term objectives. With this view, the Group emphasises a comprehensive annual budgeting process to ensure that the Group's business plans are consistent with the approved FGV Global Strategic Blueprint (GSB). The GSB covers a longer period and is an approved document that shall guide Management in the execution the Group's strategy.

Statement on Risk Management and Internal Control

REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

To ensure ongoing effectiveness monitoring of the Risk Management and Internal Control System, FGV conducted the following review processes in the financial year:

- **Assessment of Controls**
  All risks identified are reviewed on a quarterly basis by the Risk owners and Risk Champions. The effectiveness of the corresponding controls to mitigate these risks is measured by monitoring and updating the outcome of these controls against the desired objectives. These quarterly updates are then reviewed by the respective Heads of Subsidiaries, Corporate Centres and Clusters and finally by the Group President/CEO prior to reporting to the BGRMC.

- **Review of Risk Register**
  The Group's Risk Register is reviewed by GRMD on a quarterly basis to ensure accordance to the policies and procedures. Additionally, GRMD conducted several Risk Register Reviews on specific subsidiaries and Corporate Centres to identify and communicate improvement opportunities in the individual Risk Registers.

- **External Review of Risk Management**
  To improve on the adequacy and effectiveness of the Risk Management Framework, FGV appointed an external consultant specifically to review the Risk Management Framework in its entirety. The methodology of this review includes identifying gaps through interviews, surveys and comprehensive document analysis to ensure the Group's Risk Management framework is in line with best practices and standards.

- **Independent Group Internal Audit Review**
  The Group Internal Audit Division (GIA) conducts regular and systematic reviews to provide an independent and objective assurance to Audit Committee and management, focusing on adequacy and effectiveness of the governance, risk management and control processes in place. GRMD takes a serious view the findings from GIA to further improve the Group's risk management and control processes. GRMD has been progressively implementing recommendations from the GIA report to improve its risk management role to the Group with the latest report issued in the first quarter of 2016.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS AND GROUP INTERNAL AUDIT (GIA)

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

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 FGV 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 29 March 2016.

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 2015 set out on pages 182 to 346, 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 proper 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 29 March 2016.

FGV constantly seeks ways to further enhance its sustainability efforts and reduce greenhouse gas emissions such as methane released from palm oil processing activities. We capture and utilise the methane gas released from our wastewater anaerobic treatment facilities at our mills. To date, we have the largest number of biogas projects in the world and successfully utilised the methane for rural electrification and grid-connected electricity supply under our sustainable renewable energy supply programme.

The Environmental, Social and Governance (ESG) Journey

OUR COMMITMENT AND APPROACH

We believe that by investing over the long term, aligning our interests with our Stakeholders' interests, and being active owners, we can capitalise our resources to improve performance and increase our company's value. Today, enhancing value and the bottom line also often means improving the ESG aspects of a business.

FGV is committed to conducting business responsibly, which we define as the integration of ESG considerations throughout our business processes. We believe that the thoughtful management of ESG issues is smart business and see it as an essential part of long-term success in a rapidly changing world. Companies that carefully manage ESG risks and opportunities today should be better positioned in the future as diminishing resources, changing consumer demands, and increased regulation are expected to pose greater challenges.

To be most effective, ESG initiatives should be seen as best practices for operational excellence. Therefore, FGV focuses on the areas where we believe there to be a social or environmental benefit, as well as a business benefit. It is important that our efforts make sense for the companies in which we invest, their communities, and our Stakeholders, including our investment partners.

Just as in other aspects of business, the process of understanding and better managing ESG issues is one that we must continually work hard to improve. As such, we work diligently to ensure that difficult situations are discussed thoughtfully with our network of internal and external partners, while seeking to act in the best long-term interests of our beneficiaries.

FGV's Vision and Mission

Championing our locally invested culture	Creating value through our human capital	Building an integrated value chain advantage
Environmental	**Social**	**Governance**
• Nature conservations • Good Agriculture Practices (GAP) • Malaysian Sustainable Palm Oil (MSPO) certification • Quality Occupational Safety Health & Environment (QOSHE) • In house Research & Development (R&D)	• Employee training • Scholarship programmes • Diversity • Olam initiative - Gabonese Nationals Training Programme	• RSPO • ISO 9001:2015 • MSPO • International Sustainability & Carbon Certification (ISCC) • Corporate Integrity • Procurement Policy • Traceability

Note:

* *This data has been independently audited. Read the Independent Assurance Report on pages 361 to 363.*

The Environmental, Social and Governance (ESG) Journey

Environmental

PROTECTING ENVIRONMENT AND CONSERVING BIODIVERSITY

Biodiversity

Wild lives and its natural habitats are amongst the high conservation values (HCV) in a plantation environment that has to be managed well. This is very important to FGV as many of our oil palm plantations are in the fringes of natural and reserved forests that houses some endangered, rare and threatened species. Identifying and managing the significant wild life are very crucial aspect in our journey to sustainability.

Our recent HCV assessment has indicated the presence of some endangered, rare and threatened aspects in and around our plantations. Amongst these, Rafflesia *(Rafflesia spp)* and the Malayan Sun Bear (*Helarctos malayanus*) gained significant attention due to the fact that Rafflesia spp is known to be the biggest flower whereas and Malayan Sun Bear as the smallest bear in the world. Realising this, FGV is in the process of establishing the Rafflesia Conservation and Interpretation Centre (RRIC) with Forest Research Institute of Malaysia (FRIM) and other relevant governmental and non-governmental agencies for the benefit of scientific and civil society. As for the Sun Bear, FGV has embarked on Sunbear Conservation Programme (SBCP) with National Wildlife Department (PERHILITAN), Malaysian Nature Society (MNS) and University Kebangsaan Malaysia (UKM). The SBCP entails rehabilitation of injured and orphaned, research and creating awareness amongst the public at large to avoid human-wildlife conflict. SBCP also includes the establishment of 5 citizen action group (CAG) that will engage all parties (FGV & local communities) in managing environment/HCV elements better. This CAG will be trained to identify issues of concern/conflict in a vicinity and the appropriate action to be taken in order to reduce such conflict with the help of local regulatory agencies. Our first CAG of 40 members was successfully established in Kuala Lipis, which is adjacent to the central forest spine of Peninsular Malaysia. This CAG will assist FGV in implementing its HCV management plan, with the participation of local communities.

Pontian United Plantations (PUP), one of our subsidiaries in Sabah has always given tacit support to the enhancement of riparian reserves. They have in the past participated in major tree planting efforts with WWF and Sabah State Government through the Kinabatangan District Office. In 2015, PUP has embarked upon a demarcation exercise to re-establish the riparian reserves, alienating a minimum distance of 50 metre from our estates to the river bank. This exercise involves voluntarily abrogating approximately 20 hectares of productive and plantable land for the re-establishment of riparian reserves largely as a result of river bank erosion over the years. As part of our good agricultural practices, we have decided to remove the oil palm trees along the new wildlife riparian corridor to allow the penetration of sunlight into the lower ground to enhance the growth rate of the indigenous tree species. This 20 hectares will now be part of the existing 280 hectares of riparian reserve which we are presently managing as a wildlife corridor.

Managing climate change and Greenhouse Gas (GHG) emission

Planting on peat is perceived to contribute to GHG emission that is responsible for climate change. *In line with that we did not acquire any new land in 2015 that consist of significant amounts of peat. We are in the process of strengthening our commitment to "No new planting on peat, immaterial of depth and size" in the near future.

The Environmental, Social and Governance (ESG) Journey

Environmental

FGV is at the forefront of renewable energy using palm waste materials. Our commitment in reducing GHG emissions continues through operational approaches such as methane capture, bio-composting and the cogeneration of electricity from methane released by palm oil mills effluents (POME). Although we have 19 biogas trapping plants in 2015, our monitoring in 12 of them managed to reduce 72,814* MT of carbon dioxide (CO_2).

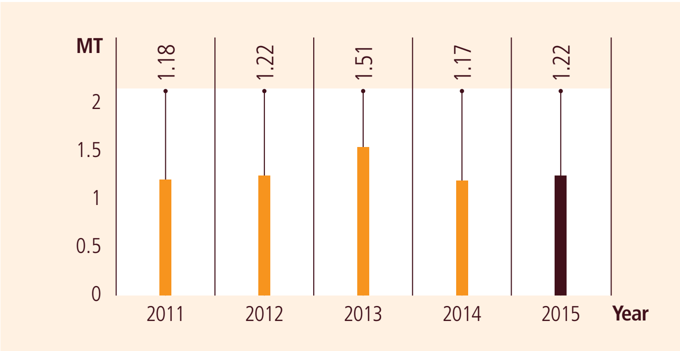
Two of our biogas capturing plants i.e. Umas POM and Serting Hilir POM generates electricity from the captured biogas to supply electricity to domestic use. This reduces the need for fossil fuel that will contribute to global warming.

While reducing GHG emissions, demand for biomass fuel is rising worldwide. We believe that the use of biomass as an energy source should be part of the climate change solution as long as it is developed in a truly sustainable way. Our maiden biofuel plant located in Semenchu produced 2729.77 MT of pellets in 2015 only. These pellets are produced from by-product of our palm oil mills which is the empty fruit bunch (EFB). These pellets are sold to third parties for power generation, replacing fossil fuels – a prime example of the Group's focus on environmentally-friendly production processes.

Water use and quality

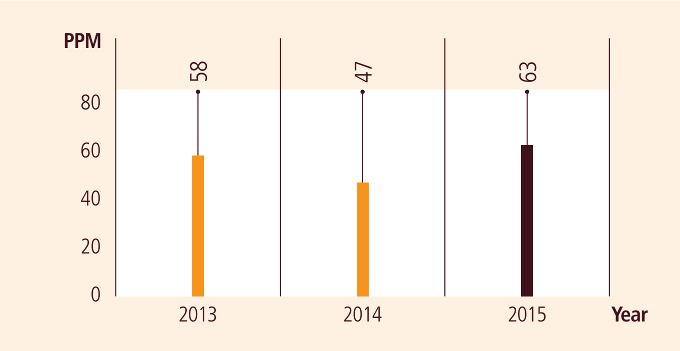
As water is important to all life forms, we are very much concerned about the potential impact of our operations on natural water ways, as much as our Stakeholders do. River is the main source of water supply to our mills. In 2015, our POMs consumed 1.22 tonnes of water per tonne of FFB processed. Although it is slightly higher from previous year, we believe this is due to the intensive maintenance of mills. The increase of water usage is also mainly due to high water requirement used in upgrading mills in 2015.

Water Used Per Tonne of FFB Processed (Tonnes)



Biochemical oxygen demand (BOD) is the amount of dissolved oxygen needed by biological organisms to break down organic material from mill effluents and it is considered to be an important aspect of water pollution. On top of meeting regulatory requirements, we monitor regularly our BOD level to ensure our water source are not impacted by the release of POME from our mills. Our average BOD In 2015, was slightly higher at 63 ppm as compared to 2014 (47 ppm). The higher BOD levels may be due to delay in desludging of effluents ponds. The delay resulted in shallower ponds that reduced the retention time, thus reducing the biological process of decomposing digested POME. However the value of 63 ppm is far lower than the DOE permissible level of 100 ppm in many of our mills.

BOD Levels (PPM)



In 2013, we initiated an exercise to evaluate the water quality of the major river systems in our operational areas in Peninsular Malaysia, mainly to evaluate the impact of our plantation operations on its quality based on Department of Environment's Water Quality Index (WQI) parameters. For every river system, the water quality at the exit (of the plantation) is compared to its quality at entry (to the plantation) to determine impact from the plantation operations.

In summary, we have identified 135 major river systems in our plantations and to date we have analysed 51, 41, and 65* river systems in 2013, 2014 and 2015 respectively. Overall, our analysis indicated no significant deterioration in water quality of the river system passing through our operation.

Note:
* *This data has been independently audited. Read the Independent Assurance Report on pages 361 to 363.*

The Environmental, Social and Governance (ESG) Journey

Social

DIVERSITY STATEMENT

FGV Group is committed to an inclusive culture that embrace, leverages and respects the diversity of our people, our clients and our communities. Within a single group culture which guides us how to do business, how we work together and deliver values across the Group, we embrace and nurture all staff needs and requirements. As a global organisation, we are working towards having a diverse workforce and client base to represent a spectrum of individual attributes including (but not limited to) cultural and ethnic backgrounds, gender and age circumstances. FGV Group recognises the benefits of such diversity and is dedicated to sustaining a work environment that respects individual differences and promotes diversity at all levels of the organisations. We provide equal employment opportunity for all applicants and employees without regards to race, religion, national origin, age, marital status or any other characteristic protected by local law or regulation. We also create a climate of diversity and inclusiveness among employees by providing equal access and opportunities to our employees in terms of recruitment, retention, training and development processes. We are aiming to diversify our talent pool and promote gender balance as a priority, especially at management levels. Percentage of women in the leadership positions has increased to 2% in 2015. With our talent management and succession planning in place, we monitor the representation of women in senior leadership positions and have talent-development processes to support us in delivering more diverse representation.

Year (Birth)		**1949-1960**			**1961-1980**			**1981-2000**			**Grand Total**	
Grade	**Position**	**Baby Boomer**			**Gen X (35-50)**			**Gen Y (18-34)**				
		Total Staff	**%**	**% (GT)**	**Total Staff**	**%**	**% (GT)**	**Total Staff**	**%**	**% (GT)**		**%**
1-5	GM & above	99	4.07	**0.53**	89	1.25	**0.48**	2	0.02	**0.01**	190	**1.02**
6	SM	81	3.33	**0.44**	112	1.58	**0.60**	3	0.03	**0.02**	196	**1.06**
7	M	81	3.33	**0.44**	215	3.03	**1.16**	18	0.20	**0.10**	314	**1.69**
8	SE	64	2.63	**0.34**	202	2.84	**1.09**	144	1.26	**0.61**	380	**2.05**
9	E	139	5.71	**0.75**	213	3.00	**1.15**	856	9.50	**4.61**	1,209	**6.51**
10	Asst. E	140	5.75	**0.75**	200	2.81	**1.08**	192	2.13	**1.03**	532	**2.87**
G1-G7 (O/T)	NE	1,825	74.98	**9.84**	6,069	85.39	**32.71**	7,662	85.00	**41.29**	15,556	**83.34**
NONSCALE	Contract >1yrs	5	0.21	**0.03**	7	0.10	**0.04**	167	1.85	**0.90**	179	**0.96**
Grand Total		**2,434**		**13.12**	**7,107**		**38.30**	**9,014**		**48.58**	**18,555***	

* *Excludes plantation contract workers.*

Our workforce

Our workforce comprises a mix of education and diverse background. We seek to attract, develop and retain best people through our robust talent management and succession planning framework. Talent comes from diverse backgrounds, cultures, abilities, beliefs and experiences. Our employee network group across the nation and also in our global locations provide an opportunity for people to develop professional relationships, engage in community volunteer events and participate in training programs, through our town hall sessions, roadshows, knowledge and insights series. We reach out to each and every one for a better engagement at all levels.

Employee turnover

The Group's overall turnover rate in 2015 was 4.5% which is lower than industry norms of 12%.

The Environmental, Social and Governance (ESG) Journey

Social

Talent Management

In line with FGV's mission to be a global player, the Group believes that investing in human capital is extremely important for the organisation to thrive in today's market. We are always on a look out for talents who are able to contribute positively to the Group. The Group has established a talent management and succession planning framework to attract, develop, motivate and retain productive and engaged employees. Talent management framework focuses on 3 main objectives as follows:

- Creating a sustainable organisation by attracting and retaining the top talent as well as securing a pipeline of talent to fill the critical jobs at all times.
- Minimising the business operational costs by reducing the employees' turnover of high potential and performing employees and the need for expensive external requirement.
- Reducing the risk of not having the right successors in place for critical positions and risk of not developing employees effectively.

We ensure talent decisions are aligned with business strategy and hold leaders accountable to ensure appropriate talent development is occurring for high potential staffs.

Human Capital Development

In FGV, we strongly believe in developing our staff. Given the right tools and opportunities, our staff can reach greater heights of achievement. As the Group becomes more diversified, more skill sets from various fields are required to complement, support and implement its plans.

FGV provides training for Gabonese smallholders

In our efforts to ensure a sustainable future for the palm oil industry, FGV has signed a Project Agreement with Olam International Ltd on 'Gabonese Nationals Training Program'. The objective of the training programme is to help over 2,000 Gabonese smallholder farmers in Oil Palm Plantation Management to become commercially viable RSPO certified plantation owners in Gabon. This training has been conducted by FGV with the support of Olam with the first batch of 54 participants.

The four-month course included practical and classroom lessons led by experienced trainers from FGV on plant and soil science, cultivating and maintaining oil palm estates, RSPO standards, occupational safety and health, best agricultural practices, as well as basic English language lessons. Teaming up with Malaysian small-scale plantation owners, Gabonese farmers learnt how to farm beyond subsistence levels to start a commercial enterprise.

The training programme also included study visits to relevant facilities such as oil mills and a rubber factory, settlers villages and research facilities as well as exposing the participants a taste of Malaysian culture and life, local attractions, festivities and local food. The training programme will have life-changing consequences for its participants and the Republic of Gabon. Through total immersion, this will introduce Gabonese farmers to international best practice in modern, sustainable plantation management.

The Environmental, Social and Governance (ESG) Journey

Social

Scholarships Programmes

Education is the key enabler that will build human capital, hence our investment in scholarship programmes reflects our belief in nurturing the potential of young people. Until end of 2014, FGV has awarded scholarships to 45 excellent SPM students to pursue their undergraduate studies at top universities in the United Kingdom and to date, 12 of them have already graduated and been placed at various subsidiaries.

In 2015, FGV has sponsored 24 students, who will undergo a degree program at local universities

Scholarships Record:

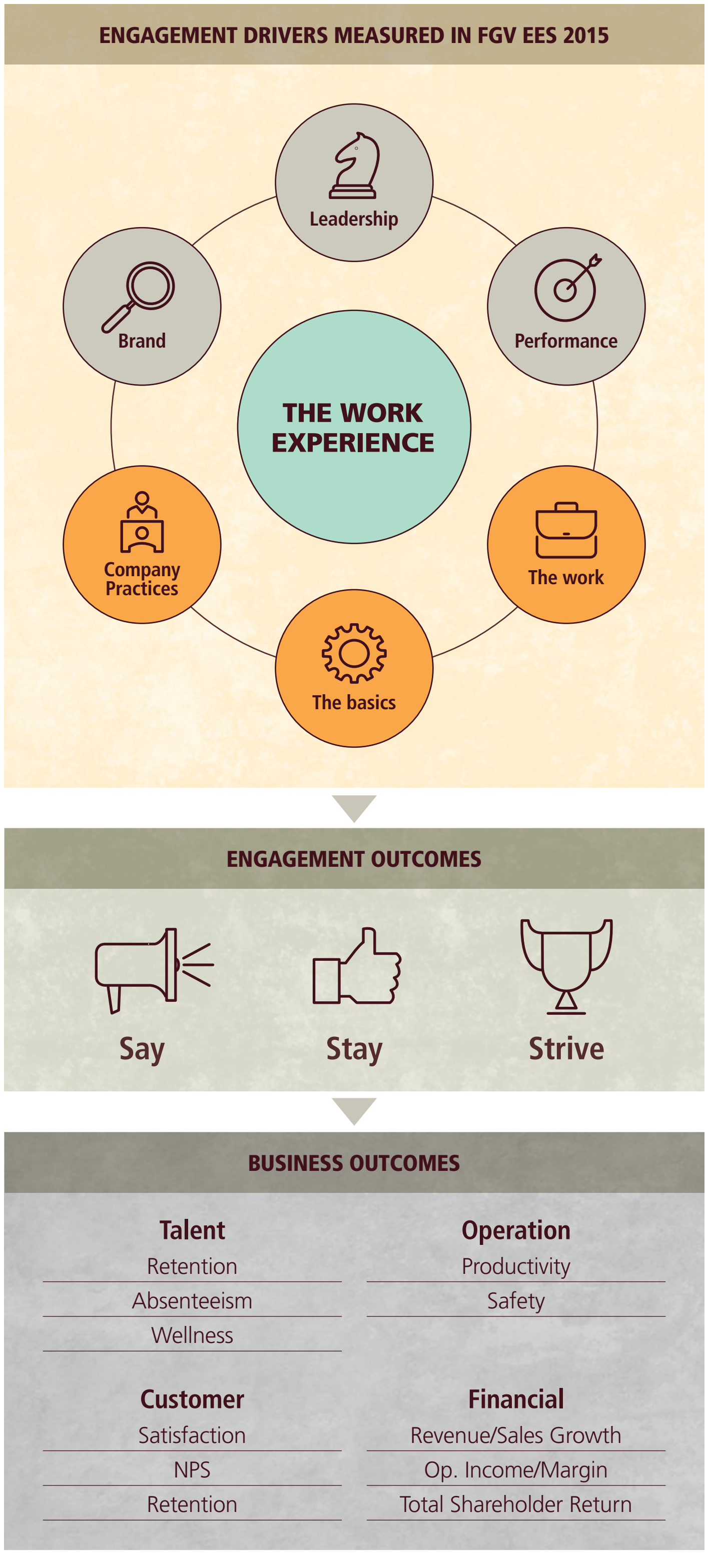
No.	Intake (Year)	Overseas/ Local Universities	Female	Male	Total
1	2006	Overseas (UK)	1	4	5
2	2007	Overseas (UK)	0	4	4
3	2008	Overseas (UK)	1	3	4
4	2011	Overseas (UK)	2	1	3
5	2012	Overseas (UK)	3	4	7
6	2013	Overseas (UK)	1	4	5
7	2014	Overseas (UK)	6	5	11
8	2015	Local Universities	6	19	25
TOTAL			**20**	**34**	**64**

Employee Engagement

We believe that companies with highly engaged employees experience higher employee productivity, lower turnover risk, greater ability to attract top talent and higher total returns to Shareholders. Highly engaged employees are twice as likely to be top performers and more supportive of organisational change initiatives and transformation.

When staff are engaged, the results will be self-evident. This is reflected in our results where the engagement score for FGV Group Overall placed us in the Top Quartile range. 69% of our total population have participated in the survey which was administered via various platforms such as online, kiosks and manual surveys.

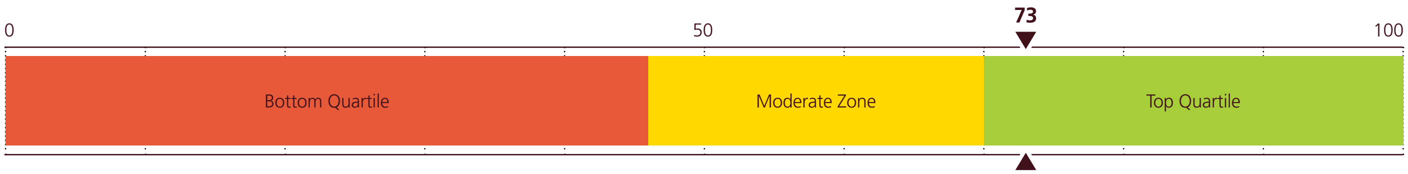
The Employee Engagement Survey (EES) comprises a mix of 30 multiple choice questions and 2 open-ended questions which was classified into few categories i.e. Brand, Senior Leadership, Supervision, Career Opportunity, Learning & Development, Performance Management, Reward & Recognition, Collaboration and Communication.



The Environmental, Social and Governance (ESG) Journey

Social

The overall employee engagement score for FGV Group Overall is 73%, depicted by the following diagram:



As for Corporate Social Responsibility (CSR), FGV helps spur variety of charitable causes and initiatives focusing on education, healthcare and philanthropic through Yayasan Felda that benefits settler communities, rural populace and Malaysians at large. In 2015 alone, we allocated *RM7,327,682 to various programmes through Yayasan Felda.

Note:

* *This data has been independently audited. Read the Independent Assurance Report on pages 361 to 363.*

The Environmental, Social and Governance (ESG) Journey

Governance

Our journey towards sustainability continues by working closely with relevant agencies in developing and enhancing sustainability standard. We are among the pioneers contributed to the success of the Rountable on Sustainable Palm Oil (RSPO) which now has been used by many palm oil companies around the globe as the golden standard for sustainable palm oil production. FGV is also involved in drafting and testing the viability of the Malaysian Sustainable Palm Oil (MSPO). We are constantly improving ourselves and the standard within the landscape in which we operate by being active member in numerous working groups and technical committees.

Our sustainability governance is cascaded from the highest level through the Steering Committee that is represented by Head of Clusters, CEOs, the Sustainability Department and Corporate Communications teams to the Working Committee at the regional level. This Steering Committee sets objectives in relation to matters of sustainability while the working Committee implements them at the ground level.

The sustainability of our businesses is interdependent with the sustainability of the ecosystem surrounding our operations. In ensuring that environmental sustainability remains at the fore, Good Agricultural Practices (GAP) and Good Management Practices (GMP) are implemented in all our farming operations. When it comes to land clearing for new planting or replanting, FGV advocates zero burning policy, an approach to overcome smoke pollution and improve soil health by returning all organic matter to the soil.

International Sustainability and Carbon Certification (ISCC)

ISCC is a system for certifying the biomass and bioenergy industries, oriented towards the reduction of greenhouse gas emissions, sustainable use of land, protection of natural biospheres, and social sustainability. Since it's introduction in 2011, FGV pursued the ISCC certification to meet the requirement for sustainable biofuel market in Europe.

Although we had certified up to 15 mills in the past, we restricted our ISCC certification to only 3* mills in 2015. This is mainly due to lower demand for palm oil as a feedstock for biofuel in EU. We may increase ISCC certification when there is additional demand in market.

Malaysian Sustainable Palm Oil (MSPO) Certification

FGV has been working closely with Stakeholders and other members in the industry in developing MSPO, the first Malaysian palm oil sustainability certification scheme. The MSPO certification will be an alternative to the other sustainability certification schemes and benefits producers especially smallholders due to cheaper cost involved in MSPO certification without compromise on rigour. We are also among the first few plantation companies to be certified to MSPO in 2015. Currently we have 3 mills complexes certified to MSPO and may increase when situation warrants.

Note:
* *This data has been independently audited. Read the Independent Assurance Report on pages 361 to 363.*

The Environmental, Social and Governance (ESG) Journey

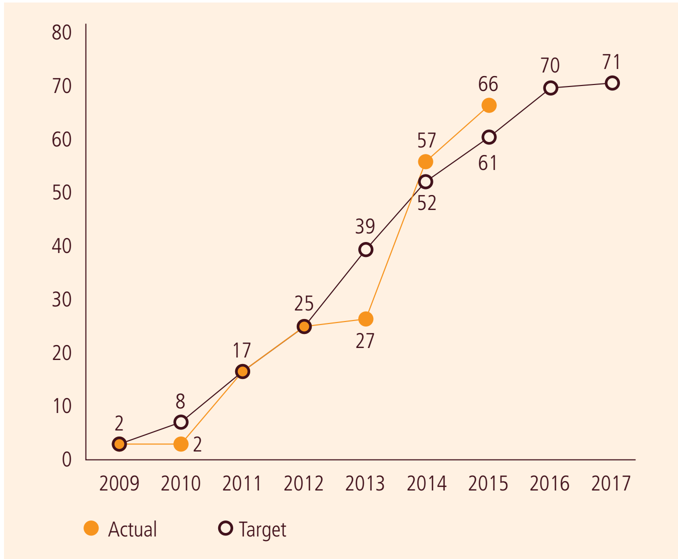
Governance

Roundtable on Sustainable Palm Oil (RSPO) certification

FGV played an active role in promoting sustainable practices guided by the Principles and Criteria (P&C) of RSPO since its inception in 2004. As a founding member of the RSPO, we are 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 in 2011.

To date we have certified 56 of our 71 mills which can supply 1,843,250* MT of certified sustainable palm oil (CSPO) and 466,228 MT of certified palm kernel (CPK).

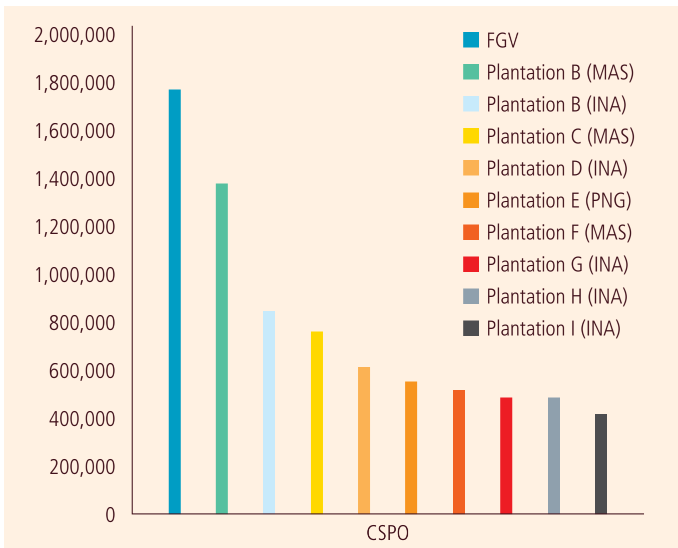
No. of Audited Complexes for RSPO Certification (to Date)



Our target is to complete all RSPO P&C audits by 2017, but we made such rapid progress that we are on track to complete the task by 2016. Even with that, we are the No.1 RSPO certified CSPO/CPK producer globally.

Apart from certifying our mill and estate to RSPO's P&C Standards, we also certified four of our kernel crushing plants, one refinery and a biodiesel plant to RSPO's Supply Chain Certification System (SCCS).

Global CSPO Production Capacity (M/Tan)



Note: MAS- Malaysia, INA- Indonesia & PNG- Papua New Guinea
Source: Roundtable Sustainable Palm Oil, accessed 15 April 2007 http://www.rspo.org/

Taking Safety and Health to the Next Level

HEALTH & SAFETY

We've made giant strides since the formation in 2009 of the Occupational Safety & Health (OSH) Department - renamed in 2015 as Health, Safety & Environment (HSE) Department to reflect its enlarged scope and to bring the Group's practices in line with those of multinational organisations.

In the six years since its establishment, the department has managed to consistently mitigate the risks of accidents within the Group and most notably, bring down the number of fatalities.

2015 ACCIDENT REPORT

We are happy to report that we have decreased the number of fatalities in FGV Group from four deaths in 2014 to three in 2015. The reduction was in the TML Cluster whereas for Upstream Cluster the figure remained same at 2 fatalities*.

Permanent Total Disability reduced by two thirds from three to only one, however, Non-Permanent Disability increased by 12.2 percent to 386 from 344; bringing up the total accidents recorded in FGV Group in 2015 to 390 from 351 previously.

This is primarily due to the acquisition of Asian Plantation Limited (APL) whose accident statistics began to be included in the Group's Lost Time Injury (LTI) reporting from mid-2015. The high number of incidences (74 cases) accounted for 19 percent of the total number of accidents.

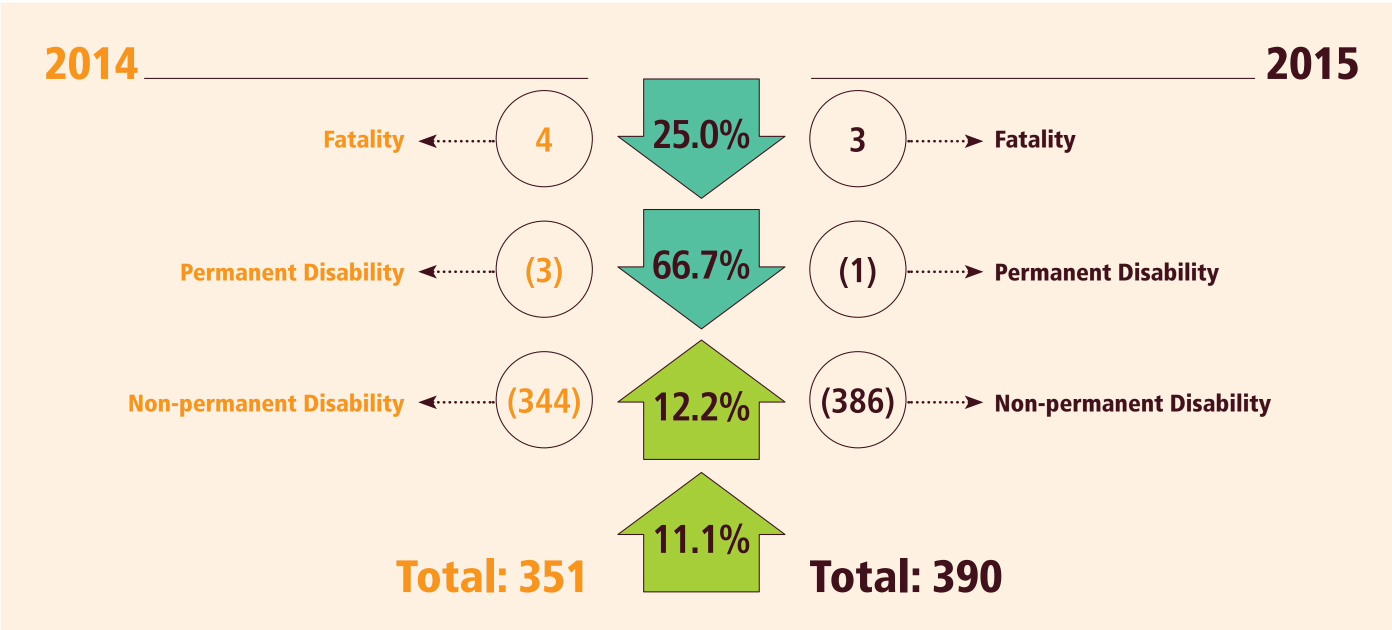
Another recently-acquired company, Pontian United Plantations (PUP) is also among the companies where safety management is a key focus in order to reduce its incident rate - the ratio of incidents per 1,000 employees. We are positive that we can effect this transformation based on existing showing from our upstream plantation arm, FGV Plantations Malaysia Sdn Bhd which has succeeded to maintain a low accident rate of only four percent. This is a commendable achievement given that palm oil is our dominant business, employing 43,773 workers and operating 216 workplaces.

All in all, the cost of accidents totalled RM277,126 and caused 15,316 Lost Man-days to the Group, compared to 27,284 in 2014. 18 dangerous occurrences were recorded which did not result in death or injury but nonetheless, incurred losses to the tune of RM4,295,350.

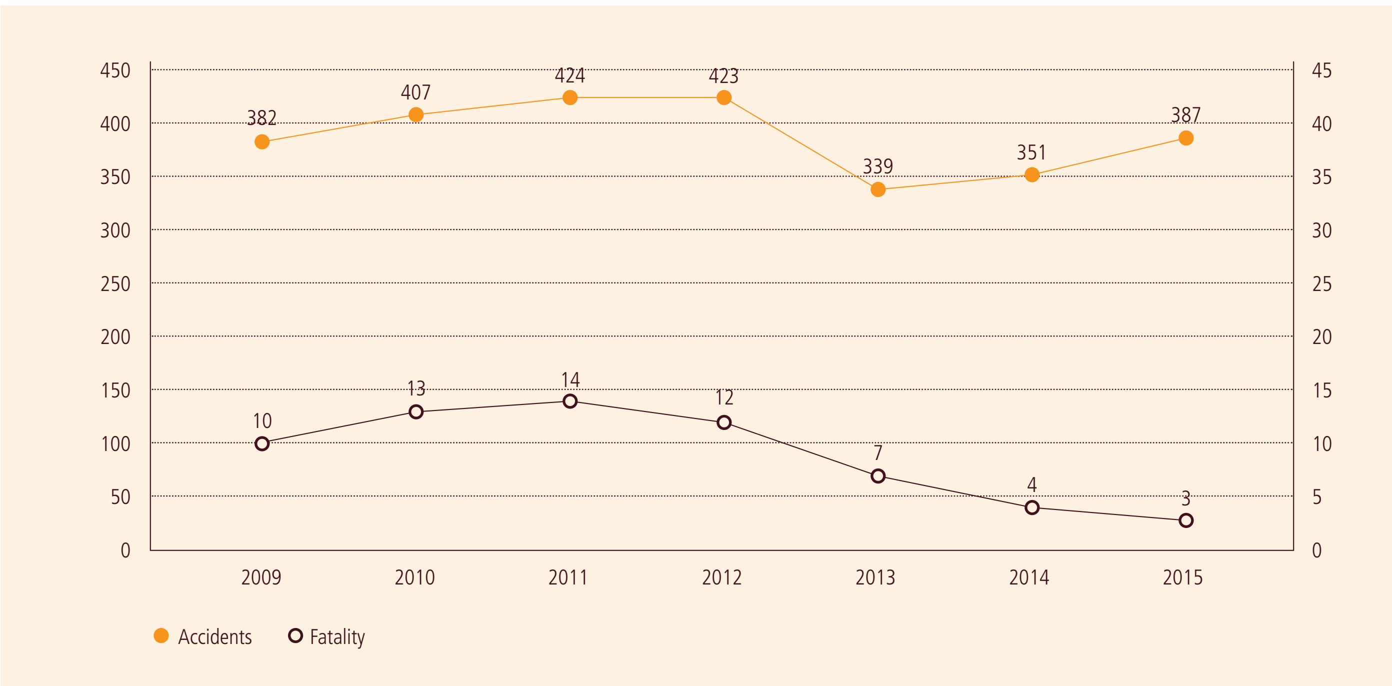
Note:
* *This data has been independently audited. Read the Independent Assurance Report on pages 361 to 363.*

Taking Safety and Health to the Next Level

FGV Group Accident Report 2014-2015



7-year safety performance



Taking Safety and Health to the Next Level

ACCIDENT PREVENTION

In line with our aim to have zero fatalities at FGV Group, accident prevention is an on-going effort. This takes the form of, among others, accident monitoring, accident investigations, Root Cause Analysis of incidents and enhancing effectiveness of Safety & Health Committees.

A year-long audit programme sees the Group's Safety & Health Officers (SHOs) embedded at the different localities making site visits to their projects, complemented by Level 2 audits by Corporate HSE Department. Of the latter, 61 audits were conducted in 2015. These employ an audit-and-guide approach. They aimed less at fault-finding, but rather, at identifying legal compliance and system conformance coupled with hand-holding to help the workplaces to improve their total safety management. The findings of the Level 2 audits showed that all the sites exceeded the acceptable level in legal compliance, system conformance, accident prevention, operational control and awareness levels. Findings of the audits were further analysed to determine the contributory factors.

As an added measure, in 2015, we introduced Level 1 Audits involving site visits by members of the HSE Steering Committee, comprising business Chief Executive Officers and Heads. While these are aimed more at assessing the quality of HSE leadership at that particular workplace, it has the added benefit of demonstrating top management commitment to safety while connecting ground-level operatives with policy and decision makers in FGV Group.

MANAGEMENT OF HSE IN FGV GROUP

The Group's safety performance and other HSE-related issues are deliberated upon at a meeting of the HSE Steering Committee once every three months. The HSE Steering Committee is chaired by the Chief Human Resources Officer who then brings major issues, if any, to the attention of the Group President/Chief Executive Officer and FGV EXCO. The other members of the Committee comprise representatives of all the business clusters - mostly Chief Executive Officers of subsidiary companies - as well as Felda Security; and the Chief Risk Officer while Corporate HSE Department acts as a Committee Secretariat. The HSE Steering Committee provides direction, top level support, cluster perspective on safety matters as well as help to facilitate cross-Cluster initiatives.

In all HSE matters in FGV Group, Corporate HSE department plays a leading role – monitoring overall safety performance, developing strategies and galvanising subsidiary companies to implement various programmes to enhance the Group's safety performance.

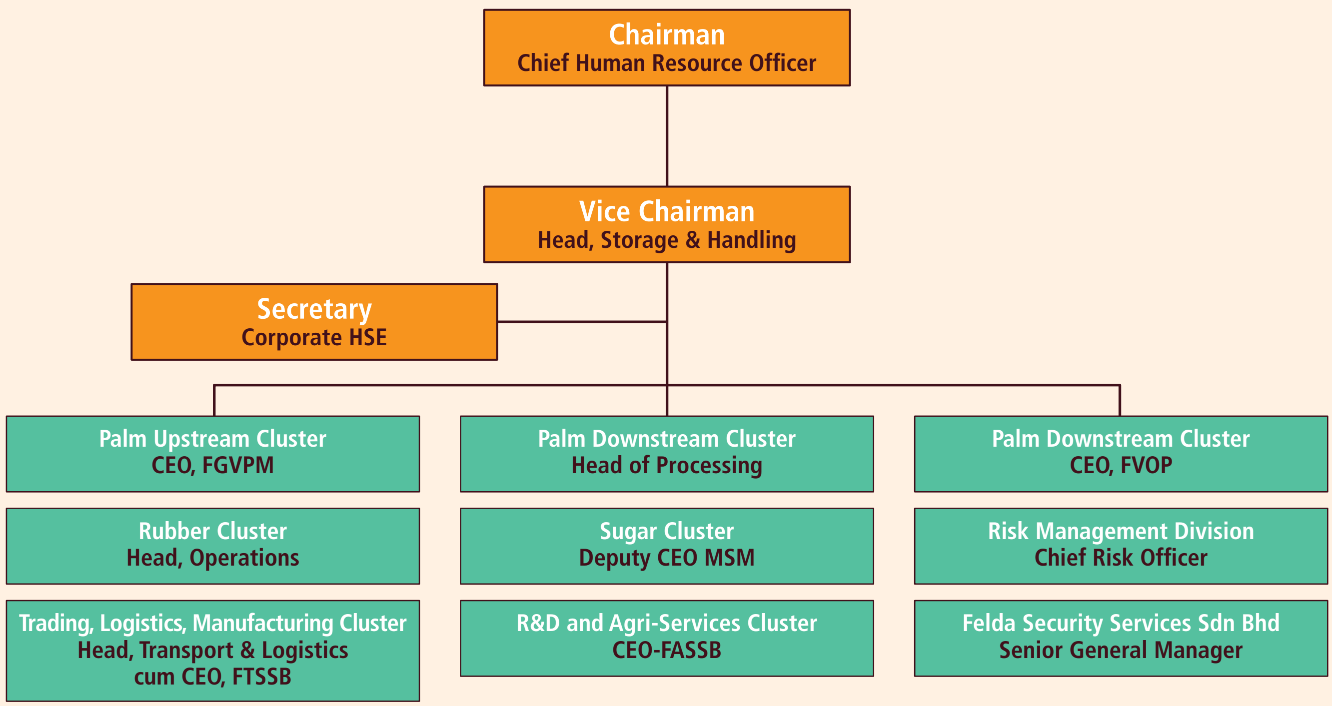
In this, it is supported by a 18-member HSE Management Committee comprising executives from Corporate HSE and representatives of major subsidiaries – which meets also once every three months. The subsidiary safety officers are, in turn, assisted by Safety & Health Committees at the respective workplaces.

In a move that goes beyond mere compliance, FGV Group also employs 35 "Green Book" Safety and Health Officers (SHOs), registered as competent by the Department of Safety & Health (DOSH). This meets the ratio of one SHO per 500 employees spelled out by the law for mandated industries, although it is not mandated for companies in the agricultural sector like FGV Group.

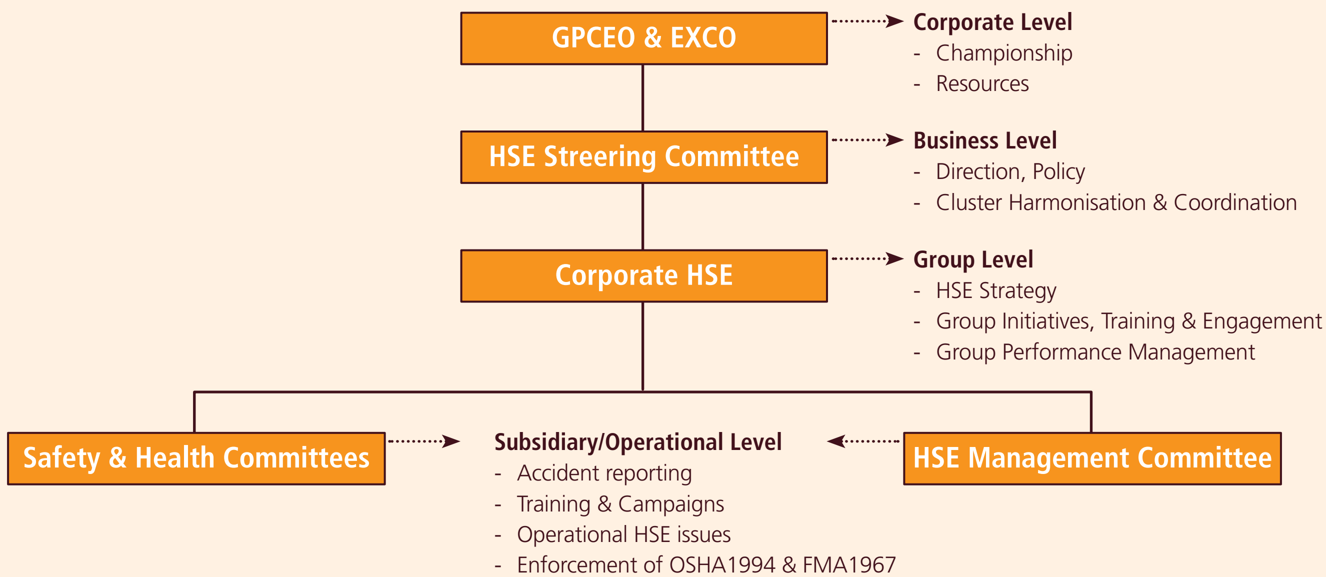
Thus, a practical and effective framework is in place at top management, Group and then subsidiary company and operational levels to manage safety; upwards and downwards, at FGV Group.

Taking Safety and Health to the Next Level

Composition of FGV HSE Steering Committee



FGV Group's HSE Management Framework



Taking Safety and Health to the Next Level

CERTIFICATION, COMPLIANCE AND AWARDS

In an effort to enhance HSE Management System in FGV Group to be in line with global best practices, FGV attained the Occupational Health and Safety Assessment Series (OHSAS) 18001:2007 certification in 2015. To date, 89 work premises in the Group have attained OHSAS 18001 certification and 78 have attained ISO14001 Certification.

We have begun a programme to ascertain compliance with legal requirements on HSE chiefly the regulations set out in Occupational Safety & Health Act 1994 and the Factory and Machinery Act 1967 as well as other applicable legislations. For a start, Legal Registers are being developed for the Business Clusters following legal awareness workshops held for 128 employees for 56 projects. These will be used to check and then, ensure compliance with the various laws to strengthen Safety Management Systems in the Group.

This initiative notwithstanding, FGV companies' safety management systems and performance is something to be proud of, if the Malaysian Society of Occupational Safety & Health (MSOSH) Awards is anything to go by. All 16 projects we entered for the MSOSH Award, won awards with three (two oil palm estates and one bulking installation) being awarded Gold Class 1 awards.

Within the Group, in April 2015 FGV introduced a President's Award for Safety in order to raise the bar among its employees, workers and third parties. Awards will be given out in 2016 for CEO of the Year, Best Project, Best Safety & Health Committee and Best Contractors with regard to HSE.

RISK MANAGEMENT

We apply an inclusive risk management programme that also involves contractors and vendors and not just our employees and workers. Contractor Safety Workshops are held to educate them about their responsibilities as employers under OSHA 1994 as well as to equip them to perform Hazard Identification, Risk Assessment and Determining Control (HIRADC). Corporate HSE Department works closely with Group Procurement to ensure that safety and health elements are built into procurement policies of the Group as well as service contracts. In addition, Permit to Works are developed for use before performing high risk jobs while workers are encourage to conduct Job Safety Analysis.

Where the work involves chemicals deemed hazardous to health, FGV conducts a Chemical Health Risk Assessment (CHRA) once every 5 years to determine its risk factors, thereby, appropriate mitigating measures. FGV has its own qualified Chemical Health Risk Assessor who is certified competent by Malaysia's Department of Safety and Health. Of the 14 subsidiary companies where CHRA applies, 13 companies had conducted CHRA for all its premises in 2015. Altogether the Group has conducted in excess of 60 CHRAs mostly involving its plantation business – one of Malaysia's largest - which comprise 146 oil palm estates and 71 mills.

Depending on the outcome of the CHRA, FGV performs Chemical Exposure Monitoring at identified worksites on an annual basis. Where required, workers exposed to chemicals at work are subjected to an annual Medical Surveillance at the hands of an Occupational Health Doctor. In 2015, this was done at 11 premises. The Medical Surveillance will determine whether it is necessary to afford the worker medical protection, or transfer him to another activity area. Where practicable, the Company may even substitute the chemical to reduce the health risk.

Where other forms of hazard control are not practicable or sufficient, FGV supplies Personal Protective Equipment (PPEs) to its employees and workers at no cost to them. Various Standard Operating Procedures are in place governing the distribution, use, storage and maintenance of PPE. Training is also given on the safe and proper use of PPE and repeated at scheduled intervals in order to protect employee health when working with and exposure to hazardous chemicals.

Meanwhile, FGV carries out Noise Monitoring regularly at some factories and workshops; accompanied by the suitable control measure to reduce any risk from this hazard and to create a comfortable working environment. It completed 32 such exercises in 2015. 42 Audiometric Testing were conducted at workplaces with noise levels higher than the actionable exposure limits, as specified under OSHA 1994. Depending on the results of the tests, they are repeated within three months, every year or bi-annually. Indoor Air Quality Surveys are also done periodically, especially in office or closed work environments with limited air circulation such as laboratories.

CAPACITY BUILDING & TRAINING

The key to implementing effective HSE management is having the human capital who are knowledgeable, trained and competent. With this in mind, Corporate HSE as well as individual companies within FGV Group conduct numerous capacity-building and training programmes throughout the year.

These range from general awareness programmes (*OSH Legal Requirements, Road Safety, OHSAS 18001, Effective Safety & Health Committees, Ergonomics, Mental Stress*), those aimed at equipping employees with technical skills (*Chemical Safety, HIRADC Training, Fire Fighting Training, Safe Motorcycle Riding, First Aider*) to those aimed at acquiring specific technical competencies (*Safety & Health Officer Course, Lead Auditor Course, Authorised Entry Standby Person, Permit To Work, Working at Heights*). Some of the programmes are conducted by internal trainers while others are conducted by personnel from National Institute of Occupational Safety & Health, Social Security Organisation and OSH consultants with industry-wide experience.

FGV had a packed training calendar in 2015, with Corporate HSE organising 67 training programmes involving 1,996 persons while the subsidiary companies, collectively, organised 1,108 programmes involving 64,580 persons.

Taking Safety and Health to the Next Level

ENGAGEMENT

3-day Celebration to Mark ILO's World Day for Safety & Health

A key element of FGV's HSE policy stipulates that it will endeavour to engage with all Stakeholders as a means to create a safe and healthy environment at our various premises. To this end, various programmes have been organised. A first for FGV Group is the inaugural World OSH Day celebration held over three days in April, 2015 to commemorate the International Labour Organisation's (ILO) World Day for Safety and Health on 28 April.

Various activities were lined up such as exhibition booths, blood donation, a Qi-Gong workshop, reflexology booths, talks on "Safety from the Islamic Perspective" as well as "Fire Safety in the Home", a Personal Safety Workshop especially for the benefit of female employees and various competitions. The central event was a one-day conference whose speakers comprised luminaries from both the public and private sectors including multi-national organisations.

Healthy Community Empowers the Nation

In 2014, we became the first private sector organisation to launch a "Komuniti Sihat Perkasa Negara" (KOSPEN) programme at Serting District about 2.5 hours from Kuala Lumpur, involving some 3,000 employees, their families, the community and foreign workers.

The programme is run in collaboration with the Ministry of Health. It sets out to reduce the incidence of Non-Communicable diseases such as diabetes, heart attacks and stroke by empowering the community to implement early intervention to reduce health risk factors. A risk profile of the target populace is derived from a health screening exercise conducted at the start of the programme. Various initiatives – health education, awareness programmes, nutritional counselling and physical activities - are organised for the medium risk group while the high risk group is referred straightaway to local government health clinics for direct case management.

This pilot programme has garnered such widespread appeal and demonstrated visible benefits that FGV extended this programme to a second location, Pasir Gudang in southern Peninsular Malaysia in November 2015. This time around, about 1,000 staff and workers at five of its subsidiary companies are the target beneficiaries. The FGV KOSPEN project also has caused other similarly large organisations to show interest to implement the programme at their own workplaces.

HSE Plantation Caucus

Recognising that ensuring safety and health at the workplace requires a concerted effort, FGV initiated an HSE Plantation Caucus in 2015, an informal networking platform for HSE professionals embedded in large plantation companies to come together for mutual interest. Among the companies which participated in this caucus are Sime Darby, Kulim Plantations, Boustead Plantations and Genting Plantations. Fittingly, FGV was appointed to take up the first Chairmanship of this caucus, a position which would be rotated annually among the companies. In 2015, there were two such meetings whereby issues such as management reporting and operational safety were discussed.

Taking Safety and Health to the Next Level

OSH in School

FGV is the lone company in Selangor that was selected to participate in Department of Safety & Health's (DOSH) OSH in School programme. Part of its OSH Masterplan 2015, the programme saw FGV paired with Kolej Vokasional Klang with a view to introduce and inculcate OSH in institutions of learning. FGV's HSE team conducted safety audits and workplace inspections, conducted a Chemical Health Risk Assessment, organised first-aid workshops and chemical safety training programmes and contributed funds towards putting up safety signs and billboards. FGV also mooted the idea for and financed the creation of a "Kelab Rakan OSH". To take off in 2016, some of the activities envisaged for the Club are educational visits, competitions and an OSH hub in the college's premises.

Lending our expertise for National Biogas Safety Guidelines

Given that FGV is one of the forerunners in newly-emerged green technologies, we had been called upon to help draft the National Biogas Guidelines. FGV is only one of two private sector organisations involved. Other members of the committee are SIRIM, Sustainable Energy Development Authority (SEDA), National Institute of Occupational Safety and Health (NIOSH), DOSH, Sime Darby and the Malaysian Palm Oil Board (MPOB).

The guidelines are expected to be issued in 2016.

Engaging with key Stakeholders

OSH in Malaysia comes under the purview of the department of Occupational Safety & Health, under the Human Resources Ministry which establishes requirements for OSH practices, promotes it and enforces compliance to OSH legislation and guidelines. As part of on-going efforts to build and sustain cordial relations with this key Stakeholder, FGV paid a courtesy visit to the Director General of DOSH in June – during which we met other senior DOSH officials and discussed common issues. FGV also participated in informal events such as DOSH-organised friendly bowling matches. FGV also works closely and co-operate with other HSE players like National Institute of Safety & Health (NIOSH), Social Security Organisation (SOCSO), Malaysian Society of Occupational Safety & Health (MSOSH), certification bodies, technical consultancies and many others.

Competitions

Throughout 2015, several competitions were organised. Some were in conjunction with the existing programmes such as the case was with the poetry competition, the slogan competition, the selfie competition and the Safety Hunt. These were instruments to create awareness of and drum up participation in FGV's World OSH Day celebrations.

Other competitions were designed to educate employees so as to enable them to play their role in the company's management system certification bid. For example, in November 2015, 22 teams participated in FGV's Amazing Safety Contest. Modelled after The Amazing Race, the contest had participants completing various safety-related tasks at 12 designated pit-stops in and around Menara Felda such as stairwells, the cafeteria, the gym, meetings rooms and emergency assembly point as a means of getting them to learn by 'doing'.

EMERGENCY RESPONSE MANAGEMENT

FGV initiated the formation of an Emergency Response Team at Menara Felda which was registered with Jabatan Bomba dan Penyelamat in 2015. Its 92 members comprise Medic teams, Equipment teams, Fire-fighters, Search & Rescue personnel, Floor Wardens and Security personnel.

They underwent a series of training programmes aimed at equipping them with competencies such as Basic Fire-fighting, Emergency Response planning, First Aid and Fire Safety. On June 11, the team conducted the first Fire Drill at Menara Felda to test its emergency preparedness. To date, FGV Group also has 14 Bomba Sukarela teams established at its operational zones. These were formed to be able to provide immediate and trained fire-fighting and related services to our operations which lie at a distance to the emergency services.

Taking Safety and Health to the Next Level

ENVIRONMENT

Given the size and reach of its business, FGV's operations have always had an impact on the environment especially in terms of air emission, effluent water discharge and scheduled waste generated from its activities. Continuous monitoring is conducted to ensure FGV's operations comply with the requirements of Environmental Quality Act 1974. In addition, competent persons are trained to fulfil the legal requirement and to monitor the activities which have an impact on the environment. Preventive efforts towards minimising the impact such as implementing ISO 14001, installation of monitoring equipment, introducing spillage control equipment and devices, and instilling awareness through educational and promotional programmes are continually being conducted at work sites.

TRACEABILITY

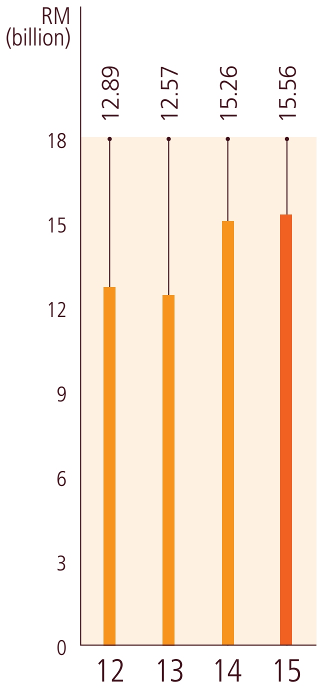
Traceability is an important element especially so in the palm oil industry, where the oil palm supply is very complex. Without traceability it is difficult to ensure the sustainability of oil palm products. With more and more customers seeking sustainability status for the entire delivery, it is being a major challenge to the industry especially those buying FFB from third parties like FGV. Currently we are able to trace all our FFB and PK up to its supplying mills but tracing to plantation of origin has been difficult for external crops. Although it is a challenge, FGV is committed in getting our sources fully traceable in near future. In line with this, FGV has signed a memorandum of understanding (MoU) in December 2015 with US consumer goods giant Procter & Gamble (P&G) and five other organisations to develop a model to ensure palm oil sustainability, especially deforestation-free palm oil, palm kernel oil and their derivatives. This commitment represents a starting point to understand where our palm oil originates from. We have embarked on a pilot project to map our entire supply based to the plantation of our origin in three of our mills with the counterparts.

HSE LOOKING AHEAD

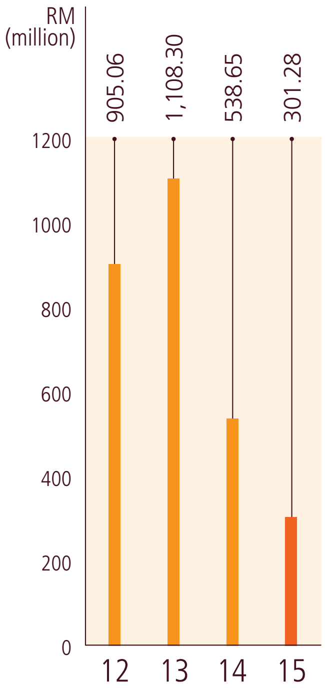
FGV recognises that to maintain its safety performance requires vigilance by all parties involved, technical competencies and a well-defined and organised framework to guide planning and implementation. With this in mind, more initiatives have been planned with some already being undertaken to address any inadequacies. HSE objectives as spelled out in its HSE Policy are to, among other things, eliminate accidents, dangerous occurrences, environmental impact, pollution and accidental poisoning as well as create an HSE-centric culture. As an organisation with global aspirations, FGV aims to emulate best-practices across the globe, balancing business goals with environmental interests and acting responsibly to ensure the well-being of all its employees, workers and others.

4-Year Financial Summary

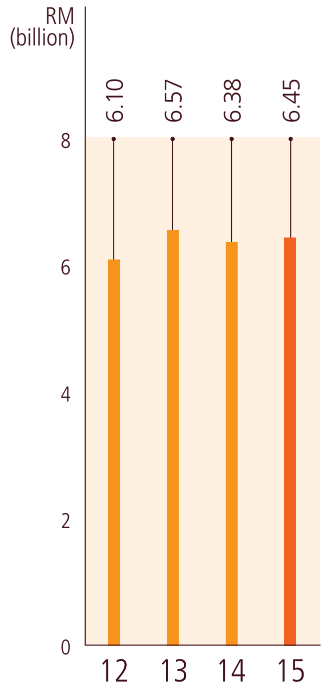
Revenue



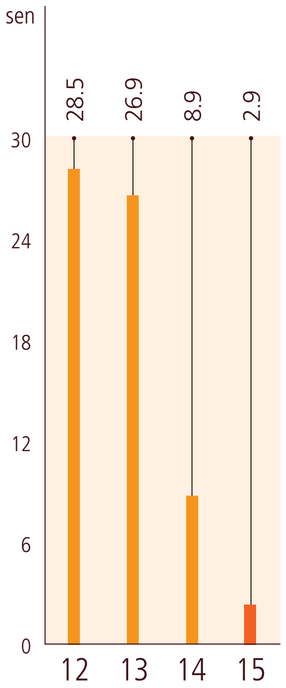
Profit for the Financial Year



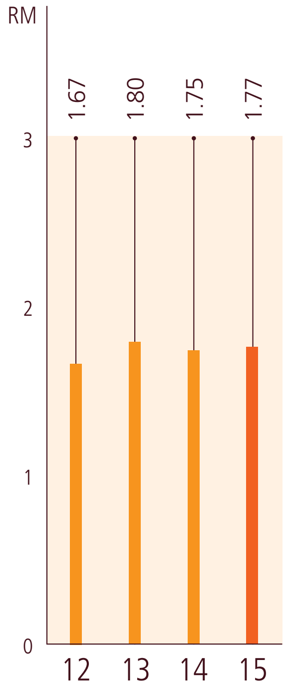
Shareholders' Funds



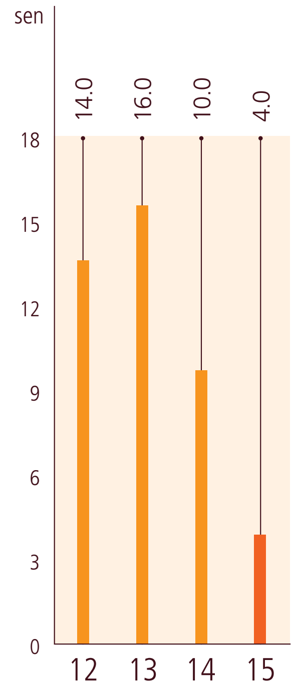
Earnings per Share



Net Assets per Share



Total Dividend per Share for the Year



Chief Financial Officer's Statement

Dear Shareholders,

2015 proved to be a challenging year for our Company, but the diversity of our asset portfolio and our ability to respond decisively to the volatile and uncertain global economic environment provided a bedrock of resilience.

Ahmad Tifli Dato' Haji Mohd Talha
Group Chief Financial Officer

REVENUE
(2015)

RM15.56 BILLION

▲2% due to higher volume of CPO sold

OPERATION

Replanting exercise has shown positive results

Executing Group wide cost optimisation initiative since 2014; and

Expanding downstream business to minimise reliance on Upstream business.

CPO PRICE
(2015)

▼8%

RM2,210 PER MT

OVERVIEW OF FINANCIAL YEAR 2015

Financial year 2015 was a pivotal and challenging year for FGV, marked by lower CPO prices and environmental effects, such as El Nino. This, along with sluggish global economic growth and increased volatility in oil prices and exchange rates, resulted in the Group recording a Profit After Tax of RM301.28 million, a reduction of 44% from FY14. Despite the obvious challenges, our Company saw respite in our trading take-off, procurement cost drives and downstream turnarounds.

Our Transformation Programme helped prepare us for the challenges faced at present. Hedged on the three focal pillars of Enhancing Revenue, Cost Optimisation and Operational Excellence, our Company managed to hold steadfast against strong headwinds.

Our drive for Best Management Practices has shown delivery of efficiencies in trials with selected Estates. The success of this pilot scheme will be replicated to a larger number of estates in 2016. Additionally, further enhancement of near-term revenue will be harnessed through the launch of our Trading Business, where our Company enters as a credible player in a new market.

Chief Financial Officer's Statement

FINANCIAL PERFORMANCE

The Group recorded a revenue of RM15.56 billion for the year under review, compared to RM15.25 billion in the preceding year. This reflects a rise of 2%, primarily due to the higher external CPO sales volume of 17%.

However, PATAMI, reduced to RM107 million, as a result of several factors.

- Lower average CPO price of RM2,210 per MT compared to RM2,410 per MT in 2014;
- Lower OER of 20.91% compared to 21.01% achieved in 2014;
- Increase in administrative expenses mainly due to foreign exchange loss incurred;
- Decrease in finance income by 64%; and
- Increase in fair value charges of Land Lease Agreement (LLA) to RM225 million in 2015 compared to RM115 million in 2014.

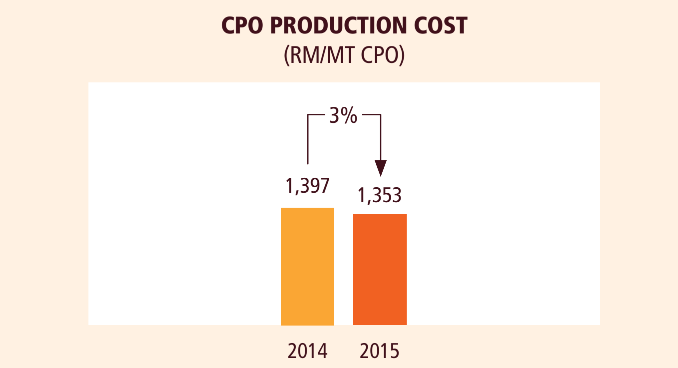
Income Statement (RM million)	**YTD 2015**	**YTD 2014**
Revenue	15,559	15,258
Cost of sales	(13,697)	(13,054)
Gross profit	1,862	2,204
Operating profit (before LLA)	662	1,111
LLA liabilities (Fair value changes)	(225)	(115)
Associates & JV	69	31
PBT (& zakat)	**379**	**971**
Profit from continuing operations	227	680
Profit/(loss) from discontinued operations*	75	(141)
NET PROFIT (PAT)	**301**	**539**
PATAMI	**107**	**325**
EPS (sen)	2.9	8.9

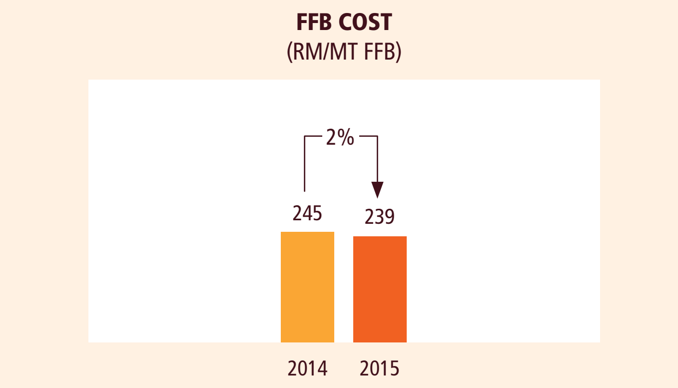
Chief Financial Officer's Statement

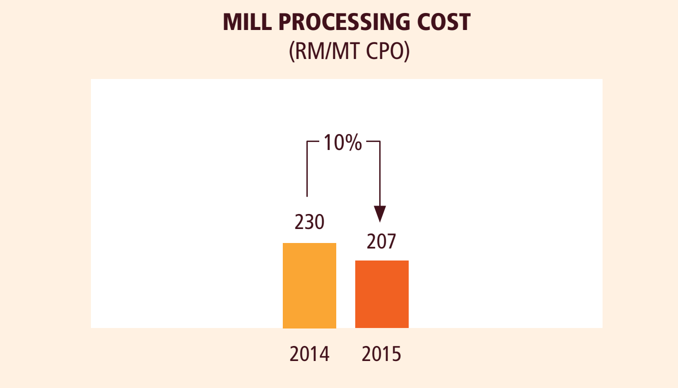
OPTIMISING OUR BUSINESS

During the year under review, our cost optimisation initiatives returned positive results with recorded reductions in administrative expenses at Group level, savings achieved through procurement optimisation efforts and revenue enhancements in our Palm Downstream Cluster. Our ambition to aggressively replant on average of 15,000 ha per annum, in view of improving our crop age from its average of 15.8 years to 12.7 years by 2020 further ensure better revenue streams.

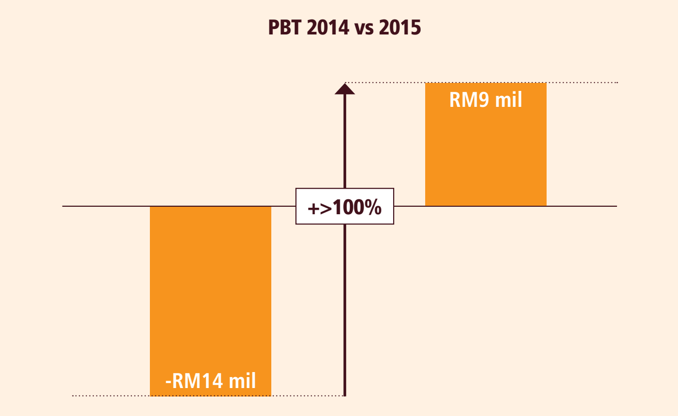
Cost Optimisation







Turnaround of Palm Downstream Cluster performance from loss of RM14 million to profit of RM9 million YoY.



Optimum age in the next coming 4 years through aggressive replanting.

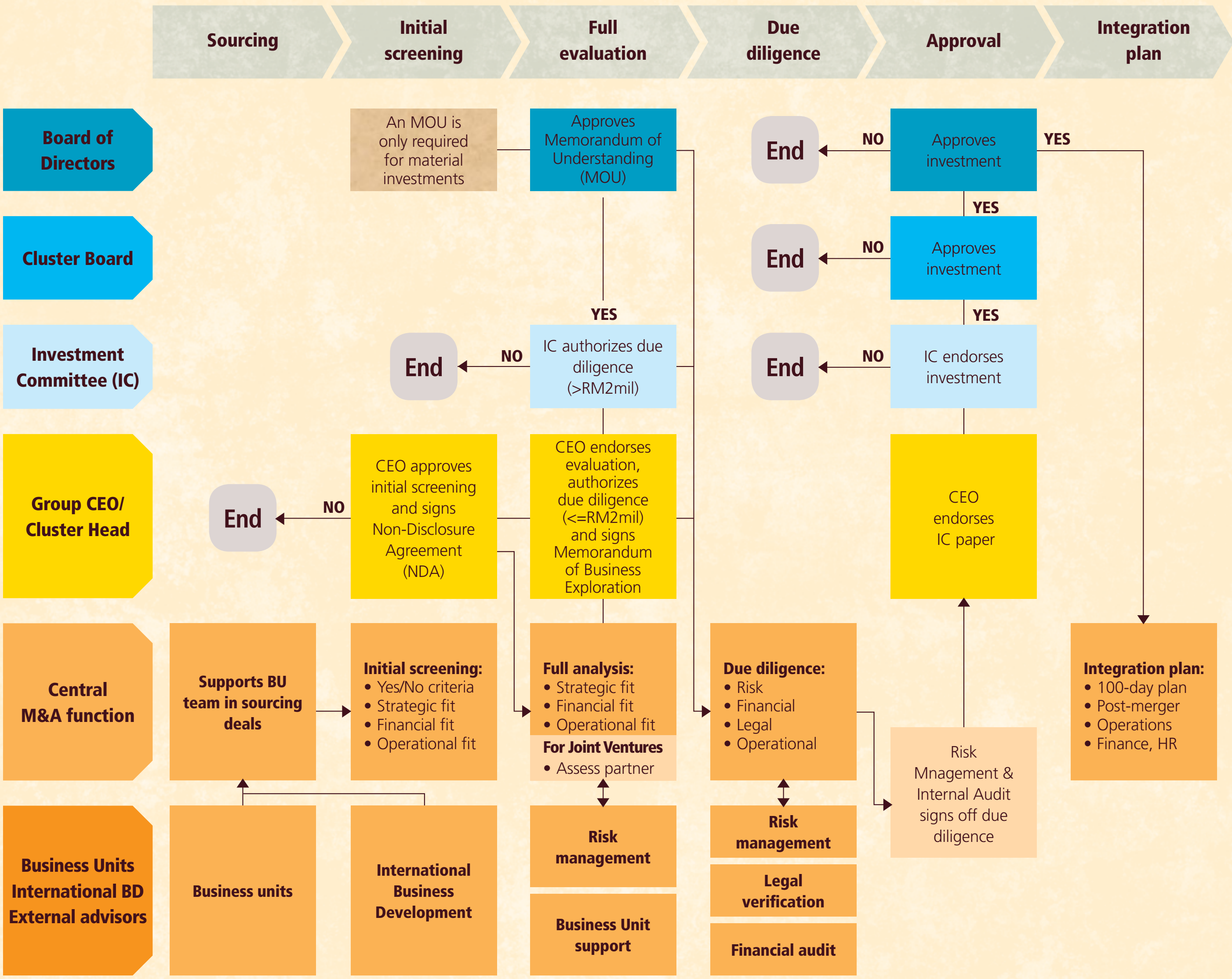
Average Age profile for palm plantation is expected to improve by almost 20% by 2020 as a result of the aggressive replanting programs

In our efforts for continual rationalisation to improve efficiency and save future associated costs in maintaining entities, the Group has, during the year under review appointed liquidators and placed seven (7) dormant subsidiaries under a Member's Voluntary Winding-Up petition.

Chief Financial Officer's Statement

MERGERS AND ACQUISITIONS

Mergers and Acquisitions (M&A) were explored during the year under review to push forward our GSB ambitions. Consequent to any major strategic decision, the Group followed a stringent set of guidelines, which conform to our governance and risk structures and decided through a tiered approval process. Our M&A processes are deliberate in its intricacies and details and is to ensure that the Group attains the greatest value for both Shareholders and Stakeholders alike.



Note: Decision by Cluster CEO or Group CEO will be based on DAL, decision by Cluster Board or main Board of Directors will be based on DAL

Chief Financial Officer's Statement

DIVIDENDS

At 31 December 2015, the dividend cover was 0.73 (31 December 2014: 0.89). The FGV Board of Directors declared a final single tier dividend of 2.0 sen bringing the total dividend for the 2015 financial year to 4.0 sen (2014: 10.0 sen). The dividend demonstrates our commitment to return value to Shareholders, despite a challenging environment.

OUTLOOK FOR 2016

Despite predictions of continuing global economic uncertainty and geopolitical tensions, the underlying fundamentals of our business remain attractive over the long term.

We remain focused on factors within our control: volume growth, margin improvement and cost containment.

Global economic growth is expected to continue at a moderate and uneven pace over the near term. We expect commodity prices to be marginally positive. The ringgit exchange rate is expected to be under pressure mainly as a result of potential US interest rate increases as well as concerns with regards to the Malaysian economy and its rate of growth.

We remain on track to deliver on our expectations for improved operational performance and resilient margins. We aim to progress cost optimisation initiatives and to contain costs.

Our balance sheet remains strong and is again testament to our commitment to deliver value. We will continue to manage each of our value drivers diligently and create value for our Shareholders on a sustainable basis.

Ahmad Tifli Dato' Haji Mohd Talha
Group Chief Financial Officer

Financial Statements

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 2015.

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 changes 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	106,986	283,004
Non-controlling interests	194,291	-
Profit for the financial year	301,277	283,004

DIVIDENDS

Dividends on ordinary shares paid or declared by the Company since 31 December 2014 are as follows:

	RM'000
In respect of the financial year ended 31 December 2014:	
- Final single tier dividend of 4.0 sen per share, paid on 10 July 2015	145,926
In respect of the financial year ended 31 December 2015:	
- Interim single tier dividend of 2.0 sen per share, paid on 28 December 2015	72,963
Total	218,889

The Board of Directors are recommending the payment of a final single tier dividend of 2.0 sen per ordinary share amounting to RM72.96 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.

Directors' Report

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	
Dato' Mohd Zafer Bin Mohd Hashim	
Dato' Mohamed Suffian Bin Awang	
Datuk Hj. Faizoull Bin Ahmad	(Retired on 16 June 2015)

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 1.1.15	**Acquired**	**(Disposed)**	**At 31.12.15**
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	-	(145,000)	5,000

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 1.1.15	**Acquired**	**(Disposed)**	**At 31.12.15**
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:

(a) 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

(b) 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:

(a) 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

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

(c) 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:

(a) 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

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

Directors' Report

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 29 March 2016.

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 182 to 346 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 2015 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 347 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 29 March 2016.

TAN SRI HJ MOHD ISA DATO’ HJ ABDUL SAMAD
CHAIRMAN

DATO’ MOHD EMIR MAVANI ABDULLAH
DIRECTOR

Kuala Lumpur

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 182 to 346 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 29 March 2016, before me.

COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
No: W626
MALAYSIA
Lot 5.30, Tingkat 5
Wisma Central

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 182 to 346, which comprise the statements of financial position as at 31 December 2015 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 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of 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 347 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
29 March 2016

WHO WE ARE & WHAT WE DO
OUR STRATEGIC INTENT & PERFORMANCE
HOW WE ARE GOVERNED
ADDRESSING OUR RISKS & OPPORTUNITIES
CREATING SUSTAINABLE VALUE
OUR NUMBERS
ADDITIONAL INFORMATION
DETAILS OF THE ANNUAL GENERAL MEETING

Statements of Comprehensive Income

For The Financial Year Ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Continuing operations					
Revenue	6	**15,558,769**	15,258,162	**674,884**	762,765
Cost of sales		**(13,696,615)**	(13,054,124)	**(79,415)**	(53,120)
Gross profit		**1,862,154**	2,204,038	**595,469**	709,645
Other operating income	7	**182,849**	217,050	**6,456**	47,711
Selling and distribution costs		**(302,161)**	(339,037)	**-**	-
Administrative expenses		**(1,064,388)**	(848,869)	**(208,600)**	(175,847)
Other operating expenses	8	**(48,378)**	(111,452)	**(4,164)**	(143)
Other losses, net	9	**(192,812)**	(125,678)	**-**	-
Operating profit		**437,264**	996,052	**389,161**	581,366
Finance income	10	**47,237**	131,725	**-**	-
Finance costs	10	**(174,972)**	(187,648)	**(104,658)**	(134,475)
Share of results from associates	23	**19,036**	9,320	**-**	-
Share of results from joint ventures	24	**50,402**	21,375	**-**	-
Profit before zakat and taxation		**378,967**	970,824	**284,503**	446,891
Zakat	13	**(23,900)**	(13,184)	**-**	-
Taxation	14	**(128,433)**	(277,456)	**(1,499)**	3,609
Profit for the financial year from continuing operations		**226,634**	680,184	**283,004**	450,500
Discontinued operations					
Profit/(loss) from discontinued operations	15	**74,643**	(141,532)	**-**	-
Profit for the financial year	11	**301,277**	538,652	**283,004**	450,500
Other comprehensive income/(loss):					
Items that will not be reclassified to profit or loss					
Actuarial loss on defined benefit plan		**(327)**	(193)	**-**	(83)
Items that may be subsequently reclassified to profit or loss					
Currency translation differences		**150,879**	22,926	**-**	-
Share of other comprehensive income of associate		**5,413**	-	**-**	-
Share of other comprehensive (loss)/income of joint ventures		**(13,433)**	39,853	**-**	-
Fair value changes in available-for-sale financial assets		**20,692**	17,665	**-**	-
Realisation on foreign exchange on disposal of subsidiary		**37,945**	-	**-**	-
		201,496	80,444	**-**	-
Total other comprehensive income/(loss) for the financial year, net of tax		**201,169**	80,251	**-**	(83)
Total comprehensive income for the financial year		**502,446**	618,903	**283,004**	450,417

Statements of Comprehensive Income

For The Financial Year Ended 31 December 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit attributable to:					
Owners of the Company		**106,986**	325,487	**283,004**	450,500
Non-controlling interests		**194,291**	213,165	**-**	-
		301,277	538,652	**283,004**	450,500
Total comprehensive income attributable to:					
Owners of the Company		**289,503**	388,929	**283,004**	450,417
Non-controlling interests		**212,943**	229,974	**-**	-
		502,446	618,903	**283,004**	450,417
Total comprehensive income attributable to equity shareholders arises from:					
- Continuing operations		**214,860**	530,461	**283,004**	450,417
- Discontinued operations		**74,643**	(141,532)	**-**	-
		289,503	388,929	**283,004**	450,417
Basic and diluted EPS (sen)	17				
- From continuing operations		**0.9**	12.8		
- From discontinued operations		**2.0**	(3.9)		
		2.9	8.9		

Statements of Financial Position

As At 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000 (Restated)	Company 2015 RM'000	Company 2014 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	19	**6,532,749**	6,310,324	**38,561**	10,277
Investment properties	20	**137,334**	144,544	**8,207**	8,642
Intangible assets	21	**1,544,022**	1,547,316	**27,794**	6,144
Investment in subsidiaries	22	**-**	-	**9,331,164**	8,731,021
Interests in associates	23	**239,640**	215,754	**-**	-
Interests in joint ventures	24	**698,166**	745,042	**-**	-
Prepaid lease payments	25	**78,210**	49,961	**-**	-
Receivables	27	**459,325**	165,273	**-**	86,624
Amount due from subsidiaries	28	**-**	-	**12,602**	-
Amount due from a joint venture	28	**34,807**	-	**-**	-
Biological assets	29	**2,848,414**	2,791,969	**-**	-
Deferred tax assets	49	**1,282,189**	1,254,586	**24,873**	24,873
Available-for-sale financial assets	30	**314,861**	243,685	**-**	-
		14,169,717	13,468,454	**9,443,201**	8,867,581
Current assets					
Inventories	31	**2,078,372**	1,763,695	**-**	-
Biological assets	29	**57,494**	50,697	**-**	-
Receivables	27	**1,894,271**	1,089,410	**11,244**	20,080
Amount due from a significant shareholder	28	**101,555**	79,233	**-**	2,308
Amounts due from subsidiaries	28	**-**	-	**173,631**	101,761
Amounts due from joint ventures	28	**212,502**	328,941	**-**	-
Amount due from an associate	28	**85**	36	**-**	-
Amounts due from other related companies	28	**102,636**	63,964	**234**	1,571
Loan due from a subsidiary	36	**-**	-	**1,062**	1,062
Tax recoverable		**184,442**	129,407	**17,307**	18,891
Financial assets at fair value through profit or loss	32	**65,905**	21,431	**-**	-
Derivative financial assets	33	**1,388**	15,337	**-**	-
Deposits, cash and bank balances	34	**2,503,035**	3,673,415	**507,672**	629,119
		7,201,685	7,215,566	**711,150**	774,792
Assets held for sale	35	**16,420**	28,619	**-**	-
		7,218,105	7,244,185	**711,150**	774,792
Total assets		**21,387,822**	20,712,639	**10,154,351**	9,642,373

Statements of Financial Position

As At 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000 (Restated)	Company 2015 RM'000	Company 2014 RM'000
EQUITY AND LIABILITIES					
Capital and reserves					
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	**193,521**	(12,865)	**-**	-
Reorganisation reserve	40	**(2,088,969)**	(2,088,969)	**-**	-
Other reserves	41	**18,937**	42,508	**10,052**	10,052
Retained earnings	42	**1,303,521**	1,415,722	**279,509**	215,394
Equity attributable to owners of the Company		**6,446,847**	6,376,233	**7,309,398**	7,245,283
Non-controlling interests		**2,538,622**	2,447,532	**-**	-
Total equity		**8,985,469**	8,823,765	**7,309,398**	7,245,283
Non-current liabilities					
Borrowings	43	**407,549**	434,461	**-**	-
Loans due to a significant shareholder	44	**1,684,702**	1,980,405	**1,684,702**	1,980,405
Loans due to subsidiaries	45	**-**	-	**786,680**	-
Land lease agreement ("LLA") liability	46	**4,312,277**	4,309,308	**-**	-
Provision for asset retirement	47	**32,229**	30,610	**-**	-
Provision for defined benefit plan	48	**46,034**	39,720	**621**	540
Deferred tax liabilities	49	**724,619**	723,398	**-**	-
		7,207,410	7,517,902	**2,472,003**	1,980,945
Current liabilities					
Payables	50	**1,281,648**	1,417,503	**87,493**	52,642
Loans due to a significant shareholder	44	**208,588**	222,515	**208,588**	222,515
Loans due to subsidiaries	45	**-**	-	**46,449**	-
Amount due to a significant shareholder	28	**140,113**	240,444	**6,963**	6,623
Amounts due to subsidiaries	28	**-**	-	**23,390**	134,011
Amounts due to joint ventures	28	**31**	-	**-**	-
Amounts due to other related companies	28	**98,524**	9,136	**67**	354
Derivative financial liabilities	33	**1,858**	32,392	**-**	-
Borrowings	43	**3,142,870**	2,065,545	**-**	-
Provision for asset retirement	47	**687**	87	**-**	-
Current tax liabilities		**5,706**	11,829	**-**	-
LLA liability	46	**314,918**	371,521	**-**	-
		5,194,943	4,370,972	**372,950**	416,145
Total liabilities		**12,402,353**	11,888,874	**2,844,953**	2,397,090
Total equity and liabilities		**21,387,822**	20,712,639	**10,154,351**	9,642,373

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 December 2015

Group 2015	Note	Share capital (Note 37) RM'000	Share premium (Note 38) RM'000	Foreign exchange reserve (Note 39) RM'000	Reorganisation reserve (Note 40) RM'000	Other reserves (Note 41) RM'000	Retained earnings (Note 42) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2015		3,648,152	3,371,685	(12,865)	(2,088,969)	42,508	1,415,722	6,376,233	2,447,532	8,823,765
Profit for the financial year		-	-	-	-	-	106,986	106,986	194,291	301,277
Other comprehensive income/(loss) for the financial year, net of tax:										
Items that will not be reclassified to profit or loss										
- actuarial loss on defined benefit plan		-	-	-	-	-	(298)	(298)	(29)	(327)
Items that may be subsequently reclassified to profit or loss										
- currency translation differences		-	-	148,685	-	-	-	148,685	2,194	150,879
- fair value changes in available-for-sale financial assets		-	-	-	-	5,721	-	5,721	14,971	20,692
- share of other comprehensive income of associate		-	-	3,897	-	-	-	3,897	1,516	5,413
- share of other comprehensive income/(loss) of joint ventures		-	-	15,859	-	(29,292)	-	(13,433)	-	(13,433)
- realisation of foreign exchange on disposal of a subsidiary		-	-	37,945	-	-	-	37,945	-	37,945
		-	-	206,386	-	(23,571)	-	182,815	18,681	201,496
Total comprehensive income/(loss) for the financial year		-	-	206,386	-	(23,571)	106,688	289,503	212,943	502,446
Transactions with owners										
Accreation of interest in subsdiaries	56	-	-	-	-	-	-	-	20,637	20,637
Dividends paid for the financial year ended	16									
- 31 December 2014 (final)		-	-	-	-	-	(145,926)	(145,926)	-	(145,926)
- 31 December 2015 (interim)		-	-	-	-	-	(72,963)	(72,963)	-	(72,963)
Dividends paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	(142,490)	(142,490)
Total transactions with owners		-	-	-	-	-	(218,889)	(218,889)	(121,853)	(340,742)
At 31 December 2015		3,648,152	3,371,685	193,521	(2,088,969)	18,937	1,303,521	6,446,847	2,538,622	8,985,469

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 December 2015

Group 2014	Note	Share capital (Note 37) RM'000	Share premium (Note 38) RM'000	Foreign exchange reserve (Note 39) RM'000	Reorganisation reserve (Note 40) RM'000	Other reserves (Note 41) 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		3,648,152	3,371,685	(62,801)	(2,088,969)	23,791	1,679,150	6,571,008	2,358,245	8,929,253
Profit for the financial year		-	-	-	-	-	325,487	325,487	213,165	538,652
Other comprehensive income for the financial year, net of tax:										
Items that will not be reclassified to profit or loss										
- actuarial loss on defined benefit plan		-	-	-	-	-	(95)	(95)	(98)	(193)
Items that may be subsequently reclassified to profit or loss										
- currency translation differences		-	-	20,520	-	-	-	20,520	2,406	22,926
- fair value changes in available-for-sale financial assets		-	-	-	-	3,164	-	3,164	14,501	17,665
- share of other comprehensive income/(loss)of joint ventures		-	-	29,416	-	15,553	(5,116)	39,853	-	39,853
		-	-	49,936	-	18,717	(5,116)	63,537	16,907	80,444
Total comprehensive income for the financial year		-	-	49,936	-	18,717	320,276	388,929	229,974	618,903
Transactions with owners										
Acquisition of subsidiaries	22(c)	-	-	-	-	-	-	-	-	4,924
Dividends paid for the financial year ended	16									
- 31 December 2013 (final)		-	-	-	-	-	(364,815)	(364,815)	-	(364,815)
- 31 December 2014 (interim)		-	-	-	-	-	(218,889)	(218,889)	-	(218,889)
Dividends paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	(146,417)	(146,417)
Others		-	-	-	-	-	-	-	806	806
Total transactions with owners		-	-	-	-	-	(583,704)	(583,704)	(140,687)	(724,391)
At 31 December 2014		3,648,152	3,371,685	(12,865)	(2,088,969)	42,508	1,415,722	6,376,233	2,447,532	8,823,765

Statement of Changes in Equity

For The Financial Year Ended 31 December 2015

Company 2015	Note	Non-distributable Share capital (Note 37) RM'000	Non-distributable Share premium (Note 38) RM'000	Non-distributable Other reserve (Note 41) RM'000	Distributable Retained earnings (Note 42) RM'000	Total RM'000
At 1 January 2015		**3,648,152**	**3,371,685**	**10,052**	**215,394**	**7,245,283**
Profit and total comprehensive income for the financial year		-	-	-	**283,004**	**283,004**
Transactions with owners						
Dividends paid for the financial year ended:	16					
- 31 December 2014 (final)		-	-	-	**(145,926)**	**(145,926)**
- 31 December 2015 (interim)		-	-	-	**(72,963)**	**(72,963)**
Total transactions with owners		-	-	-	**(218,889)**	**(218,889)**
At 31 December 2015		**3,648,152**	**3,371,685**	**10,052**	**279,509**	**7,309,398**

Company 2014	Note	Non-distributable Share capital (Note 37) RM'000	Non-distributable Share premium (Note 38) RM'000	Non-distributable Other reserve (Note 41) RM'000	Distributable Retained earnings (Note 42) RM'000	Total 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:						
Items that will not be reclassified to profit or loss						
- actuarial loss on defined benefit plan		-	-	-	(83)	(83)
Total comprehensive income for the financial year		-	-	-	450,417	450,417
Transactions with owners						
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

Statements of Cash Flows

For The Financial Year Ended 31 December 2015

	Note	Group		Company	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the financial year		**301,277**	538,652	**283,004**	450,500
Adjustments for:					
Taxation		**128,433**	277,456	**1,499**	(3,609)
Zakat		**23,900**	13,184	**-**	-
Depreciation of property, plantand equipment		**459,008**	391,064	**5,261**	1,037
Impairment loss on property, plant and equipment		**10,856**	5,264	**-**	-
Reversal of impairment of property, plant and equipment		**(165,801)**	(16,379)	**-**	-
Property, plant and equipment written off		**30,280**	26,466	**1**	2,735
Gain on disposal of property, plant and equipment		**(470)**	(754)	**(2)**	-
Loss on disposal of property, plant and equipment		**121**	20,177	**-**	-
Depreciation of investment properties		**11,770**	11,746	**435**	73
Amortisation of intangible assets		**47,188**	33,526	**4,533**	1,652
Impairment loss on intangible assets		**40,243**	-	**-**	-
Intangible assets written off		**27**	272	**-**	-
Amortisation of prepaid lease payments		**3,581**	2,799	**-**	-
Impairment loss on prepaid lease payments		**-**	76	**-**	-
Reversal of impairment loss on prepaid lease payments		**(76)**	-	**-**	-
Prepaid lease payments written off		**1,166**	2	**-**	-
Biological assets consumed		**26,049**	33,566	**-**	-
Accelerated depreciation of biological assets		**6,055**	9,356	**-**	-
Accelerated depreciation of assets held for sale		**2,326**	-	**-**	-
Impairment loss on biological assets (net)		**-**	872	**-**	-
Impairment loss on amount due from a significant shareholder		**3,425**	2,066	**2,308**	-
Impairment loss on amounts due from other related companies		**2,244**	-	**1,725**	-
Balance carried forward		**931,602**	1,349,411	**298,764**	452,388

Statements of Cash Flows

For The Financial Year Ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Balance brought forward		**931,602**	1,349,411	**298,764**	452,388
Biological assets written off		**2,350**	3,590	**-**	-
Loss on disposal of assets held for sale		**1,414**	2,497	**-**	-
Reversal of impairment loss in a subsidiary		**-**	-	**-**	(12,391)
Gain on disposal of a subsidiary		**(13,016)**	-	**-**	-
Realisation of foreign exchange ondisposal of a subsidiary		**37,945**	-	**-**	-
Gain on disposal of a joint venture		**-**	(12,618)	**-**	-
Reversal of impairment loss oninvestment in joint ventures (net)		**-**	(58,797)	**-**	-
Gain on disposal of available-for-sale financial assets		**(1,899)**	-	**-**	-
Impairment of receivables (net)		**1,814**	180	**-**	-
Write down of inventory to net realisable value		**6,649**	13,605	**-**	-
Share of results from associates		**(19,036)**	(9,320)	**-**	-
Share of results from joint ventures		**(50,402)**	(21,375)	**-**	-
Net unrealised foreign exchange loss/(gain)		**34,320**	8,335	**(277)**	(8,360)
Dividends from subsidiaries		**-**	-	**(549,492)**	(606,538)
Dividends from available-for-sale financial assets		**(2,459)**	(4,283)	**-**	-
Finance expense		**182,528**	192,242	**104,658**	134,475
Finance income		**(47,251)**	(131,746)	**(3,594)**	(46,495)
Other losses, net		**199,156**	129,687	**-**	-
Provision for defined benefit plan		**7,850**	6,759	**81**	78
Provision/(reversal of provision) for asset retirement		**500**	(2,000)	**-**	-
Provision/(reversal of provision) of onerous contract		**30,067**	(13,890)	**-**	-
Reversal of impairment of loan due from other related company		**-**	(26,952)	**-**	-
Reversal of financial guarantee contract		**-**	-	**-**	(26,952)
Operating profit/(loss) before working capital changes		**1,302,132**	1,425,325	**(149,860)**	(113,795)

Statements of Cash Flows

For The Financial Year Ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Changes in working capital:					
Inventories		**(531,943)**	77,253	**-**	-
Receivables		**(887,160)**	306,122	**8,889**	(16,400)
Intercompany		**1,990**	(47,015)	**(140,263)**	(23,573)
Payables		**(141,480)**	(35,362)	**34,411**	33,192
Cash (used in)/generated from operation		**(256,461)**	1,726,323	**(246,823)**	(120,576)
Finance income		**42,763**	94,080	**3,541**	46,526
Taxation paid		**(229,198)**	(238,992)	**85**	(281)
Zakat paid		**(23,900)**	(13,184)	**-**	-
Retirement benefit paid		**(1,836)**	(1,840)	**-**	-
Net cash (used in)/generated from operating activities		**(468,632)**	1,566,387	**(243,197)**	(74,331)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(838,032)**	(652,150)	**(33,592)**	(4,502)
Purchase of investment properties		**(4,560)**	(8,774)	**-**	(8,715)
Purchase of prepaid lease payments		**(210)**	(11,788)	**-**	-
Additions of biological assets		**(90,168)**	(166,903)	**-**	-
Purchase of intangible assets		**(57,447)**	(16,338)	**(26,183)**	(1,831)
Purchase assets held for sale		**(161)**	-	**-**	-
Additions of financial assets at fair value through profit or loss		**(42,029)**	(10,718)	**-**	-
Proceeds from disposal of a joint venture		**-**	9,641	**-**	-
Advances to subsidiaries		**-**	-	**(150,219)**	-
Net cash outflow from acquisition of subsidiaries	22	**(92,903)**	(593,018)	**(94,714)**	(567,898)
Net cash inflow from disposal of a subsidiary	22	**548,239**	-	**-**	-
Additional investments in subsidiaries		**-**	-	**(226,458)**	(101,922)
Acquisition of an associate		**-**	(1,461)	**-**	-
Additions of available-for-sale financial assets		**(69,613)**	(715)	**-**	-
Balance carried forward		**(646,884)**	(1,452,224)	**(531,166)**	(684,868)

Statements of Cash Flows

For The Financial Year Ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES (CONTINUED)					
Balance brought forward		**(646,884)**	(1,452,224)	**(531,166)**	(684,868)
Payment for asset retirement obligations		**(72)**	(74)	**-**	-
Proceeds from disposal of property, plant and equipment		**7,261**	8,385	**48**	-
Proceeds from sales of biological assets		**-**	19,705	**-**	-
Proceeds from assets held for sale		**4,900**	95,825	**-**	-
Proceeds from sales of available-for-sale financial assets		**21,028**	-	**-**	-
Additional investment in a joint venture		**-**	(80,082)	**-**	-
Deposits for acquisition of subsidiaries		**(365,500)**	(86,624)	**-**	(86,624)
Dividend received from subsidiaries		**-**	-	**450,269**	776,739
Dividend received from joint ventures		**76,263**	45,725	**-**	-
Dividend received from associates		**270**	9,450	**-**	-
Dividend received from available-for-sale financial assets		**2,459**	4,283	**-**	-
Increase in restricted cash		**(382,904)**	(111,592)	**(382,904)**	(111,592)
Net cash used in investing activities		**(1,283,179)**	(1,547,223)	**(463,753)**	(106,345)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of loan to a significant shareholder		**(304,286)**	(499,286)	**(304,286)**	(499,286)
Drawdown of loan from subsidiaries		**-**	-	**831,322**	-
Drawdown of borrowings		**6,400,783**	5,524,256	**-**	-
Repayment of borrowings		**(5,106,034)**	(5,281,169)	**-**	-
Repayment of LLA liability		**(278,495)**	(336,401)	**-**	-
Dividends paid to shareholders		**(218,889)**	(583,704)	**(218,889)**	(583,704)
Dividends paid to non-controlling interests		**(142,490)**	(146,417)	**-**	-
Finance expense paid		**(168,057)**	(177,620)	**(105,825)**	(129,630)
Net cash generated from/(used in) financing activities		**182,532**	(1,500,341)	**202,322**	(1,212,620)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(1,569,279)**	(1,481,177)	**(504,628)**	(1,393,296)
Effect of foreign exchange rate changes		**15,995**	14,014	**277**	8,360
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		**3,561,823**	5,028,986	**517,527**	1,902,463
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	34	**2,008,539**	3,561,823	**13,176**	517,527

The effect of the discontinued operations to the Statements of Cash Flows is as disclosed in Note 15 (iv).

Statements of Cash Flows

For The Financial Year Ended 31 December 2015

Significant non-cash transactions:

(a) Financial year ended 31 December 2015

Company

(i) On 28 April 2015, the Company subscribed for 28,268,328 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 RM28,268,328. Subsequently, on 28 September 2015, the Company further subscribed for an additional 52,746,644 ordinary shares of RM1.00 each from FGVP, by conversion of an amount due from FGVP of RM52,746,644.

(ii) On 26 May 2015, the Company received dividend income from Felda Global Ventures Perlis Sdn. Bhd. ("FGV Perlis"), a wholly owned subsidiary of the Company, by conversion of an amount due to FGV Perlis of RM99,222,916.

(iii) On 7 September 2015, the Company subscribed for 111,332,252 ordinary shares of RM1.00 each from Felda Global Ventures Downstream Sdn. Bhd. ("FGVD"), a wholly owned subsidiary of the Company, by conversion of an amount due from FGVD of RM111,332,252.

(b) 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 FGVP, by conversion of an amount due from FGVP of RM24,406,589.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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

The financial statements 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 that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period.

It also requires Directors to exercise their judgment in the process of applying the Group and Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(i) Accounting pronouncements that are effective and have been adopted by the Group and the Company as at 1 January 2015:

- 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 benefit plans: employees contributions

The adoption of the Annual Improvements to FRSs 2010 – 2012 Cycle has required additional disclosures about the aggregation of segments. Other than that, the adoption of the above amendments to existing standards did not have any impact on the current or any prior year and are not likely to affect future periods.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2015

2 BASIS OF PREPARATION (CONTINUED)

(ii) Accounting pronouncements that are not yet effective and have not been early adopted by the Group and the Company:

Effective for annual periods beginning on or after 1 January 2016 with earlier application permitted

- Amendments to FRS 101 'Presentation of Financial Statements' - Disclosure initiative
- Amendments to FRS 116 'Property, Plant and Equipment' and FRS 138 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortisation
- Amendments to FRS 127 'Separate Financial Statements' - Equity accounting in separate financial statements
- 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 11 'Joint Arrangements' - Accounting for acquisition of interests in joint operations
- Amendments to FRS 10 'Consolidated Financial Statements', FRS 12 'Disclosure of Interests in Other Entities' and FRS 128 'Investment in Associates and Joint Ventures' - Investment entities: applying the consolidation exception
- Annual Improvements to FRSs 2012 – 2014 (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 2018 with earlier application permitted

- MFRS 9 'Financial Instruments'
- MFRS 15 'Revenue'
- Amendments to FRS 141 'Agriculture: Bearer Plants' (effective 1 January 2016, but adopted by the Group after 1 January 2018 upon MFRS adoption)

The effects of the above accounting pronouncements 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 acquire 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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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 prior financial years, which met the conditions of a merger have been 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 2015

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. See significant accounting policies Note 3(o) on impairment of non-financial assets.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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.

On disposal of the associates, the difference between net disposal proceeds and its carrying amount is charged/ credited to profit or loss.

(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.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2015

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 (continued)

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.

On disposal of a joint arrangement, the difference between net disposal proceeds and its carrying amount is charged/credited to profit or loss.

(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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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)

Classification (continued)

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

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.

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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)

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.

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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)

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 or 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.

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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)

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. See significant accounting policies Note 3(i) on borrowing costs. To the extent a legal or constructive obligation to a third party exists, the acquisition cost includes estimated cost of dismantling and removing the assets and restoring the site.

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.

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:

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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)

Property, plant and equipment	Estimated useful lives (years)
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. The effects of any revision of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise. During the financial year, the Group has revised the useful life of certain plant and equipment from 14 years to an average of 20 years. The revision was accounted for as a change in accounting estimate and as a result, the depreciation charge for current period was reduced by RM9,892,000.

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:

Investment properties	Estimated useful lives (years)
Leasehold land	50 to 99
Buildings	20 to 50

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

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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)

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 - 26 years
Licenses	9 - 18 years
Lease agreement	18 years
Customer relationships	9 years
Software	3 - 5 years
Intellectual property rights	10 years
Land use rights	35 years

Amortisation on intangible assets under development commences when the assets are ready for their intended use.

The nature of the intangible assets are as follows:

(i) Brand relates to sugar brand 'Prai' and consumer brands 'Saji', 'Seri Pelangi', 'SunFlower', 'SunBear', and 'Yangambi' acquired as part of the acquisition of the related business.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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)

(ii) Licenses is related to a license for subsidiaries to use certain technologies.

(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) Land use rights relates to oil palm plantations in Indonesia.

(viii) Intangible assets under development relates to IT system under development.

(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 2015

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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 2015

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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.

Bill and hold sales are sales contract which, at customers' request, transfer legal title of inventories to customers before the inventories leave the warehouse. Bill and hold sales are recognised as revenue when legal title is transferred, on condition that it is probable that delivery will be made, the inventories are ready for delivery, are physically segregated from unsold inventories, the customer has specifically acknowledged deferred delivery instructions and usual payment terms apply.

(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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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)

(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.

(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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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

(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.

(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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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

(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.

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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)

(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-occurence 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.

(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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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)

(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.

(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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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 (continued)

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.

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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.

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") and Canadian Dollar ("CAD"). 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 RM72,945,000 (2014: RM26,368,000 lower/higher).

A 10% strengthening/weakening of the CAD against the RM at the date of statement of financial position would have a higher/lower impact to Group's profit after tax of approximately of RM37,925,000 (2014: RM Nil).

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Market risk (continued)

(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

		2015		2014	
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%	**-**	**12,568**	-	10,289
- quoted	Share price variance by 5%	**-**	**3,176**	-	204
Fair value through profit or loss					
- quoted	Share price variance by 5%	**2,471**	**-**	804	-
Total impact		**2,471**	**15,744**	804	10,493

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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 and their derivatives are subject to fluctuations due to unpredictable factors such as weather, changes in global demand and 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 2015, 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:

	2015 RM'000	2014 RM'000
- Palm oil	**27,443**	3,986
- Sugar	**-**	2,457
- LLA liability	**(124,361)**	(121,950)
Net decrease	**(96,918)**	(115,507)

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:

	2015 RM'000	2014 RM'000
- Palm oil	**(27,443)**	(3,986)
- Sugar	**-**	(2,457)
- LLA liability	**130,361**	128,850
Net increase	**102,918**	122,407

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial assets				
At fixed rate				
Fixed deposits	**1,905,793**	2,879,777	**506,283**	496,430

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	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial liabilities				
At fixed rate				
Loans due to a significant shareholder	**1,893,290**	2,202,920	**1,893,290**	2,202,920
Loans due to subsidiaries	**-**	-	**520,629**	-
Short term trade financing	**3,115,304**	2,041,255	**-**	-
Term loans	**266,371**	271,450	**-**	-
Finance lease liabilities	**3,143**	5,071	**-**	-
	5,278,108	4,520,696	**2,413,919**	2,202,920

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Market risk (continued)

(iii) Finance rate risk (continued)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial liabilities (continued)				
At floating rate (exposed to cash flow finance rate risk)				
LLA liability	**4,627,195**	4,680,829	**-**	-
Loans due to subsidiaries	**-**	-	**312,500**	-
Term loans	**165,601**	182,230	**-**	-
	4,792,796	4,863,059	**312,500**	-
	10,070,904	9,383,755	**2,726,419**	2,202,920

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 RM207,551,000 (2014: RM205,936,000) and decrease by RM235,901,000 (2014: RM232,186,000) 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:

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Credit risk (continued)

2015	Financial assets RM'000	Collateral held as security RM'000	Net exposure RM'000
Group			
Trade receivables	**1,346,162**	**515,922**	**830,240**
Other receivables (excluding prepayments)	**743,896**	**-**	**743,896**
Amount due from a significant shareholder	**101,555**	**-**	**101,555**
Amount due from joint ventures	**247,309**	**-**	**247,309**
Amount due from an associate	**85**	**-**	**85**
Amounts due from other related companies	**102,636**	**-**	**102,636**
Derivative financial assets	**1,388**	**-**	**1,388**
Company			
Other receivables (excluding prepayments)	**10,914**	**-**	**10,914**
Amounts due from subsidiaries	**186,233**	**-**	**186,233**
Amounts due from other related companies	**234**	**-**	**234**
Loan due from a subsidiary	**1,062**	**-**	**1,062**
2014			
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

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Credit risk (continued)

2014	**Financial assets RM'000**	**Collateral held as security RM'000**	**Net exposure RM'000**
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

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

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. As at 31 December 2015, the Group has undrawn committed borrowing facilities amounting to RM1.16 billion.

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 below are based on contractual undiscounted cash flows:

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Liquidity risk (continued)

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
At 31 December 2015					
Loans due to a significant shareholder	**294,097**	**283,915**	**588,916**	**1,222,290**	**2,389,218**
LLA liability	**327,702**	**363,902**	**1,033,981**	**87,658,457**	**89,384,042**
Amount due to a significant shareholder	**140,113**	**-**	**-**	**-**	**140,113**
Amounts due to other related companies	**98,524**	**-**	**-**	**-**	**98,524**
Amounts due to joint venturers	**31**	**-**	**-**	**-**	**31**
Derivative financial liabilities	**1,858**	**-**	**-**	**-**	**1,858**
Borrowings	**3,142,870**	**209,848**	**237,572**	**153,848**	**3,744,138**
Payables	**1,261,516**	**-**	**-**	**-**	**1,261,516**
Total undiscounted financial liabilities	**5,266,711**	**857,665**	**1,860,469**	**89,034,595**	**97,019,440**
At 31 December 2014					
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	32,392	-	-	-	32,392
Borrowings	2,065,545	66,610	239,506	267,820	2,639,481
Payables	1,417,503	-	-	-	1,417,503
Total undiscounted financial liabilities	4,458,696	741,671	2,178,104	90,390,645	97,769,116

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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
At 31 December 2015					
Loans due to a significant shareholder	**294,097**	**283,915**	**588,916**	**1,222,290**	**2,389,218**
Loans due to subsidiaries	**73,166**	**70,677**	**691,336**	**96,518**	**931,697**
Amounts due to subsidiaries	**23,390**	**-**	**-**	**-**	**23,390**
Amount due to a significant shareholder	**6,963**	**-**	**-**	**-**	**6,963**
Amounts due to other related companies	**67**	**-**	**-**	**-**	**67**
Payables	**87,441**	**-**	**-**	**-**	**87,441**
Total undiscounted financial liabilities	**485,124**	**354,592**	**1,280,252**	**1,318,808**	**3,438,776**
At 31 December 2014					
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

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 2015 and 31 December 2014.

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.

The gearing ratio analysis for the Group and the Company are as disclosed below:

Group

With LLA liability

	2015 RM'000	2014 RM'000
Borrowings	**3,550,419**	2,500,006
Loans due to a significant shareholder	**1,893,290**	2,202,920
LLA liability	**4,627,195**	4,680,829
Total debt	**10,070,904**	9,383,755
Equity attributable to owners of the Company	**6,446,847**	6,376,233
Gearing ratio	**156%**	147%

As at 31 December 2015, the Group had complied with all external financial convenants.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Capital risk management policies (continued)

Group (continued)

Without LLA liability

	2015 RM'000	2014 RM'000
Borrowings	**3,550,419**	2,500,006
Loans due to a significant shareholder	**1,893,290**	2,202,920
Total debt	**5,443,709**	4,702,926
Equity attributable to owners of the Company	**6,446,847**	6,376,233
Gearing ratio	**84%**	74%

The increase in the gearing ratio during the financial year ended 31 December 2015 resulted primarily from net increase in borrowings for working capital requirements.

Company

	2015 RM'000	2014 RM'000
Loans due to a significant shareholder	**1,893,290**	2,202,920
Loans due to subsidiaries	**833,129**	-
Total debt	**2,726,419**	2,202,920
Total equity	**7,309,398**	7,245,283
Gearing ratio	**37%**	30%

(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).

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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 2015 and 31 December 2014:

Group	**Level 1**	**Level 2**	**Level 3**	**Total**
2015	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Assets				
Financial assets at fair value through profit or loss:				
(i) Derivatives				
- Foreign exchange forward contracts	**-**	**1,388**	**-**	**1,388**
(ii) Trading securities	**65,905**	**-**	**-**	**65,905**
Available-for-sale financial assets	**3,510**	**60,000**	**251,351**	**314,861**
Total assets	**69,415**	**61,388**	**251,351**	**382,154**
Liabilities				
Financial liabilities at fair value through profit or loss:				
(i) LLA liability	**-**	**-**	**4,627,195**	**4,627,195**
(ii) Derivatives				
- Foreign exchange forward contracts	**-**	**590**	**-**	**590**
- Commodities futures contracts	**1,268**	**-**	**-**	**1,268**
Total liabilities	**1,268**	**590**	**4,627,195**	**4,629,053**

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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 2015 and 31 December 2014: (continued)

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

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 2015 and 31 December 2014.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Fair value estimation (continued)

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 and available-for-sales financial assets invested in certain unit trusts.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(iii) Financial instruments in Level 3

The following table present the changes in recurring Level 3 financial instruments during the financial year:

	2015 RM'000	2014 RM'000
LLA liability		
At 1 January	**4,680,829**	4,844,390
Fair value changes charged to profit or loss	**224,861**	115,240
Repayment during the year	**(278,495)**	(336,401)
Additional land acquired during the year	**-**	57,600
At 31 December	**4,627,195**	4,680,829
Available for sale financial assets		
At 1 January	**218,839**	201,032
Additions	**9,613**	-
Fair value gains transferred to available-for-sale reserves	**22,899**	17,807
At 31 December	**251,351**	218,839

(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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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 RM4,627,195,000 (2014: RM4,680,829,000). The key assumptions and the sensitivity analysis are as disclosed in Note 46 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 has recognised an impairment charge on goodwill of RM12,770,000 (2014: Nil) during the financial year. 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 RM114,702,000 (2014: net reversal of impairment of RM10,167,000) against certain property, plant and equipment, investment properties, intangible assests (other than goodwill), prepaid lease payments and biological assets, and accelerated depreciation of RM6,055,000 (2014: RM9,356,000) 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 RM202,848,000 (2014: RM135,883,000) and RM24,046,000 (2014: RM23,966,000) for the Group and Company respectively.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

6 REVENUE

	2015 RM'000	2014 RM'000
Group		
Sales of crude palm oil ("CPO")	**4,945,939**	4,690,955
Sales of refined bleached deodorised ("RBD") products	**4,587,215**	4,356,192
Sales of refined sugar and molasses	**2,307,259**	2,281,449
Sales of fertiliser, packed products and others	**1,248,227**	1,272,536
Sales of fatty acids	**775,149**	752,937
Sales of rubber products	**683,951**	739,832
Sales of crude palm kernel oil ("CPKO")	**305,353**	357,830
Sales of biodiesel products	**136,187**	225,014
Sales of palm kernel ("PK")	**23,264**	50,438
Services rendered	**509,777**	492,085
Sales of fresh fruit bunches ("FFB")	**24,792**	25,189
Others	**11,656**	13,705
	15,558,769	15,258,162
Company		
Dividend from subsidiaries:		
- unquoted	**529,433**	588,022
- quoted	**20,059**	18,516
Management fees	**121,780**	109,715
Finance income from financial institutions	**3,594**	46,495
Others	**18**	17
	674,884	762,765

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

7 OTHER OPERATING INCOME

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Rental income	**13,343**	4,860	**-**	-
Gain on disposal of property, plant and equipment	**470**	754	**2**	-
Gain on disposal of a subsidiary (Note 22(b)(iii))	**13,016**	-	**-**	-
Gain on disposal of available-for-sale financial assets	**1,899**	-	**-**	-
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 a joint venture	**-**	12,618	**-**	-
Dividend income from available-for-sale financial assets	**2,459**	4,283	**-**	-
Income from sale of scrap	**9,371**	7,566	**-**	-
Income from electricity supply	**9,537**	5,916	**-**	-
Income from sludge oil	**3,275**	2,321	**-**	-
Compensation from legal suit	**5,700**	17,540	**-**	-
Income from Green Palm Certificate	**3,772**	3,083	**-**	-
Reversal of impairment of property, plant and equipment	**32,409**	16,379	**-**	-
Foreign currency exchange gains	**57,552**	22,568	**5,182**	8,360
Other operating income	**30,046**	23,553	**1,272**	8
	182,849	217,050	**6,456**	47,711

8 OTHER OPERATING EXPENSES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Waiver of compensation receivable	**-**	75,503	**-**	-
Impairment loss on amount due from a significant shareholder	**3,425**	2,066	**2,308**	-
Impairment loss on amounts due from other related companies	**2,244**	-	**1,725**	-
Impairment loss on investment in a joint venture	**-**	9,860	**-**	-
Realisation of foreign exchange on disposal of a subsidiary	**37,945**	-	**-**	-
Other operating expenses	**4,764**	24,023	**131**	143
	48,378	111,452	**4,164**	143

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

9 OTHER LOSSES, NET

	Group	
	2015	2014
	RM'000	RM'000
Land Lease Agreement ("LLA"):		
- Fair value losses (Note 46)	**(224,861)**	(115,240)
Foreign currency forward contracts:		
- Fair value gains/(losses)	**8,038**	(9,006)
Financial assets at fair value through profit or loss		
- Fair value losses (Note 32)	**(886)**	(2,242)
Sugar, oil palm and rubber futures contracts:		
- Fair value gains	**24,897**	810
	(192,812)	(125,678)

10 FINANCE INCOME AND COSTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Finance income:				
- finance income from financial institutions	**47,237**	131,725	**-**	-
Total finance income	**47,237**	131,725	**-**	-
Finance costs:				
- loan from a significant shareholder	**(95,797)**	(134,071)	**(95,797)**	(134,071)
- loans from subsidiaries	**-**	-	**(1,807)**	-
- short term trade financing	**(52,385)**	(43,714)	**-**	(404)
- unwinding of discount	**(8,641)**	(5,835)	**-**	-
- term loans	**(17,384)**	(2,211)	**-**	-
- amount due to a subsidiary	**-**	-	**(6,615)**	-
- finance lease	**(765)**	(1,817)	**(439)**	-
Total finance costs	**(174,972)**	(187,648)	**(104,658)**	(134,475)
Net finance costs	**(127,735)**	(55,923)	**(104,658)**	(134,475)

Notes to the Financial Statements
For The Financial Year Ended 31 December 2015

11 PROFIT FOR THE FINANCIAL YEAR

Profit for the financial year is stated after charging/(crediting):

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Matured estates operating expenses (collection, upkeep, cultivation and general charges)	**287,777**	318,064	**-**	-
Replanting expenses	**174,961**	219,024	**-**	-
Cost of raw materials and chemicals for production and manufacturing	**9,794,520**	10,690,818	**-**	-
Cost of purchasing CPO	**2,267,330**	600,500	**-**	-
Cost of petrol, diesel and natural gas	**172,171**	145,450	**-**	-
Service charge on CPO trading	**4,997**	13,150	**-**	-
Property, plant and equipment (Note 19):				
- Depreciation	**459,008**	391,064	**5,261**	1,037
- Impairment loss	**10,856**	5,264	**-**	-
- Reversal of impairment	**(165,801)**	(16,379)	**-**	-
- Write offs	**30,280**	26,466	**1**	2,735
- Loss on disposal	**121**	20,177	**-**	-
Investment properties (Note 20):				
- Depreciation	**11,770**	11,746	**435**	73
Intangible assets (Note 21):				
- Impairment	**40,243**	-	**-**	-
- Amortisation	**47,188**	33,526	**4,533**	1,652
- Write offs	**27**	272	**-**	-
Prepaid lease payments (Note 25)				
- Amortisation	**3,581**	2,799	**-**	-
- (Reversal of)/provision for impairment loss	**(76)**	76	**-**	-
- Write offs	**1,166**	2	**-**	-
Biological assets (Note 29):				
- Accelerated depreciation	**6,055**	9,356	**-**	-
- Impairment loss	**-**	872	**-**	-
- Write offs	**2,350**	3,590	**-**	-
- Biological assets consumed	**26,049**	33,566	**-**	-
Assets held for sale				
- Accelerated depreciation	**2,326**	-	**-**	-
- Loss on disposal	**1,414**	2,497	**-**	-
Impairment of receivables (net)	**1,814**	180	**-**	-
Write down of inventory to net realisable value	**6,649**	13,605	**-**	-

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

11 PROFIT FOR THE FINANCIAL YEAR (CONTINUED)

Profit for the financial year is stated after charging/(crediting): (continued)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Rental				
- land and buildings	**36,017**	27,069	**8,838**	3,769
- plant, machinery and storage tanks	**22,133**	19,709	**-**	-
- other equipment	**22,935**	36,723	**255**	1,961
Repair and maintenance of refining plants and mills	**161,808**	229,385	**-**	-
Repair and maintenance of motor vehicles	**25,054**	14,115	**-**	-
Principal auditors' remuneration:				
- Audit fee	**3,626**	3,259	**518**	469
- Other assurance services	**1,293**	1,234	**1,278**	1,136
- Non-audit fee				
- current year	**1,084**	1,769	**637**	574
- prior year	**852**	515	**459**	430
Member firms of principal auditors' remuneration:				
- Audit fee	**767**	377	**-**	-
Other auditors' remuneration:				
- Audit fee	**914**	1,355	**-**	-
- Non-audit fee	**4,771**	4,668	**3,804**	4,359
Staff costs*	**1,617,504**	1,649,818	**97,679**	68,470
Professional and technical fees	**74,895**	48,860	**73,375**	41,977
Contribution to Yayasan Felda	**7,328**	22,782	**5,677**	772
Net realised foreign exchange loss/(gain)	**108,874**	29,091	**(4,905)**	405
Net unrealised foreign exchange loss/(gain)	**34,320**	8,335	**(277)**	(8,360)
Research and non-capitalised development costs	**29,308**	26,570	**-**	-
Construction cost recognised as an expense	**19,192**	24,317	**-**	-
Provision/(reversal of provision) for oneorous contract	**30,067**	(13,890)	**-**	-
Management fees charged by a subsidiary	**-**	-	**2,811**	41,665
Provision/(reversal of provision) for asset retirement	**500**	(2,000)	**-**	-
Transportation, loading and handling	**167,905**	82,887	**-**	-

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

11 PROFIT FOR THE FINANCIAL YEAR (CONTINUED)

Profit for the financial year is stated after charging/(crediting): (continued)

* Staff costs (excluding Directors' remuneration) are analysed as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Wages, salaries and bonuses	**1,198,726**	1,222,008	**60,835**	47,431
Defined contribution plan	**122,034**	114,714	**11,322**	7,618
Defined benefit plan	**7,850**	6,759	**81**	78
Other employee benefits	**288,894**	306,337	**25,441**	13,343
	1,617,504	1,649,818	**97,679**	68,470

Staff costs included in costs of sales amounted to RM1,247,414,000 (2014: RM1,286,282,000) and RM26,933,000 (2014: RM15,885,000) for the Group and Company respectively.

12 DIRECTORS' REMUNERATION

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fees:				
- Independent Non-Executive	**997**	1,384	**893**	1,082
- Non-Independent Non-Executive	**2,140**	2,444	**908**	1,009
- Executive Director	**537**	512	**-**	-
	3,674	4,340	**1,801**	2,091
Salaries, bonuses and allowances:				
- Executive Director	**1,391**	2,048	**1,391**	2,048
Defined contribution plan:				
- Non-Independent Non-Executive	**-**	40	**-**	40
- Executive Director	**272**	328	**272**	328
	272	368	**272**	368
Benefit in kind:				
- Non-Independent Non-Executive	**66**	214	**66**	214
- Executive Director	**298**	416	**298**	416
	364	630	**364**	630
Other benefits:				
- Independent Non-Executive	**319**	357	**272**	333
- Non-Independent Non-Executive	**203**	211	**167**	164
- Executive Director	**53**	37	**-**	-
	575	605	**439**	497
	6,276	7,991	**4,267**	5,634

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

13 ZAKAT

	Group 2015 RM'000	Group 2014 RM'000
Movement of zakat liability:		
At beginning of financial year	**-**	-
Current financial year's zakat expense	**23,900**	13,184
Zakat paid	**(23,900)**	(13,184)
At end of financial year	**-**	-

14 TAXATION

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Malaysian income tax:				
- In respect of current financial year	**181,115**	268,879	**-**	-
- In respect of prior financial year	**(13,075)**	9,151	**1,499**	7
Foreign income tax:				
- In respect of current financial year	**7,949**	(941)	**-**	-
Deferred tax (Note 49)	**(47,556)**	367	**-**	(3,616)
Tax expense/(income)	**128,433**	277,456	**1,499**	(3,609)

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 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Profit before taxation after zakat	**355,067**	957,640	**284,503**	446,891
Malaysian corporate tax rate of 25% (2014: 25%)	**88,767**	239,410	**71,126**	111,723
Tax effect of:				
- different tax rates in other countries	**3,196**	4,933	**-**	-
- expenses not deductible for tax purposes	**107,363**	91,281	**64,464**	51,949
- changes in tax rate	**3,219**	1,371	**-**	-
- income not subject to tax	**(49,408)**	(57,785)	**(139,572)**	(173,007)
- (over)/under provision of income tax in prior year	**(13,075)**	9,151	**1,499**	7
- tax incentive	**(7,327)**	-	**-**	-
- others	**(4,302)**	(10,905)	**3,982**	5,719
Tax expense/(credit)	**128,433**	277,456	**1,499**	(3,609)

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

15 PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

Financial year ended 31 December 2015

(i) Disposal of Twin Rivers Technologies Enterprises De Transformation De Graines Oleagineuses Du Quebec Inc. ("TRT ETGO")

On 3 November 2015, the Group had disposed Twin Rivers Technologies Enterprises De Transformation De Graines Oleagineuses Du Quebec Inc. ("TRT ETGO"), an indirect wholly-owned subsidiary of the Group for a total consideration of CAD172.15 million (RM567.1 million) which resulted in a gain on disposal of RM13.02 million (Note 22(b)(iii)).

(ii) Cessation of Malaysia Cocoa Manufacturing Sdn. Bhd.

In 2013, the Group approved a proposal to exit the cocoa business of its wholly-owned subsidiary company, Malaysia Cocoa Manufacturing Sdn. Bhd. ("MCM").

Operations ceased with effect from 1 September 2014 and certain property, plant and equipment were reclassified as assets held for sale.

(iii) The results of the discontinued operations are as follows:

	2015 RM'000	2014 RM'000 (Restated)
Revenue	**913,136**	1,139,172
Cost of sales	**(960,169)**	(1,230,277)
Gross loss	**(47,033)**	(91,105)
Reversal of impairment loss on property, plant and equipment	**133,392**	-
Other operating income	**14,062**	142
Administrative expenses	**(11,792)**	(41,082)
Other operating expenses	**(87)**	(905)
Other losses – net	**(6,344)**	(4,009)
Finance costs	**(7,556)**	(4,594)
Finance income	**14**	21
Profit/(loss) before taxation	**74,656**	(141,532)
Taxation	**(13)**	-
Profit/(loss) for the financial year	**74,643**	(141,532)

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

15 PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS (CONTINUED)

Financial year ended 31 December 2015 (continued)

(iv) The cash flows of the discontinued operations are as follows:

	2015 RM'000	2014 RM'000 (Restated)
Net cash generated from operating cash flows	**261,475**	26,114
Net cash used in investing cash flows	**(84,910)**	(48,746)
Net cash (used in)/generated from financing cash flows	**(231,340)**	59,083
Net (decrease)/increase in cash and cash equivalents	**(54,775)**	36,451
Effect of foreign exchange rate changes	**842**	(10)
Cash and cash equivalents at beginning of financial year	**71,844**	35,403
Cash and cash equivalents at end of financial year	**17,911**	71,844

(v) Profit/(loss) before taxation from discontinued operations is stated after charging/(crediting) the following:

	2015 RM'000	2014 RM'000 (Restated)
Property, plant and equipment:		
- depreciation	**38,000**	16,901
- write offs	**1,242**	377
- gain on disposal	**(38)**	-
- reversal of impairment loss of property, plant and equipment (net)	**(133,392)**	(7,606)
Staff costs	**34,735**	39,227
Gain on disposal of a subsidiary	**(13,016)**	-
Voluntary separation scheme payment	**-**	6,703
Cost of raw materials and consumables used	**937,023**	1,106,248

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

16 DIVIDEND PER SHARE

Dividends declared and paid are as follows:

	Group and Company			
	2015		2014	
	Dividend per share	Amount of dividend	Dividend per share	Amount of dividend
	Sen	RM'000	Sen	RM'000
Final single-tier dividend for the financial year ended 31 December 2014, paid on 10 July 2015 (2014: final single-tier dividend for the financial year ended 31 December 2013, paid on 11 July 2014)	**4.0**	**145,926**	10.0	364,815
Interim single-tier dividend for the financial year ended 31 December 2015, paid on 28 December 2015 (2014: interim single-tier dividend for the financial year ended 31 December 2014, paid on 29 September 2014)	**2.0**	**72,963**	6.0	218,889
	6.0	**218,889**	16.0	583,704

At the forthcoming Annual General Meeting of the Company, a final single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2015 will be proposed for shareholders' approval. This final dividend will be accrued as a liability in the financial year ending 31 December 2016 when approved by the shareholders.

17 EARNINGS PER SHARE

	Group	
	2015	2014
Basic and diluted EPS (sen)		
- From continuing operations	**0.9**	12.8
- From discontinued operations	**2.0**	(3.9)
	2.9	8.9

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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	
	2015	**2014**
Profit from continuing operations attributable to equity shareholders (RM'000)	**32,343**	467,019
Profit from discontinued operations attributable to equity shareholders (RM'000)	**74,643**	(141,532)
Profit for the financial year attributable to equity shareholders (RM'000)	**106,986**	325,487
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 2015 have been identified as follows:

- Palm Upstream – Plantation estates activities including cultivation, harvesting and production of fresh fruit bunches ("FFB") and processing of FFB into crude palm oil 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, 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.
- Trading, Marketing and Logistics ("TML") – Trading, bulking and transportation facilities.
- Others – Rubber processing, research and development activities, fertilisers processing and production, sale of planting materials, services, information technology, security and travel.

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.

The Group embarked on a new tolling and trading model starting February 2015. This involved changes throughout the Palm Plantation, Palm Downstream and TML segments which renders the 2015 results not comparable to the previous financial results. In the current financial year, most of the CPO sales are recorded as internal to FGV Trading Sdn. Bhd. which belongs to the TML segment instead of Palm Upstream directly selling externally in 2014.

Reconciliation to the reportable segments mainly relates to the inclusion of investment holding companies within the Group and Group consolidation adjustments, which did not form part of the reportable segments.

The discontinuing operations mainly relates to crushing soy and canola under the Canadian operation, which was disposed on 3 November 2015 and cocoa business, which the Group had previously approved to exit.

The EXCO assesses the performance of the operating segments based on profit before zakat and taxation.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2015

18 SEGMENT REPORTING (CONTINUED)

The segment information provided to the EXCO for the reportable segments for the financial year reported is as follows:

2015	Palm Upstream RM'000	Palm Down-stream RM'000	Sugar RM'000	Trading, marketing and logistics RM'000	Others RM'000	Reconciliation RM'000	Total RM'000	Dis-continued operations RM'000	Total RM'000
Total segment revenue	9,410,944	3,633,499	2,388,423	7,269,486	2,014,818	(9,158,401)	15,558,769	913,136	16,471,905
Less: Inter-segment revenue	(7,478,126)	(194,675)	(81,160)	(711,288)	(693,152)	9,158,401	-	-	-
Revenue from external customers	1,932,818	3,438,824	2,307,263	6,558,198	1,321,666	-	15,558,769	913,136	16,471,905
Profit/(loss) before zakat and taxation for the financial year	349,241	9,117	399,801	(93,392)	94,234	(380,034)	378,967	74,643	453,610
Zakat							(23,900)	-	(23,900)
Taxation							(128,433)	-	(128,433)
Profit after taxation for the financial year							226,634	74,643	301,277
Other information:									
Finance income	12,411	5,216	15,623	4,401	11,940	(2,354)	47,237	14	47,251
Finance costs	(42,588)	(16,150)	(6,616)	(2,373)	(7,268)	(99,977)	(174,972)	(7,556)	(182,528)
Depreciation and amortisation	(235,817)	(92,954)	(39,721)	(55,663)	(57,000)	(10,773)	(491,928)	(38,000)	(529,928)
Write-offs/write-down	(16,760)	(5,126)	(1,431)	(7,687)	(6,215)	(2,011)	(39,230)	(1,242)	(40,472)
Reversal of/(impairment loss)	2,113	(28,032)	2,958	-	3,038	(505)	(20,428)	133,392	112,964
Fair value changes in LLA liability	(224,861)	-	-	-	-	-	(224,861)	-	(224,861)
Share of results of joint ventures	(7,936)	57,479	-	814	45	-	50,402	-	50,402
Share of results of associates	691	-	-	16,942	-	1,403	19,036	-	19,036
Capital expenditure	312,506	25,436	443,702	48,120	83,316	60,358	973,438	-	973,438

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

18 SEGMENT REPORTING (CONTINUED)

The segment information provided to the EXCO for the reportable segments for the financial year reported is as follows: (continued)

2014	Palm Upstream RM'000	Palm Down-stream RM'000	Sugar RM'000	Trading, marketing and logistics RM'000	Others RM'000	Reconciliation RM'000	Total RM'000	Dis-continued operations RM'000	Total RM'000
Total segment revenue	18,189,667	6,245,938	2,345,210	967,070	2,006,055	(14,495,778)	15,258,162	1,139,172	16,397,334
Less: Inter-segment revenue	(13,414,704)	(142,514)	(63,717)	(243,154)	(631,689)	14,495,778	-	-	-
Revenue from external customers	4,774,963	6,103,424	2,281,493	723,916	1,374,366	-	15,258,162	1,139,172	16,397,334
Profit/(loss) before zakat and taxation for the financial year	770,668	(14,318)	372,964	92,193	99,026	(349,709)	970,824	(141,532)	829,292
Zakat							(13,184)	-	(13,184)
Taxation							(277,456)	-	(277,456)
Profit after taxation for the financial year							680,184	(141,532)	538,652
Other information:									
Finance income	16,005	7,261	25,827	1,850	7,926	72,856	131,725	21	131,746
Finance costs	(19,684)	(15,381)	(5,686)	(585)	(6,520)	(139,792)	(187,648)	(4,594)	(192,242)
Depreciation and amortisation	(211,925)	(69,050)	(47,063)	(56,192)	(43,636)	(3,724)	(431,590)	(16,901)	(448,491)
Reversal of/(impairment loss)	872	(239)	-	404	866	-	2,381	7,606	9,987
Write-offs/write-down	(19,830)	(16,751)	(709)	(240)	(1,763)	(4,265)	(43,558)	(377)	(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 2015

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:

	2015 RM'000	2014 RM'000
Malaysia	**7,935,488**	8,490,014
Overseas:		
- India	**2,236,235**	1,024,116
- China	**1,316,247**	1,206,198
- Pakistan	**1,126,466**	1,163,702
- Asia (excluding Malaysia, China, Pakistan, Indonesia and India)	**1,355,347**	1,555,949
- United States and Canada	**732,641**	794,302
- Europe	**346,796**	221,398
- Indonesia	**120,330**	55,442
- Others	**389,219**	747,041
	15,558,769	15,258,162

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:

	2015 RM'000	2014 RM'000
Malaysia	**11,418,490**	11,025,964
Overseas:		
- United States and Canada	**303,955**	681,602
- China	**200,429**	-
- United Kingdom	**81,864**	33,839
- Indonesia	**67,081**	23,336
- Pakistan	**18,884**	19,622
- Cambodia	**16,464**	14,055
- Others	**6,175**	6,492
	12,113,342	11,804,910

In the current financial year, two (2014: two) major customers in the Palm Upstream and Palm Downstream segments contributed 16% (2014: 20%) of the Group's total revenues.

19 PROPERTY, PLANT AND EQUIPMENT

Group 2015	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 construction RM'000	Total RM'000
Cost								
At 1 January, as restated	57,467	1,737,987	2,177,264	2,335,776	343,297	193,016	615,841	7,460,648
Acquisition of subsidiaries (Note 22(b))	-	-	28,428	120,977	126	626	928	151,085
Additions	-	91,872	61,790	121,362	37,137	37,975	498,755	848,891
Disposals	-	-	(4,073)	(692)	(3,554)	(11,488)	-	(19,807)
Write offs	-	(10,161)	(25,295)	(50,267)	(18,712)	(8,949)	(3,902)	(117,286)
Reclassification	-	-	188,221	272,294	(7,449)	13,419	(466,485)	-
Transfer from/(to) assets held for sale	-	4,600	(402)	-	(30)	-	-	4,168
Exchange differences	4,827	504	63,577	108,340	914	6,838	2,841	187,841
Transfer to biological asset (Note 29)	-	(4,847)	-	-	-	-	-	(4,847)
Transfer from intangible asset (net) (Note 21)	-	-	-	-	-	10,846	-	10,846
Disposal of a subsidiary	(12,933)	-	(381,972)	(399,680)	(3,652)	(2,760)	(16,226)	(817,223)
At 31 December	49,361	1,819,955	2,107,538	2,508,110	348,077	239,523	631,752	7,704,316
Accumulated depreciation/impairment								
At 1 January	-	50,010	409,702	501,951	108,186	80,452	23	1,150,324
Charge for the financial year	-	26,030	129,930	217,722	46,220	38,421	685	459,008
Impairment loss	236	-	4,297	6,237	-	86	-	10,856
Disposals	-	-	(4,028)	(642)	(3,053)	(5,172)	-	(12,895)
Write offs	-	(6,666)	(12,515)	(43,172)	(18,234)	(6,419)	-	(87,006)
Reclassification	-	11,817	(9,682)	327	(2,605)	111	32	-
Reversal of impairment loss	-	(3,036)	(77,975)	(84,517)	-	(248)	(25)	(165,801)
Transfer from intangible asset (net) (Note 21)	-	-	-	-	-	691	-	691
Exchange differences	-	12	16,085	49,916	460	5,488	68	72,029
Disposal of subsidiary	-	-	(86,525)	(164,505)	(3,077)	(1,532)	-	(255,639)
At 31 December	236	78,167	369,289	483,317	127,897	111,878	783	1,171,567
Net book value at 31 December 2015	49,125	1,741,788	1,738,249	2,024,793	220,180	127,645	630,969	6,532,749

Included in the additions of property, plant and equipment during the financial year is an amount of RM10,859,000 in relation to assets injected by a non-controlling interest.

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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 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(c))	-	167,870	140,009	47,795	1,592	1,788	18,582	377,636
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 (net) (Note 21)	-	-	-	-	-	(855)	379	(476)
Transfer from investment properties (Note 20)	-	-	-	-	-	-	66	66
At 31 December	57,467	1,737,987	2,177,264	2,335,776	343,297	193,016	615,841	7,460,648
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 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	1,687,977	1,767,562	1,833,825	235,111	112,564	615,818	6,310,324

As at 31 December 2015, the carrying amount of property, plant and equipment under land arrangements with FELDA amounted to RM245,394,000 (2014: RM202,686,000). FELDA is in the midst of applying the land titles from respective state authorities.

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19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office equipment RM'000	Motor Vehicle RM'000	Building, structure and renovation RM'000	Work in progress RM'000	Total RM'000
2015					
Cost					
At 1 January 2015	**9,247**	**1,933**	**-**	**1,303**	**12,483**
Additions	**4,670**	**6,553**	**22,369**	**-**	**33,592**
Disposals	**(39)**	**(182)**	**-**	**-**	**(221)**
Write offs	**(4)**	**-**	**-**	**-**	**(4)**
At 31 December 2015	**13,874**	**8,304**	**22,369**	**1,303**	**45,850**
Accumulated depreciation					
At 1 January 2015	**1,485**	**721**	**-**	**-**	**2,206**
Charged for the financial year	**1,247**	**1,995**	**2,019**	**-**	**5,261**
Disposals	**(35)**	**(140)**	**-**	**-**	**(175)**
Write offs	**(3)**	**-**	**-**	**-**	**(3)**
At 31 December 2015	**2,694**	**2,576**	**2,019**	**-**	**7,289**
Net book value at 31 December 2015	**11,180**	**5,728**	**20,350**	**1,303**	**38,561**
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
Charged 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

Notes to the Financial Statements

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19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment of property, plant and equipment

A reversal of impairment of RM133,392,000 was recorded during the financial year, which arose from the disposal of Twin Rivers Technologies Enterprises De Transformation De Graines Oleagineuses Du Quebec Inc. ("TRT ETGO"), an indirect wholly-owned subsidiary of the Company on 3 November 2015.

The recoverable amount was determined based on the fair value less cost to sell of the assets, with reference to the offer price provided by TRT ETGO's purchaser.

20 INVESTMENT PROPERTIES

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Total RM'000
2015				
Cost				
At 1 January 2015	**32,006**	**7,080**	**118,701**	**157,787**
Additions	**-**	**-**	**4,560**	**4,560**
At 31 December 2015	**32,006**	**7,080**	**123,261**	**162,347**
Accumulated depreciation/impairment				
At 1 January 2015	**-**	**2,019**	**11,224**	**13,243**
Charge for the financial year	**-**	**19**	**11,751**	**11,770**
At 31 December 2015	**-**	**2,038**	**22,975**	**25,013**
Net book value at 31 December 2015	**32,006**	**5,042**	**100,286**	**137,334**
2014				
Cost				
At 1 January 2014	32,006	7,080	110,496	149,582
Additions	-	-	8,774	8,774
Write offs	-	-	(503)	(503)
Transfer to property, plant and equipment (Note 19)	-	-	(66)	(66)
At 31 December 2014	32,006	7,080	118,701	157,787
Accumulated depreciation/impairment				
At 1 January 2014	-	2,000	-	2,000
Charge for the financial year	-	19	11,727	11,746
Write offs	-	-	(503)	(503)
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

As at 31 December 2015, the carrying amount of investment properties without land titles is RMNil (2014: RM7,528,000).

Notes to the Financial Statements
For The Financial Year Ended 31 December 2015

20 INVESTMENT PROPERTIES (CONTINUED)

Company	Buildings 2015 RM'000	Buildings 2014 RM'000
Cost		
At 1 January	**8,715**	-
Additions	**-**	8,715
At 31 December	**8,715**	8,715
Accumulated depreciation		
At 1 January	**73**	-
Charge for the financial year	**435**	73
At 31 December	**508**	73
Net book value at 31 December	**8,207**	8,642

The following amounts have been recognised in profit or loss:

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Rental income from investment properties	**3,977**	4,039	**-**	-
Direct operating expenses arising from investment properties that generate rental income	**(2,482)**	(3,300)	**-**	-
Direct operating expenses arising from investment properties that did not generate rental income	**-**	(64)	**(66)**	-

The fair value of the investment property above as at 31 December 2015 is estimated at RM208,630,000 (2014: RM191,892,000) for the Group and RM7,900,000 (2014: RM8,715,000) 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 3 fair value estimation.

21 INTANGIBLE ASSETS

Group	Goodwill RM'000	Brand RM'000	Licenses RM'000	Lease agreement RM'000	Customer relationships RM'000	Software RM'000	Intellectual property rights RM '000	Land use rights RM'000	Intangible assets under development RM'000	Total RM'000
Net book value										
2015										
At 1 January 2015, as restated	1,229,194	104,293	800	2,223	10,402	46,656	97,926	-	55,822	1,547,316
Acquisition of subsidiaries (Note 22)	-	-	13,803	-	-	-	-	-	-	13,803
Additions			11,493			21,787	21,529	1,392	11,024	67,225
Amortisation charge	-	(3,226)	(1,109)	(232)	(6,538)	(16,120)	(19,963)	-	-	(47,188)
Write offs	-	-	-	-	-	(27)	-	-	-	(27)
Disposal of a subsidiary	-	-	-	-	-	(497)	-	-	-	(497)
Impairment charge	(12,770)	-	-	-	-	-	(27,473)	-	-	(40,243)
Reclassification	-	-	-	-	-	20,687	-	42,301	(62,988)	-
Transfer to property, plant and equipment (Note 19)	-	-	-	-	-	(10,155)	-	-	-	(10,155)
Exchange differences	-	14	138	484	1,758	39	7,957	3,398	-	13,788
At 31 December 2015	1,216,424	101,081	25,125	2,475	5,622	62,370	79,976	47,091	3,858	1,544,022
Expected remaining useful lives (years) - 31 December 2015		15-24	2-18	11	2	1-5	8	35		

21 INTANGIBLE ASSETS (CONTINUED)

Group	Goodwill RM'000	Brand RM'000	Licenses RM'000	Lease agreement RM'000	Customer relationships RM'000	Software RM'000	Intellectual property rights RM'000	Intangible assets under development	Total RM'000
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)	523,904	-	-	-	-	-	25,012	26,445	575,361
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	1,229,194	104,293	800	2,223	10,402	46,656	97,926	55,822	1,547,316
Expected remaining useful lives (years) - 31 December 2014		16-25	3	12	3	2-4	9		

Included in the additions of licences during the financial year is an amount of RM9,778,000 in relation to assets injected by a non-controlling interest as part of its equity contribution.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

21 INTANGIBLE ASSETS (CONTINUED)

Company	Software	Intangible asset under development	Total
	RM'000	RM'000	RM'000
Net book value			
2015			
At 1 January 2015	**4,692**	**1,452**	**6,144**
Additions	**15,159**	**11,024**	**26,183**
Amortisation charge	**(4,533)**	**-**	**(4,533)**
Reclassification	**8,618**	**(8,618)**	**-**
At 31 December 2015	**23,936**	**3,858**	**27,794**
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

(a) Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) as follows:

	Group	
	2015	2014
	RM'000	RM'000
		(Restated)
Sugar business operations in Malaysia	**576,240**	576,240
Palm upstream operations in Malaysia	**640,184**	640,184
Others	**-**	12,770
	1,216,424	1,229,194

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

21 INTANGIBLE ASSETS (CONTINUED)

(a) Impairment test for goodwill (continued)

(i) Sugar business operations in Malaysia

The goodwill relates to the acquisition of the sugar business by the Group and is allocated MSM Holdings Berhad Group. 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:

	2015	2014
Gross margin	**18%-23%**	19%-22%
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, a 0.5% decrease in the growth rate, with all other variables being held constant, would result in the recoverable amount of the sugar business to still exceed the carrying value by RM102.1 million.

A 0.5% increase in the discount rate, with all other variables being held constant, would result in the recoverable amount of the sugar business to still exceed the carrying value by RM39.1 million.

No reasonable change in the gross margin assumption would cause the carrying amount of the CGU to exceed the recoverable amount.

(ii) Palm upstream operations in Malaysia

Goodwill of RM640,184,000 for palm upstream operations in Malaysia comprise of RM512,946,000 for APL (Note 22(c)(iii)) and RM127,238,000 for PUP. 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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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 2015

(i) CPO price	RM2,000/MT to RM2,630/MT
(ii) FFB price	RM450/MT to RM550/MT
(iii) Estate replanting fixed cost	Matured – RM2,580 per hectare based on a 25 year cycle for oil palm Immature – RM6,436 (per hectare based on a 25 year cycle for oil palm
(iv) Discount rate	9.5%

Financial year ended 31 December 2014

(i) CPO price	RM2,450/MT to RM2,630/MT
(ii) FFB price	RM509/MT to RM550/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%

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

21 INTANGIBLE ASSETS (CONTINUED)

(a) Impairment test for goodwill (continued)

(iii) Others

Included in others is goodwill of RM12,770,000 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 ("FGV CNL") (previously known as Cambridge Nanosystems Limited).

The Group performed its annual goodwill impairment assessment by estimating the recoverable amount of CGU (the goodwill and the intangible asset (other than goodwill)) using a fair value less cost to sell calculation (Level 3 fair value computation).The impairment assessment of the CGU was determined using a discounted cash flow calculation using cash flow projections based on financial budgets approved by the Directors covering a nine year period. The key assumptions are as follows:

	2015
Gross margin	53%-73%
Terminal value growth rate	2%
Discount rate	30%

As a result of impairment assessment, the goodwill of the RM12,770,000 has been fully impaired. In addition, the Group has also recognised a further impairment of RM27,473,000 on intangible assets (other than goodwill) in respect of intellectual property rights. The total impairment loss of RM40,243,000 was recorded in cost of sales of the Group for the financial year ended 31 December 2015.

The Group's review includes an impact assessment of changes in key assumptions.

Based on the sensitivity analysis performed, a 1.0% decrease in margin, with all other variables being held constant, would result in a further impairment of RM2.2 million to the intangible assets (other than goodwill).

A 1.0% increase in the discount rate, with all other variables being held constant, would result in a further impairment of RM3.6 million to the intangible asstes (other than goodwill).

No reasonable change in the terminal growth rate assumption would result in further material impairment the intangible assets (other than goodwill).

Notes to the Financial Statements
For The Financial Year Ended 31 December 2015

22 INVESTMENT IN SUBSIDIARIES

	Company 2015 RM'000	Company 2014 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	**6,113,828**	5,419,601
Additions	**226,458**	669,820
Conversion of amounts due from subsidiaries into ordinary shares* (Note 28)	**192,347**	24,407
At 31 December	**6,532,633**	6,113,828
(iii) Foreign unquoted shares:		
At 1 January/31 December	**9,233**	9,233
Addition	**181,338**	-
At 31 December	**190,571**	9,233
(iv) RCPS/RCCPS:		
At 1 January	**2,322,334**	2,309,943
Reversal of impairment loss	**-**	12,391
At 31 December	**2,322,334**	2,322,334
(v) Capital contribution to subsidiaries:		
At 1 January/31 December	**15,600**	15,600
Total	**9,331,164**	8,731,021
Market value of Malaysian quoted shares, based on Group's effective interest	**382,665**	381,894

The disclosure of market value of Malaysia quoted shares is based on Level 1 fair value computation.

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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
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	Under liquidation	**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	Under liquidation	**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.	Malaysia	Carry on and undertake the business of all kinds of treasury services	**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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
Direct subsidiaries (continued)										
FGV Investment (L) Pte Ltd	Malaysia	Investment holding	**100.0**	100.0	**100.0**	100.0	**-**	-	**-**	-
Pontian United Plantations Berhad	Malaysia	Investment holding and cultivation of oil palm	**100.0**	100.0	**100.0**	100.0	**-**	-	**-**	-
Felda Holdings Bhd.	Malaysia	Investment holding	**100.0**	100.0	**100.0**	100.0	**-**	-	**-**	-
FGV R&D and Agri Services Sdn. Bhd. *(Note 14)*	Malaysia	Investment holding company, research and development, technical services and product development	**100.0**	100.0	**100.0**	100.0	**-**	-	**-**	-
Felda Global Ventures Rubber Sdn. Bhd. *(Note 13)*	Malaysia	Investment holding	**100.0**	100.0	**100.0**	100.0	**-**	-	**-**	-
FGV Trading Sdn. Bhd. *(Note 16)*	Malaysia	Commodity trading	**100.0**	100.0	**100.0**	100.0	**-**	-	**-**	-
Asian Plantations Limited *(Note 18)*	Singapore	Investment holding	**100.0**	100.0	**100.0**	100.0	**-**	-	**-**	-
FGV China Oils Ltd (previously known as Felda Iffco South China Ltd) # *(Note 3)*	China	Refining of palm oil	**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	**-**	-

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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
Indirect subsidiaries (continued)										
Subsidiaries of MSM Malaysia Holdings Berhad (continued)										
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 17)*	Malaysia	Conduct commodity trading and related business activities	**-**	-	**51.0**	51.0	**49.0**	49.0	**-**	-
MSM Sugar Refinery (Johor) Sdn. Bhd. *(Note 4)*	Malaysia	Carry on business in sugar products and by-products	**-**	-	**51.0**	-	**49.0**	-	**-**	-
MSM Trading International DMCC *(Note 5)*	United Arab Emirates	Raw and refined sugar trading	**-**	-	**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	**-**	-
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

Notes to the Financial Statements
For The Financial Year Ended 31 December 2015

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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
Indirect subsidiaries (continued)										
Subsidiaries of Felda Global Ventures Downstream Sdn.Bhd. (continued)										
FGV Biotechnologies Sdn. Bhd.	Malaysia	Processing and sale of biodiesel products	**-**	-	**100.0**	100.0	**-**	-	**-**	-
FGV Cambridge Nanosystems Limited # (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 12)* (previously known as Laras Simfoni Sdn. Bhd.)	Malaysia	Producing and manufacturing biodiesel	**-**	-	**60.0**	60.0	**40.0**	40.0	**-**	-
FGV Lipid Ventures Sdn. Bhd. *(Note 2)*	Malaysia	Producing of tocotrienol from refined bleached palm oil	**-**	-	**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	**-**	-	**-**	-

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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
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 GambH*	Germany	Dormant	**-**	-	**100.0**	100.0	**-**	-	**-**	-
Subsidiary of Twin Rivers Technologies Holdings Enterprise DeTransformation De Graines Oleagineuses Du Quebec Ulc.										
Twin Rivers Technologies Enterprise De Transformation De Graines Oleagineuses Du Quebec Inc* ("TRT ETGO") *(Note 6)*	Canada	Processing canola seed and soybean and its related by- products	**-**	-	**-**	100.0	**-**	-	**-**	-
Subsidiary of Twin Rivers Technologies Manufacturing Corporation										
Fore River Transportation Corporation*	United States of America	Operation, management and maintenance of a railroad service	**-**	**-**	**100.0**	100.0	-	**-**	-	**-**
Subsidiary of FGV Cambridge Nanosystems Ltd.										
GasPlas AS # *(Note 8)*	Norway	Research and experimental development on natural sciences and engineering	**-**	-	**70.0**	70.0	**30.0**	30.0	**-**	-

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 2015 %	Proportion of ordinary shares directly held by FGVH 2014 %	Proportion of ordinary shares held by the Group 2015 %	Proportion of ordinary shares held by the Group 2014 %	Proportion of ordinary shares held by non-controlling interests 2015 %	Proportion of ordinary shares held by non-controlling interests 2014 %	Proportion of RCPS/ RCCPS held by the Group 2015 %	Proportion of RCPS/ RCCPS held by the Group 2014 %
Indirect subsidiaries (continued)										
Subsidiaries of GasPlas AS										
MetalPlas Ltd. # *(Note 8)*	United Kingdom	Dormant	**-**	-	**-**	70.0	**30.0**	30.0	**-**	-
EnPlas Ltd. # *(Note 8)*	United Kingdom	Research and experimental development on natural sciences and engineering	**-**	-	**70.0**	70.0	**30.0**	30.0	**-**	-
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 10)*	Indonesia	Oil palm plantation	**-**	-	**95.0**	95.0	**5.0**	5.0	**-**	-
PT Bumi Agro Nusantara # *(Note 1)*	Indonesia	Management and consulting services	**-**	-	**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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
Indirect subsidiaries (continued)										
Subsidiaries of FGV Investment (L) Pte Ltd										
FGV Myanmar (L) Pte. Ltd.	Malaysia	Investment holding	**-**	-	**100.0**	100.0	**-**	-	**-**	-
FGV Cambodia (L) Pte. Ltd. *(Note 9)*	Malaysia	Investment holding	**-**	-	**100.0**	100.0	**-**	-	**-**	-
Subsidiaries of FGV Cambodia (L) Pte. Ltd.										
FGC-CVC (Cambodia) Co. Ltd. # *(Note 11)*	Cambodia	Production and export of rubber blocks and other processed rubber	**-**	-	**75.0**	75.0	**25.0**	25.0	**-**	-
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	**-**	-

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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
Indirect subsidiaries (continued)										
Subsidiaries of Pontian United Plantations Berhad (continued)										
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	**-**	-
Subsidiaries of Felda Holdings Bhd.										
Felda Palm Industries Sdn. Bhd.	Malaysia	Tolling manufacturer by processing oil palm fresh fruit bunches into crude palm oil and palm kernel and investment holding	**-**	-	**72.0**	72.0	**28.0**	28.0	**-**	-

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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
Indirect subsidiaries (continued)										
Subsidiaries of Felda Holdings Bhd. (continued)										
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	**-**	-

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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
Indirect subsidiaries (continued)										
Subsidiaries of Felda Holdings Bhd. (continued)										
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	**-**	-
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	Under liquidation	**-**	-	**100.0**	100.0	**-**	-	**-**	-
Felda Plantations Sdn. Bhd.	Malaysia	Dormant	**-**	-	**51.0**	51.0	**49.0**	49.0	**-**	-
FGV Logistics Sdn. Bhd. *(Note 7)*	Malaysia	Provision of transportation	**-**	-	**100.0**	-	**-**	-	**-**	-
Subsidiaries of Felda Palm Industries Sdn. Bhd.										
Felda Vegetable Oil Products Sdn. Bhd.	Malaysia	Tolling services of crude palm oil and palm kernel oil	**-**	-	**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	**-**	-

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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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
Indirect subsidiaries (continued)										
Subsidiaries of Felda Palm Industries Sdn. Bhd. (continued)										
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	Under liquidation	**-**	-	**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	**-**	-
Subsidiary of Felda Marketing Services Sdn. Bhd.										
PT. Cashgrow Ventures *	Indonesia	Commodity trading	**-**	-	**34.9**	34.9	**65.1**	65.1	**-**	-
Subsidiaries of Felda Plantations Sdn. Bhd.										
Felda Farm Products Sdn. Bhd.	Malaysia	Under liquidation	**-**	-	**51.0**	51.0	**49.0**	49.0	**-**	-

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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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
Indirect subsidiaries (continued)										
Subsidiaries of Felda Rubber Industries Sdn. Bhd.										
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	Under liquidation	**-**	-	**71.4**	71.4	**28.6**	28.6	**-**	-
Subsidiaries of Felda-Johore Bulkers Sdn. Bhd.										
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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
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	**-**	-
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	Under liquidation	**-**	-	**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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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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
Indirect subsidiaries (continued)										
Subsidiary of FGV R&D and Agri Services Sdn. Bhd.										
FGV Applied Technologies Sdn. Bhd. *(Note 15)*	Malaysia	Research and development of oleo and bio-chemicals, food technologies, mill and biomass technologies, automation, mechanization and remote sensing	**-**	-	**100.0**	100.0	**-**	-	**-**	-
Subsidiary of Felda Global Ventures Rubber Sdn Bhd.										
FGV Green Rubber Sdn. Bhd. *(Note 19)*	Malaysia	Purchasing and processing raw lattices and marketing rubber	**-**	-	**100.0**	100.0	**-**	-	**-**	-
Subsidiaries of Asian Plantations Limited										
Asian Plantations (Sarawak) Sdn. Bhd.	Malaysia	Investment holding	**-**	-	**100.0**	100.0	**-**	-	**-**	-
Asian Plantations (Sarawak) II Sdn. Bhd.	Malaysia	Investment holding	**-**	-	**100.0**	100.0	**-**	-	**-**	-
Asian Plantations (Sarawak) III Sdn. Bhd.	Malaysia	Investment holding	**-**	-	**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	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%	%	%
Indirect subsidiaries (continued)										
Subsidiaries of Asian Plantations (Sarawak) Sdn. Bhd.										
BJ Corporation Sdn. Bhd.	Malaysia	Oil-palm plantation	-	-	**100.0**	100.0	-	-	-	-
Incosetia Sdn. Bhd.	Malaysia	Oil-palm plantation	-	-	**100.0**	100.0	-	-	-	-
Fortune Plantation Sdn. Bhd.	Malaysia	Oil-palm plantation	-	-	**100.0**	100.0	-	-	-	-
Asian Plantations Milling Sdn. Bhd.	Malaysia	Oil-palm milling	-	-	**100.0**	100.0	-	-	-	-
Subsidiary of Incosetia Sdn. Bhd.										
South Asian Farms Sdn. Bhd.	Malaysia	Dormant	-	-	**100.0**	100.0	-	-	-	-
Subsidiaries of Asian Plantations (Sarawak) II Sdn. Bhd.										
Kronos Plantation Sdn. Bhd.	Malaysia	Oil-palm plantation	-	-	**100.0**	100.0	-	-	-	-
Grand Performance Sdn. Bhd.	Malaysia	Oil-palm plantation	-	-	**100.0**	100.0	-	-	-	-
Subsidiary of Asian Plantations Sarawak III Sdn. Bhd.										
Jubilant Paradise Sdn. Bhd.	Malaysia	Oil-palm plantation	-	-	**60.0**	60.0	**40.0**	40.0	-	-

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.

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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, acquisitions and disposal of subsidiaries during the financial year

Note 1 On 28 January 2015, Felda Global Ventures Kalimantan Sdn. Bhd. ("FGVK"), a subsidiary of Felda Global Ventures Plantations Sdn. Bhd. ("FGVP"), incorporated PT Bumi Agro Nusantara ("PT BAN") in Indonesia with issued and paid-up share capital of Rp3,010,500,000 (RM0.90 million) and are held by FGVK of 99.6% and FGVP of 0.4% respectively.

Note 2 On 28 January 2015, Felda Global Ventures Downstream Sdn. Bhd. ("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. ("LVSB") by way of a Supplemental Agreement dated 28 January 2015 to the Joint Venture and Shareholders' Agreement between FGVD and LVSB 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 the Group.

Note 3 On 31 March 2015, the Company acquired a 100% equity interest in Felda Iffco South China Ltd ("FISC") from Felda Iffco Sdn. Bhd., a joint venture of FGVD, a company incorporated in China for a purchase consideration of RMB320 million (RM181.34 million). FISC has changed its business name to FGV China Oils Ltd ("FGVCO") with effect from 22 August 2015. Refer b(i) for the effects of the acquisition of FGVCO.

Note 4 On 10 April 2015, MSM Malaysia Holdings Berhad ("MSM"), a subsidiary of the Company acquired a 100% equity interest in MSM Sugar Refinery (Johor) Sdn. Bhd. ("MSM Sugar Refinery"), a company incorporated in Malaysia for a cash consideration of RM2.

Note 5 On 1 October 2015, MSM incorporated a wholly-owned subsidiary, MSM Trading International DMCC in United Arab Emirates with issued and paid-up share capital of AED4,000,000.

Note 6 On 3 November 2015, FGVD disposed Twin Rivers Technologies Enterprises De Transformation De Graines Oleagineuses Du Quebec Inc. ("TRT ETGO"), its wholly-owned subsidiary, for a total consideration of CAD172.15 million (RM567.11 million), which resulted in a gain on disposal of RM13.02 million. Refer b(ii) for the effects of the disposal of TRT ETGO.

Note 7 On 7 December 2015, Felda Holdings Bhd., a wholly-owned subsidiary, acquired the entire issued and paid-up share capital of FGV Logistics Sdn. Bhd. ("FGV Logistics"), a company incorporated in Malaysia for a cash consideration of RM2.

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22 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Incorporation, acquisitions and disposal of subsidiaries during the financial year (continued)

(i) The effects of the acquisition of FGVCO is as follows:

	Carrying value RM'000	Fair value RM'000
Property, plant and equipment	125,434	151,085
Intangible assets	-	13,803
Prepaid lease payments	27,991	29,752
Inventories	10,636	10,636
Trade and other receivables	798	798
Financial assets at fair value through profit or loss	2,827	2,827
Cash and cash equivalents	1,811	1,811
Payables	(9,188)	(9,188)
Deferred tax liabilities	-	(10,304)
Total net assets acquired	160,309	191,220

The cash outflow on acquisition is as follows:

	RM'000
Consideration paid	181,338
Less: Cash and cash equivalents acquired	(1,811)
	179,527
Less: Deposit paid in 2014	(86,624)
Net cash outflow on acquisition	92,903

The goodwill on acquisition is as follows:

	RM'000
Purchase consideration	191,220
Fair value of net assets acquired	(191,220)
Goodwill on acquisition	-

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22 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Incorporation, acquisitions and disposal of subsidiaries during the financial year (continued)

(i) The effects of the acquisition of FGVCO is as follows: (continued)

The effects of the acquisition of FGVCO on the financial results of the Group during the financial year is shown below:

	RM'000
Revenue	289,698
Cost of sales	(296,894)
Gross loss	(7,196)
Other operating income	672
Selling and distribution costs	(4,134)
Administrative expenses	(14,884)
Finance costs	(3,123)
Loss before taxation	(28,665)
Taxation	(829)
Loss after taxation	(29,494)

The effect of the acquisition of FGVCO 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	292,046
Cost of sales	(297,986)
Gross loss	(5,940)
Other operating income	778
Selling and distribution costs	(5,665)
Administrative expenses	(19,072)
Finance costs	(3,123)
Loss before taxation	(33,022)
Taxation	(829)
Loss after taxation	(33,851)

(ii) The effects of the acquisitions and incorporations of other subsidiaries

PT BAN and MSM Trading International DMCC in United Arab Emirates are newly incorporated subsidiaries of the Group. FGV Lipid, MSM Sugar Refinery and FGV Logistics are newly acquired dormant subsidiaries of the Group. The effects of the incorporations and acquisition of these companies are not material.

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22 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Incorporation, acquisitions and disposal of subsidiaries during the financial year (continued)

(iii) The effects of the disposal of TRT ETGO on the financial position of the Group as at financial year end is as follows:

	RM'000
Property, plant and equipment	561,584
Intangible assets	497
Inventories	195,735
Trade and other receivables	87,598
Deferred tax assets	18,721
Cash and cash equivalents	18,874
Payables	(115,851)
Derivatives financial liabilities	(6,670)
Borrowings	(244,336)
Net assets disposed	516,152
Realisation of foreign exchange	37,945
Gain on disposal	13,016
Proceeds from disposal, net of transaction costs	567,113

The cash inflow on disposal is as follows:

Proceeds from disposal, net of transaction costs	567,113
Less: Cash and cash equivalents	(18,874)
Net cash inflow from disposal	548,239

(c) Incorporation and acquisitions of subsidiaries in previous financial year

Note 8 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.

Following the decision made by the Board of FGV CNS, the directors of GP, had executed a merger document on 27 February 2015, between GasPlas AS and its wholly-owned subsidiary, MetalPlas AS which remained dormant previously.

Note 9 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 10 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.

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22 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Incorporation and acquisitions of subsidiaries in previous financial year (continued)

Note 11 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 12 On 29 August 2014, the Company acquired a 100% equity interest in Laras Simfoni 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 13 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 14 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 15 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 16 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 17 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 18 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 19 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 2015

22 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Incorporation and acquisitions of subsidiaries in previous 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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

22 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Incorporation and acquisitions of subsidiaries in previous 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 in previous financial year, and had the acquisition taken effect at the beginning of the previous 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	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 2015

22 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Incorporation and acquisitions of subsidiaries in previous 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)
Net cash outflow on acquisition	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 in previous 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 in previous financial year had the acquisition taken effect at the beginning of the previous financial year is shown below:

	RM'000
Operating expenses	(6,320)
Loss after taxation	(6,320)

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

22 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Incorporation and acquisitions of subsidiaries in previous financial year (continued)

(iii) The effects of the acquisition of APL is as follows:

The purchase price allocation of APL was completed during the financial year. The effects of the final purchase price allocation are as follows:

	Carrying value RM'000	Fair value RM'000
Property, plant and equipment	393,215	376,243
Biological assets	225,183	261,946
Inventories	15,564	15,564
Trade and other receivables	3,282	3,282
Goodwill	17,272	-
Tax recoverable	12	12
Cash and cash equivalents	18,904	18,904
Payables	(102,602)	(102,602)
Borrowings	(516,969)	(517,120)
Deferred tax liabilities	(1,680)	(1,295)
Total net assets acquired	52,181	54,934
Non-controling interests	-	18
	52,181	54,952

The impact of the finalisation of the purchase price allocation is disclosed in Note 58.

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
Fair value of net assets acquired	(54,952)
Goodwill on acquisition	512,946

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 2015

22 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Incorporation and acquisitions of subsidiaries in previous 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 in previous financial year is shown below:

	RM'000
Revenue	11,219
Cost of sales	(13,798)
Gross loss	(2,579)
Other operating income	209
Administrative expenses	(1,168)
Other operating expenses	(8,170)
Finance costs	(4,272)
Loss before taxation	(15,980)
Taxation	46
Loss after taxation	(15,934)

The effect of the acquisition of APL on the financial results of the Group in previous financial year had the acquisition taken effect at the beginning of the previous financial year is shown below:

	RM'000
Revenue	113,117
Cost of sales	(127,726)
Gross loss	(14,609)
Other operating income	709
Administrative expenses	(19,554)
Other operating expenses	(31,907)
Finance costs	(39,726)
Loss before taxation	(105,087)
Taxation	4,163
Loss after taxation	(100,924)

(iv) The total net cash outflows on acquisitions of subsidiaries in previous financial year are as follows:

	RM'000
GP	29,693
PT TAA	14,331
APL	548,994
	593,018

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

22 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Incorporation and acquisitions of subsidiaries in previous financial year (continued)

(v) Had the Group been consolidated since the beginning of the previous 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 to the Group in the previous financial year.

(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 previous 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.**	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current				
Assets	**1,354,704**	1,353,655	**626,899**	1,357,983
Liabilities	**(610,011)**	(497,009)	**(136,719)**	(847,743)
Total current net assets	**744,693**	856,646	**490,180**	510,240
Non-current				
Assets	**1,367,701**	1,164,548	**1,794,146**	1,710,615
Liabilities	**(75,378)**	(76,699)	**(159,793)**	(157,657)
Total non-current net assets	**1,292,323**	1,087,849	**1,634,353**	1,552,958
Net assets	**2,037,016**	1,944,495	**2,124,533**	2,063,198

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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		Felda Palm Industries Sdn. Bhd.	
	For the financial year ended 31 December		For the financial year ended 31 December	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Revenue	**2,307,263**	2,281,493	**1,394,011**	8,819,382
Profit before zakat and taxation	**372,128**	344,299	**155,030**	436,986
Tax and zakat expense	**(96,832)**	(87,286)	**(40,700)**	(107,044)
Profit for the financial year	**275,296**	257,013	**114,300**	329,942
Other comprehensive income	**-**	-	**-**	101
Total comprehensive income	**275,296**	257,013	**114,300**	330,043
Profit attributable to non-controlling interest	**139,144**	125,714	**31,437**	94,582
Total comprehensive income attributable to non-controlling interest	**139,144**	125,714	**31,437**	94,582
Accumulated non-controlling interest	**1,002,386**	952,802	**459,180**	438,162
Dividends paid to non-controlling interests	**89,560**	82,670	**14,839**	28,280

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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		Felda Palm Industries Sdn. Bhd.	
	For the financial year ended 31 December		For the financial year ended 31 December	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Cash flow from operating activities				
Cash flow generated from operations	**5,695**	326,136	**170,200**	557,123
Retirement benefits paid	**-**	-	**(120)**	(28)
Zakat paid	**(5,000)**	(4,500)	**(7,938)**	(2,207)
Income tax paid	**(91,724)**	(81,790)	**(39,990)**	(67,320)
Net cash (used in)/generated from operating activities	**(91,029)**	239,846	**122,152**	487,568
Net cash used in investing activities	**(231,786)**	(79,729)	**(135,551)**	(192,880)
Net cash (used in)/generated from financing activities	**(23,282)**	42,730	**(159,413)**	(425,337)
Net (decrease)/increase in cash and cash equivalents	**(346,097)**	202,847	**(172,812)**	(130,649)
Cash and cash equivalents at beginning of financial year	**469,999**	267,152	**233,362**	364,011
Cash and cash equivalents at end of financial year	**123,902**	469,999	**60,550**	233,362

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

23 INTERESTS IN ASSOCIATES

	Group	
	2015	**2014**
	RM'000	**RM'000**
Share of net assets of associates	**239,640**	215,754

Summarised financial information in respect of the Group's share of revenue, profit, assets and liabilities of its associates is set out below:

	Group	
	2015	**2014**
	RM'000	**RM'000**
Revenue	**553,318**	470,707
Group's share of results for the financial year	**19,036**	9,320
Share of capital commitments of associates	**35,734**	28,624

Set out below are details of the associates of the Group as at 31 December 2015. 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.

		Group's effective interest		
Name of companies	**Place of business/ country of incorporation**	**2015 (%)**	**2014 (%)**	**Nature of business**
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**	30.0	(v)
Associate of PUP				
Malacca Plantation Sdn. Bhd.	Malaysia	**34.33**	34.33	(vi)

(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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current						
Cash and cash equivalents	**112,268**	89,062	**38,727**	32,454	**150,995**	121,516
Other current assets (excluding cash)	**194,756**	173,680	**91,252**	83,227	**286,008**	256,907
Total current assets	**307,024**	262,742	**129,979**	115,681	**437,003**	378,423
Financial liabilities (excluding trade payables)	**(54,001)**	(50,780)	**(37,406)**	(19,149)	**(91,407)**	(69,929)
Other current liabilities (including trade payables)	**(19,089)**	(18,394)	**(7,428)**	(2,435)	**(26,517)**	(20,829)
Total current liabilities	**(73,090)**	(69,174)	**(44,834)**	(21,584)	**(117,924)**	(90,758)
Non-current						
Assets	**216,485**	183,170	**274,802**	259,187	**491,287**	442,357
Financial liabilities	**(15,998)**	(15,910)	**(16,978)**	(27,559)	**(32,976)**	(43,469)
Total non-current liabilities	**(15,998)**	(15,910)	**(16,978)**	(27,559)	**(32,976)**	(43,469)
Net assets	**434,421**	360,828	**342,969**	325,725	**777,390**	686,553

Summarised statement of comprehensive income

	Taiko		Insignificant in aggregate		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	**373,242**	326,095	**180,076**	144,612	**553,318**	470,707
Interest expense	**(4,370)**	(4,004)	**(309)**	(498)	**(4,679)**	(4,502)
Profit from continuing operations	**79,057**	46,976	**20,698**	22,999	**99,755**	69,975
Tax and zakat expense	**(23,507)**	(13,207)	**(2,554)**	(1,408)	**(26,061)**	(14,615)
Post-tax profit from continued operations	**55,550**	33,769	**18,144**	21,591	**73,694**	55,360
Other comprehensive income	**18,043**	4,349	**-**	-	**18,043**	4,349
Total comprehensive income	**73,593**	38,118	**18,144**	21,591	**91,737**	59,709
Dividends received from associate	**-**	10,000	**900**	900	**900**	10,900

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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.

	Taiko		Insignificant in aggregate		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Opening net assets	**360,828**	332,710	**325,725**	305,034	**686,553**	637,744
Profit for the year	**55,550**	33,769	**18,144**	21,591	**73,694**	55,360
Dividend	**-**	(10,000)	**(900)**	(900)	**(900)**	(10,900)
Other comprehensive income	**18,043**	4,349	**-**	-	**18,043**	4,349
Closing net assets before group adjustments	**434,421**	360,828	**342,969**	325,725	**777,390**	686,553
Opening group adjustments	**140,321**	-	**82,032**	98,252	**222,353**	98,252
Others	**29,906**	140,321	**-**	(16,220)	**29,906**	124,101
Closing group adjustments	**170,227**	140,321	**82,032**	82,032	**252,259**	222,353
Closing net assets	**604,648**	501,149	**425,001**	407,757	**1,029,649**	908,906
Interest in associates	**21.6%**	21.6%	**7%-34%**	7%-34%	**-**	-
Carrying value	**130,604**	108,248	**109,037**	107,506	**239,640**	215,754
Unrecognised share of loss	**-**	-	**(1,048)**	(1,046)	**(1,048)**	(1,046)

24 INTERESTS IN JOINT VENTURES

	Group	
	2015	**2014**
	RM'000	**RM'000**
Share of net assets of joint ventures	**698,166**	745,042

The Group's share of the results of the joint ventures are as follow:

	2015	**2014**
	RM'000	**RM'000**
Revenue	**5,195,210**	6,118,126
Group's share of results for the financial year	**50,402**	21,375

	2015	**2014**
	RM'000	**RM'000**
Share of capital commitments of joint ventures	**28,381**	116,318

Notes to the Financial Statements

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24 INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information for joint ventures

Set out belows are details of the joint ventures of the Group as at 31 December 2015. 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 2015 (%)	Group's effective interest 2014 (%)	Nature of business
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	(ii)
Joint ventures of Felda Global Ventures Livestocks Sdn. Bhd.				
Felda Iffco Allana (Malaysia) Sdn. Bhd.	Malaysia	**50.0**	50.0	(iii)
Joint venture of Felda Global Ventures Kalimantan Sdn. Bhd.				
Trurich Resources Sdn. Bhd.	Malaysia	**50.0**	50.0	(iv)
Joint ventures of FHB				
FPG Oleochemicals Sdn. Bhd.	Malaysia	**50.0**	50.0	(v)
Malaysia Pakistan Venture Sdn. Bhd. (30 June) $^{\alpha}$	Malaysia	**37.5**	37.5	(vi)
Mapak Edible Oils (Pvt) Ltd $^{\alpha}$ (30 June)	Pakistan	**30.0**	30.0	(vii)
MEO Trading Sdn. Bhd. $^{\alpha}$	Malaysia	**30.0**	30.0	(viii)
FTJ Biopower Sdn. Bhd. $^{\alpha}$	Malaysia	**43.0**	43.0	(ix)
ProXcel Sdn. Bhd. $^{\alpha}$	Malaysia	**40.0**	40.0	(x)
Sahabat Renewable Fuel Ventures Sdn. Bhd. $^{\alpha}$	Malaysia	**36.7**	36.7	(xi)
MyBiomass Sdn. Bhd $^{\alpha}$	Malaysia	**23.1**	23.1	(xii)
FGV Pho La Min Co. Ltd. $^{\alpha}$	Myanmar	**51.0**	51.0	(xiii)
Indirect joint operation				
Kuala Muda Estate Joint Venture	Malaysia	**50.0**	50.0	(xiv)

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 2015

24 INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information for joint ventures (continued)

(i) Refining, processing and packing of palm oil based products
(ii) Production 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

^ On 28 January 2015, Felda Global Ventures Downstream Sdn. Bhd. ("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. ("LVSB") by way of a Supplemental Agreement dated 28 January 2015 to the Joint Venture and Shareholders' Agreement between FGVD and LVSB 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.

$^{\alpha}$ The Group treated these entities as joint ventures as the shareholder agreements require unanimous consent over decisions about relevant activities among the partners.

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.

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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current										
Cash and cash equivalents	**222,383**	142,558	**128,189**	78,676	**279,204**	295,783	**32,772**	34,667	**662,548**	551,684
Other current assets (excluding cash)	**697,662**	1,204,832	**79,762**	109,439	**219,012**	249,274	**186,191**	139,428	**1,182,627**	1,702,973
Total current assets	**920,045**	1,347,390	**207,951**	188,115	**498,216**	545,057	**218,963**	174,095	**1,845,175**	2,254,657
Financial liabilities (excluding trade payables)	**(912,564)**	(1,077,833)	**(5,508)**	(8,286)	**(3,909)**	(54,691)	**(3,017)**	(16,035)	**(924,998)**	(1,156,845)
Other current liabilities (including trade payables)	**-**	(240,861)	**(110,283)**	(75,123)	**(142,453)**	(74,416)	**(112,150)**	(40,354)	**(364,886)**	(430,754)
Total current liabilities	**(912,564)**	(1,318,694)	**(115,791)**	(83,409)	**(146,362)**	(129,107)	**(115,167)**	(56,389)	**(1,289,884)**	(1,587,599)
Non-Current										
Assets	**399,070**	351,642	**1,357,519**	930,537	**145,923**	181,024	**72,802**	65,998	**1,975,314**	1,529,201
Financial liabilites	**(108,397)**	(112,030)	**(1,072,778)**	(644,751)	**(26,903)**	(31,495)	**(1,036)**	692	**(1,209,114)**	(787,584)
Total non-current liabilities	**(108,397)**	(112,030)	**(1,072,778)**	(644,751)	**(26,903)**	(31,495)	**(1,036)**	692	**(1,209,114)**	(787,584)
Net assets	**298,154**	268,308	**376,901**	390,492	**470,874**	565,479	**175,562**	184,396	**1,321,491**	1,408,675

24 INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information for joint ventures (continued)

Summarised statement of comprehensive income

	FISB		Trurich		FPG		Insignificant in aggregate		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	**3,749,197**	4,373,857	**163,401**	167,796	**1,278,736**	1,572,597	**3,876**	3,876	**5,195,210**	6,118,126
Depreciation and amortisation	**(44,294)**	(26,953)	**(86,099)**	(15,474)	**-**	(21,190)	**-**	-	**(130,393)**	(63,617)
Interest income	**-**	-	**2,764**	2,223	**-**	8,434	**-**	-	**2,764**	10,657
Interest expense	**(51,782)**	(61,444)	**(37,038)**	(23,887)	**(11)**	(11)	**(3)**	(3)	**(88,834)**	(85,345)
Profit/(loss) from continuing operations	**74,280**	(22,274)	**(20,439)**	(1,164)	**67,108**	61,968	**12,735**	21,725	**133,684**	60,255
Tax (expense)/income	**(9,457)**	4,610	**(2,375)**	(6,697)	**(11,713)**	(20,623)	**(10,359)**	25	**(33,904)**	(22,685)
Post-tax profit/(loss) from continuing operations	**64,823**	(17,664)	**(22,814)**	(7,861)	**55,395**	41,345	**2,376**	21,750	**99,780**	37,570
Post-tax profit from discontinued operations	**-**	10,196	**-**	-	**-**	-		-	**-**	10,196
Other comprehensive (loss)/income	**(34,977)**	44,689	**9,223**	(1,511)	**-**	-	**-**	-	**(25,754)**	43,178
Total comprehensive income/(loss)	**29,846**	37,221	**(13,591)**	(9,372)	**55,395**	41,345	**2,376**	21,750	**74,026**	90,944
Dividends received from joint ventures	**-**	-	**-**	-	**150,000**	75,000	**4,211**	-	**154,211**	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)

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		Trurich		FPG		Insignificant in aggregate		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening net assets	**268,308**	231,087	**390,492**	243,632	**565,479**	599,134	**184,396**	181,939	**1,408,675**	1,255,792
Profit/(loss) for the year	**64,823**	(7,468)	**(22,814)**	(7,861)	**55,395**	41,345	**2,377**	21,750	**99,781**	47,766
Dividend	**-**	-	**-**	-	**(150,000)**	(75,000)	**(11,211)**	(19,293)	**(161,211)**	(94,293)
Other comprehensive (loss)/income	**(34,977)**	44,689	**9,223**	(5,279)	**-**	-	**-**	-	**(25,754)**	39,410
Addition	**-**	-	**-**	160,000	**-**	-	**-**	-	**-**	160,000
Closing net assets before group adjustments	**298,154**	268,308	**376,901**	390,492	**470,874**	565,479	**175,562**	184,396	**1,321,491**	1,408,675
Opening group adjustments	**(45,298)**	(141,994)	**17,376**	(17,220)	**131,037**	153,385	**90,161**	103,951	**193,276**	98,122
Fair value adjustments	**-**	-	**-**	-	**-**	(19,720)	**-**	-	**-**	(19,720)
Reversal of Impairment	**-**	137,314	**-**	-	**-**	-	**(5,800)**	-	**(5,800)**	137,314
Others	**1,131**	(40,618)	**1,734**	34,596	**(14,532)**	(2,628)	**-**	(13,790)	**(11,667)**	(22,440)
Closing group adjustments	**(44,167)**	(45,298)	**19,110**	17,376	**116,505**	131,037	**84,361**	90,161	**175,809**	193,276
Closing net assets	**253,987**	223,010	**396,011**	407,868	**587,379**	696,516	**259,923**	274,557	**1,497,300**	1,601,951
Interest in associates	**50%**	50%	**50%**	50%	**50%**	50%	**23%-51%**	23%-51%	**-**	-
Carrying value	**126,994**	111,505	**198,006**	203,934	**293,690**	348,258	**79,476**	81,345	**698,166**	745,042
Unrecognised share of loss	**-**	-	**-**	-	**-**	-	**(7,674)**	(7,854)	**(7,674)**	(7,854)

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

24 INTERESTS IN JOINT VENTURES (CONTINUED)

Impairment loss on investment in joint ventures

(a) Felda Iffco Sdn. Bhd. ("FISB")

At 31 December 2015, the Group's investment in a joint venture, FISB was tested for impairment due to continued difficult 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:

	2015	2014
- Gross margin	**7% - 18%**	7% - 18%
- Terminal value growth rate	**2.5%**	2.5%
- Discount rate	**10%**	10%

As a result of the impairment assessment, no impairment was recognised as the recoverable amount of the investment exceeds the carrying amount. In previous year, a reversal of impairment in a joint venture of RM68,657,000 was recorded 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) In previous financial year, 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

For The Financial Year Ended 31 December 2015

25 PREPAID LEASE PAYMENTS

The prepaid lease payments were payment for rights to use the following:

Group

	Leasehold land	
	2015	**2014**
	RM'000	**RM'000**
Cost		
At 1 January	**53,113**	41,329
Acquisition of subsidiaries	**29,752**	-
Additions	**210**	11,788
Currency translation differences	**3,448**	-
Write offs	**(4,113)**	(4)
31 December	**82,410**	53,113
Accumulated amortisation		
At 1 January	**3,152**	360
Amortisation charge	**3,581**	2,799
Currency translation differences	**490**	-
Write offs	**(2,947)**	(2)
Transfer to property, plant and equipment (Note 19)	**-**	(81)
(Reversal of)/provision for impairment loss	**(76)**	76
At 31 December	**4,200**	3,152
Net book value at 31 December	**78,210**	49,961

As at 31 December 2015, the carrying amount of prepaid lease lands without title is RM41,689,000 (2014: RM45,416,000).

26 LOAN DUE FROM OTHER RELATED COMPANY

	Group	
	2015	**2014**
	RM'000	**RM'000**
At 1 January	**-**	-
Reversal of for impairment	**-**	26,952
Repayment	**-**	(30,817)
Currency translation differences	**-**	3,865
At 31 December	**-**	-

In previous financial year, the Group received full repayment and made a reversal of impairment amounting to RM26,952,000, which is recorded in other operating income.

The financial guarantee contract provided by Company previously in the event of default, has been derecognised in the previous financial year following the full settlement of the promissory note.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

27 RECEIVABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		(Restated)		
Non-current assets				
Deposits [τ]	**371,906**	96,656	**-**	86,624
Prepayment [@]	**87,419**	68,617	**-**	-
	459,325	165,273	**-**	86,624
Current assets				
Trade receivables [*]	**1,348,064**	833,416	**-**	-
Less: Provision for impairment	**(7,523)**	(5,709)	**-**	-
	1,340,541	827,707	**-**	-
Amount due from customer on contracts (Note 51)	**5,621**	6,234	**-**	-
Total trade receivables	**1,346,162**	833,941	**-**	-
Other receivables [#]	**209,540**	164,041	**4,182**	1,157
Prepayments	**30,201**	75,397	**330**	18,729
Deposits [^]	**162,450**	16,031	**6,732**	194
Good and service tax ("GST") receivable	**145,918**	-	**-**	-
	1,894,271	1,089,410	**11,244**	20,080
Total	**2,353,596**	1,254,683	**11,244**	106,704

[τ] Included in the non-current assets as at 31 December 2015 is a deposit paid in connection with the proposed acquisition of a piece of land owned by Golden Land Berhad and its four subsidiaries amounting to RM365.5 million. In previous financial year, part of the deposits amounting to RM86.62million was attributable to deposit paid for the 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.

[@] Included in non-current prepayments is a security deposit amounting to RM62,120,000 (2014: 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 RM17,139,000 (2014: RM31,722,000).

[#] Included in other receivables within current assets in the previous financial year was an advance of RM35,435,000 made in respect of a broadband project of FELDA.

[^] Included in deposits are deposits relating to building of a sugar refinery for MSM Sugar Refinery (Johor) Sdn. Bhd. amounting to RM74,634,000 (2014: Nil), deposit for sugar futures trading facilities amounting to RM36,560,000 (2014: RM67,000) and deposit for purchase of CPO amounting to RM19,501,000 (2014: RM Nil).

Notes to the Financial Statements
For The Financial Year Ended 31 December 2015

27 RECEIVABLES (CONTINUED)

The receivables are denominated as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
- Ringgit Malaysia	**1,565,177**	764,415	**11,244**	106,704
- United States Dollar	**755,879**	443,072	**-**	-
- Canadian Dollar	**-**	30,357	**-**	-
- Indonesian Rupiah	**15,805**	9,547	**-**	-
- Chinese Yuen Renminbi	**11,373**	-	**-**	-
- Thai Baht	**4,217**	5,669	**-**	-
- Singapore Dollars	**183**	447	**-**	-
- Great Britain Pound	**896**	-	**-**	-
- Pakistan Rupee	**32**	99	**-**	-
- Others	**34**	1,077	**-**	-
	2,353,596	1,254,683	**11,244**	106,704

The credit terms of trade receivables are up to 90 days (2014: up to 90 days).

Past due but not impaired
As at 31 December 2015, RM343,520,000 (2014: RM326,308,000) 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
2015				
Less than 30 days past due	**232,254**	**1,474**	**3,238**	**236,966**
Between 30 and 60 days past due	**44,577**	**161**	**248**	**44,986**
Between 61 and 90 days past due	**14,136**	**676**	**-**	**14,812**
Between 91 days and 1 year past due	**32,286**	**1,704**	**1,146**	**35,136**
More than 1 year past due	**11,383**	**237**	**-**	**11,620**
At 31 December 2015	**334,636**	**4,252**	**4,632**	**343,520**

During the financial year, receivable balances amounting to RM56,143,000 was renegotiated by certain customers of the Group.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

27 RECEIVABLES (CONTINUED)

Past due but not impaired (continued)

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

As at 31 December 2015, there are no receivables of the Company that were past due but not impaired.

Impaired and provided for

As at 31 December 2015, RM7,523,000 of receivables of the Group were impaired and provided for (2014: RM5,709,000).

Movement of the Group's provision for impairment of receivables are as follows:

	Group	
	2015	**2014**
	RM'000	**RM'000**
At 1 January	**5,709**	5,529
Charged to profit or loss	**1,814**	180
At 31 December	**7,523**	5,709

Receivables balances of RM1,746,538,000 (2014: RM784,361,000) and RM10,914,000 (2014: RM87,975,000) 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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

27 RECEIVABLES (CONTINUED)

The credit quality of receivables that are neither past due nor impaired can be assessed to historical information about counterparty default rates:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Group 1	**26,935**	61,620	**-**	-
Group 2	**1,681,761**	688,769	**10,914**	87,975
Group 3	**37,842**	33,972	**-**	-
	1,746,538	784,361	**10,914**	87,975

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 and GST receivable equals their carrying value, as the impact of discounting is not significant.

28 AMOUNTS DUE FROM/(TO) A SIGNIFICANT SHAREHOLDER, SUBSIDIARIES, JOINT VENTURES, AN ASSOCIATE AND OTHER RELATED COMPANIES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Amounts due from:				
Subsidiaries	**-**	-	**12,602**	-
Joint venture	**34,807**	-	**-**	-
	34,807	-	**12,602**	-
Current assets				
Amounts due from:				
Significant shareholder	**101,555**	79,233	**-**	2,308
Subsidiaries	**-**	-	**173,631**	101,761
Joint ventures	**212,502**	328,941	**-**	-
Associate	**85**	36	**-**	-
Other related companies	**102,636**	63,964	**234**	1,571
	416,778	472,174	**173,865**	105,640
	451,585	472,174	**186,467**	105,640
Current liabilities				
Amounts due to:				
Significant shareholder	**(140,113)**	(240,444)	**(6,963)**	(6,623)
Subsidiaries	**-**	-	**(23,390)**	(134,011)
Joint ventures	**(31)**	-	**-**	-
Other related companies	**(98,524)**	(9,136)	**(67)**	(354)
	(238,668)	(249,580)	**(30,420)**	(140,988)

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

28 AMOUNTS DUE FROM/(TO) A SIGNIFICANT SHAREHOLDER, SUBSIDIARIES, JOINT VENTURES, AN ASSOCIATE AND OTHER RELATED COMPANIES (CONTINUED)

(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 (2014: 15 to 120 days).

(b) The amounts due from a significant shareholder, subsidiaries, joint ventures, an associate and other related companies are denominated as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Amounts due from a significant shareholder				
Ringgit Malaysia	**101,555**	79,233	**-**	2,308
Amounts due from subsidiaries				
Ringgit Malaysia	**-**	-	**186,233**	101,761
Amounts due from joint ventures				
Ringgit Malaysia	**208,974**	296,524	**-**	-
United States Dollar	**38,335**	32,417	**-**	-
	247,309	328,941	**-**	-
Amounts due from an associate				
Ringgit Malaysia	**85**	36	**-**	-
Amounts due from other related companies				
Ringgit Malaysia	**102,636**	63,964	**234**	1,571
Total	**451,585**	472,174	**186,467**	105,640

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For The Financial Year Ended 31 December 2015

28 AMOUNTS DUE FROM/(TO) A SIGNIFICANT SHAREHOLDER, SUBSIDIARIES, JOINT VENTURES, AN ASSOCIATE AND OTHER RELATED COMPANIES (CONTINUED)

Amounts due from subsidiaries

	Company	
	2015	2014
	RM'000	RM'000
At 1 January	**101,761**	58,584
Net movement during the financial year	**276,819**	67,584
Conversion into ordinary shares # (Note 22)	**(192,347)**	(24,407)
At 31 December	**186,233**	101,761
Analysed as:		
Non-current	**12,602**	-
Current	**173,631**	101,761
	186,233	101,761

2015

On 28 April 2015, the Company subscribed for 28,268,328 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 RM28,268,328. Subsequently, on 28 September 2015, the Company further subscribed for an additional 52,746,644 ordinary shares of RM1.00 each from FGVP, by conversion of an amount due from FGVP of RM52,746,644.

On 7 September 2015, the Company subscribed for 111,332,252 ordinary shares of RM1.00 each from Felda Global Ventures Downstream Sdn. Bhd. ("FGVD"), a wholly owned subsidiary of the Company, by conversion of an amount due from FGVD of RM111,332,252.

2014

On 31 October 2014, the Company subscribed for an additional 24,406,600 ordinary shares of RM1.00 each from FGVP, for a cash consideration of RM11 and by conversion of an amount due from FGVP of RM24,406,589.

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For The Financial Year Ended 31 December 2015

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 2015, RM184,608,000 (2014: RM65,876,000) of amounts due from a significant shareholder, joint ventures and other related companies and RM234,000 (2014: RM1,566,000) 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 2015						
Amount due from a significant shareholder	**11,066**	**7,983**	**2,925**	**18,551**	**2,283**	**42,808**
Amounts due from joint ventures *	**22,158**	**-**	**-**	**3**	**35,896**	**58,057**
Amounts due from other related companies	**14,914**	**29,653**	**26,998**	**11,597**	**581**	**83,743**
	48,138	**37,636**	**29,923**	**30,151**	**38,760**	**184,608**
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

* Included in the amounts due from joint venture is an amount due of RM34,807,000 (2014: RM33,052,967), 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 once the power plant is in operation, which is expected to be realised beyond 12 months from 31 December 2015.

	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
Company						
At 31 December 2015						
Amounts due from subsidiaries	**-**	**7,305**	**9,037**	**6,791**	**29,549**	**52,682**
Amounts due from other related companies	**66**	**-**	**-**	**-**	**-**	**66**
	66	**7,305**	**9,037**	**6,791**	**29,549**	**52,748**
At 31 December 2014						
Amounts due from subsidiaries	6,547	-	1,685	28,167	26,541	62,940
Amounts due from other related companies	1	367	13	563	622	1,566
	6,548	367	1,698	28,730	27,163	64,506

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28 AMOUNTS DUE FROM/(TO) A SIGNIFICANT SHAREHOLDER, SUBSIDIARIES, JOINT VENTURES, ASSOCIATE AND OTHER RELATED COMPANIES (CONTINUED)

Impaired and provided for

As at 31 December 2015, certain amounts due from a significant shareholder, amounts due from subsidiaries and amounts due from other related companies amounting to RM7,735,000 (2014: RM2,066,000) and RM4,717,000 (2014: RM684,000) of the Group and Company respectively was impaired and fully provided for.

Movement of the Group's provision for impairment of amount due from is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Amounts due from a significant shareholder				
At 1 January	**2,066**	-	**-**	-
Charged to profit or loss	**3,425**	2,066	**2,308**	-
At 31 December	**5,491**	2,066	**2,308**	-
Amounts due from other related companies				
At 1 January	**-**	-	**-**	-
Charged to profit or loss	**2,244**	-	**1,725**	-
At 31 December	**2,244**	-	**1,725**	-
Amounts due from subsidiaries				
At 1 January/31 December	**-**	-	**684**	684
	7,735	2,066	**4,717**	684

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28 AMOUNTS DUE FROM/(TO) A SIGNIFICANT SHAREHOLDER, SUBSIDIARIES, JOINT VENTURES, ASSOCIATE AND OTHER RELATED COMPANIES (CONTINUED)

Amounts due from a significant shareholder, joint ventures, associate and other related companies of RM266,977,000 (2014: RM406,298,000) of the Group and amounts due from a significant shareholder, subsidiaries, and other related companies of RM133,719,000 (2014: RM41,134,000) of the Company are neither past due nor impaired as it yet to exceed the credit period.

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	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Amounts due from a significant shareholder				
Group 2	**58,747**	58,855	**-**	2,308
Amounts due from subsidiaries				
Group 2	**-**	-	**133,551**	38,821
Amounts due from joint ventures				
Group 2	**189,252**	292,028	**-**	-
Amounts due from an associate				
Group 2	**85**	36	**-**	-
Amounts due from other related companies				
Group 2	**18,893**	55,379	**168**	5
Total unimpaired amounts from related parties	**266,977**	406,298	**133,719**	41,134

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

29 BIOLOGICAL ASSETS

Group

Net book value	Oil palm and and rubber plantation estates RM'000	Livestock RM'000	Total RM'000
2015			
Non-current			
At 1 January	2,791,237	732	2,791,969
Additions	57,322	-	57,322
Accelerated depreciation	(5,905)	(150)	(6,055)
Currency translation differences	2,681	-	2,681
Transfer from property, plant and equipment (Note 19)	4,847	-	4,847
Write offs	(2,301)	(49)	(2,350)
At 31 December	2,847,881	533	2,848,414

Current

	Nursery RM'000
At 1 January	50,697
Additions	33,545
Charged to profit or loss	(26,049)
Transfer to non-current	(699)
At 31 December	57,494

Notes to the Financial Statements
For The Financial Year Ended 31 December 2015

29 BIOLOGICAL ASSETS (CONTINUED)

Group

Net book value	Oil palm and and rubber plantation estates RM'000	Livestock RM'000	Total RM'000
2014			
Non-current			
At 1 January	2,424,798	22,467	2,447,265
Acquisition of subsidiaries (Note 22)	263,877	-	263,877
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	2,791,237	732	2,791,969

Included in the additions of biological assets for the financial year is an amount of RM2,237,000 (2014: RM2,530,000) in relation to capitalised finance cost incurred during financial year.

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

Net book value of biological assets on land without titles is RM137,660,000 (2014: RM172,478,000).

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

29 BIOLOGICAL ASSETS (CONTINUED)

Impairment test for biological assets – non-current

(i) Oil palm and rubber plantation estates

In previous financial year, the Group has recognised an impairment reversal of RM2,486,000 which is recorded in costs of sales. 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

In previous financial year, 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 while the remaining related carrying amount of RM8,910,000 has been reclassified as assets held for sale (Refer Note 35).

30 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Group

	2015 RM'000	2014 RM'000
At 1 January	**243,685**	225,305
Additions	**69,613**	715
Disposals	**(19,129)**	-
Fair value gain transferred to available-for-sale reserve	**20,692**	17,655
At 31 December	**314,861**	243,685
Available-for-sale financial assets comprise the following:		
Quoted equity securities:		
- In Malaysia	**63,510**	4,084
Unquoted equity securities:		
- In Malaysia	**251,351**	218,839
Quoted unit trust securities:		
- Outside Malaysia	**-**	20,762
	314,861	243,685
Available-for-sale financial assets are denominated in the following currencies:		
- Ringgit Malaysia	**314,861**	222,923
- Pakistan Rupee	**-**	20,762
	314,861	243,685

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 and is a Level 3 fair value computation.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

31 INVENTORIES

Group

	2015 RM'000	2014 RM'000
At cost:		
- Finished goods	**550,379**	445,330
- Raw materials	**875,008**	834,344
- Work in progress	**40,385**	28,093
- Chemicals	**269,791**	36,434
- Stores, consumables and replaceable products	**85,855**	62,267
- Raw sugar in transit	**80,838**	209,526
	1,902,256	1,615,994
At net realisable value:		
- Finished goods	**173,427**	146,300
- Raw materials	**-**	1,401
- Stores, consumables and replaceable products	**2,689**	-
	176,116	147,701
	2,078,372	1,763,695

32 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Group

	2015 RM'000	2014 RM'000
At 1 January	**21,431**	12,955
Acquisition of subsidiaries	**2,827**	-
Additions (net)	**42,029**	10,718
Fair value losses charged to profit or loss (Note 9)	**(886)**	(2,242)
Currency translation differences	**504**	-
As at 31 December	**65,905**	21,431
Quoted investments:		
In Malaysia	**3,595**	3,649
Outside Malaysia	**62,310**	17,782
	65,905	21,431

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

32 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Group

Financial instruments at fair value through profit or loss are denominated in the following currencies:

	2015 RM'000	2014 RM'000
- Ringgit Malaysia	**3,595**	3,649
- Australian Dollar	**2,948**	2,877
- Pakistan Rupee	**52,420**	14,905
- Chinese Yuen Renminbi	**6,942**	-
	65,905	21,431

The fair value of all equity securities is based on their quoted bid prices in an active market.

33 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Group					
	2015			2014		
	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	**760,222**	**1,388**	**590**	885,391	529	15,271
Sugar futures contracts	**-**	**-**	**-**	2,217	38	-
Oil palm futures contracts	**365,901**	**-**	**1,268**	61,753	61	2,524
Rubber forward contracts	**-**	**-**	**-**	9,977	2,078	19
Soy and canola future contracts	**-**	**-**	**-**	823,221	12,631	14,578
	1,126,123	**1,388**	**1,858**	1,782,559	15,337	32,392

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

33 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

The notional amount of contracts outstanding are as follows:

	2015	2014
Foreign currency forward contracts	**USD176,858,009**	USD258,557,000
Sugar futures contracts	**-**	28,905 MT
Palm oil futures contracts	**143,875 MT**	23,045 MT
Rubber forward contracts	**-**	1,333 MT
Soy and canola futures contracts	**-**	1,100,712 MT

34 CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Fixed deposits in:				
- Licensed banks	**1,169,867**	1,852,171	**505,665**	17,000
- Licensed financial institutions	**735,926**	1,027,606	**618**	479,430
	1,905,793	2,879,777	**506,283**	496,430
Cash and bank balances	**597,242**	793,638	**1,389**	132,689
Deposits, cash and bank balances	**2,503,035**	3,673,415	**507,672**	629,119
Less: Restricted cash	**(494,496)**	(111,592)	**(494,496)**	(111,592)
Cash and cash equivalents	**2,008,539**	3,561,823	**13,176**	517,527

Restricted cash as at 31 December 2015 relates to RM494,496,000 cash pledged in order to obtain certain bank facilities (2014: RM111,592,000 cash held in an escrow account for the purpose of an acquisition of a subsidiary).

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

34 CASH AND CASH EQUIVALENTS (CONTINUED)

The credit rating profiles of banks in which the fixed deposits have been placed are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
- AAA	**1,487,600**	1,258,966	**506,054**	45,314
- AA+	**-**	37,000	**-**	-
- AA-	**1,000**	1,000	**-**	-
- AA1	**-**	2,123	**-**	-
- AA2	**367,480**	804,633	**174**	80,081
- AA3	**1,580**	16,913	**-**	-
- A1	**-**	6,429	**-**	-
- A2	**45,023**	701,682	**55**	341,035
- Others*	**3,110**	51,031	**-**	30,000
	1,905,793	2,879,777	**506,283**	496,430

* Others comprises of funds which are invested in Government approved financial institutions regulated by the Bank Negara of Malaysia.

The fixed deposits, cash and bank balances are denominated as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	**1,801,529**	3,313,457	**1,977**	517,527
United States Dollar	**125,271**	200,324	**-**	-
Canadian Dollar	**518,759**	7,106	**505,665**	-
Indonesian Rupiah	**48,125**	32,483	**-**	-
Great Britain Pound	**4,716**	117,025	**30**	111,592
Others	**4,635**	3,020	**-**	-
	2,503,035	3,673,415	**507,672**	629,119

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

34 CASH AND CASH EQUIVALENTS (CONTINUED)

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	
	2015	**2014**	**2015**	**2014**
	%	**%**	**%**	**%**
- Licensed banks	**3.40**	2.30	**0.45**	2.96
- Licensed financial institutions	**3.86**	3.19	**3.43**	3.16

Fixed deposits as at 31 December 2015 for the Group and Company have average maturity periods of 90 days (2014: 90 days) and 30 days (2014: 90 days) respectively. Cash and bank balances are deposits held at call with banks.

35 ASSETS HELD FOR SALE

The details of assets held for sale are as follows:

	Group	
	2015	**2014**
	RM'000	**RM'000**
Assets		
Property, plant and equipment	**15,889**	19,709
Biological assets	**531**	8,910
Assets held for sale	**16,420**	28,619

36 LOAN DUE FROM A SUBSIDIARY

	Company	
	2015	**2014**
	RM'000	**RM'000**
At 1 January/31 December	**1,062**	1,062

Loan due from a subsidiary is unsecured, denominated in Great Britain Pound sterling and repayable on demand at a profit rate of 1.5% (2014:1.5%) per annum.

The fair value of the loan due from a subsidiary equals its carrying value as the impact of discounting is not material.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

37 SHARE CAPITAL

	Group and Company	
	2015	**2014**
	RM'000	**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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

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	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Available for sale reserves	**8,885**	32,456	**-**	-
Capital redemption reserves	**10,052**	10,052	**10,052**	10,052
	18,937	42,508	**10,052**	10,052

Available for sale reserves include 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 2015

43 BORROWINGS

	Group	
	2015	**2014**
	RM'000	**RM'000**
Current		
Secured:		
Short term trade financing	**420,026**	254,665
Term loans	**23,677**	16,205
Finance lease liabilities	**2,224**	2,007
Unsecured:		
Short term trade financing	**2,695,278**	1,786,590
Term loan	**1,665**	6,078
	3,142,870	2,065,545
Non-current		
Secured:		
Term loans	**394,973**	417,989
Finance lease liabilities	**919**	3,064
Unsecured:		
Term loans	**11,657**	13,408
	407,549	434,461
Total borrowings		
Short term trade financing	**3,115,304**	2,041,255
Term loans	**431,972**	453,680
Finance lease liabilities	**3,143**	5,071
	3,550,419	2,500,006
Less: Repayable after more than one year	**(407,549)**	(434,461)
Repayable within one year	**3,142,870**	2,065,545

The maturity profile of borrowings are as follows:

	Group	
	2015	**2014**
	RM'000	**RM'000**
Less than 1 year	**3,142,870**	2,065,545
Between 1 and 5 years	**139,437**	162,569
More than 5 years	**268,112**	271,892
	3,550,419	2,500,006

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

43 BORROWINGS (CONTINUED)

The borrowings are denominated as follows:

	Group	
	2015	2014
	RM'000	RM'000
- Ringgit Malaysia	**2,557,503**	1,826,100
- United States Dollar	**917,761**	359,260
- Canadian Dollar	**-**	205,509
- Thai Baht	**11,261**	13,385
- Great Britain Pound	**60,795**	45,197
- Singapore Dollar	**3,099**	2,699
- Pakistan Rupee	**-**	47,856
	3,550,419	2,500,006

Effective finance rates for borrowings are as follows:

	Finance rate	Effective finance rate at date of statement of financial position per annum
		%
2015		
Short term trade financing	**Fixed**	**2.82 – 5.60**
Term loans	**Fixed/Floating**	**6.19 – 6.81**
Finance lease liabilities	**Fixed**	**4.68 – 7.21**
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

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

43 BORROWINGS (CONTINUED)

The secured term loans consists of the followings:

(i) RM253,049,000 (2014: 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) RM165,601,000 (2014: 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.

The secured short term trade financing consists of the followings:

(i) RM258,750,000 (2014: RM Nil) short term trade financing is secured over fixed deposits amounting to RM494,496,000 where the remaining balance of the borrowing amounting of RM191,250,000 was drawdown in January 2016.

(ii) RM161,276,000 (2014: RM254,665,000) short term trade financing 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.

The carrying amounts and fair value of the total borrowings are as follows:

	Group			
	Carrying amount		Fair value	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Short term trade financing	**3,115,304**	2,041,255	**3,115,304**	2,041,255
Term loans	**431,972**	453,680	**413,855**	433,173
Finance lease liabilities	**3,143**	5,071	**3,143**	5,071
Total	**3,550,419**	2,500,006	**3,532,302**	2,479,499

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

44 LOANS DUE TO A SIGNIFICANT SHAREHOLDER

	Group and Company	
	2015	2014
	RM'000	RM'000
Unsecured:		
- Non-current	**1,684,702**	1,980,405
- Current	**208,588**	222,515
	1,893,290	2,202,920

During the financial year, the Company had made an early settlement of loans due to a significant shareholder amounting to RM100,000,000 (2014: RM285,000,000).

The loan is denominated as follows:

	Group and Company	
	2015	2014
	RM'000	RM'000
- Ringgit Malaysia	**1,893,290**	2,202,920

Effective finance rate for the loan is as follows:

	Group and Company			
	2015		2014	
	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**	**4.911**	Fixed	4.805

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	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Loans due to a significant shareholder	**1,893,290**	2,202,920	**1,916,044**	2,210,231

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 4.60% (2014: 4.72%). The fair value of the loans due to a significant shareholder is a Level 2 computation.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

45 LOANS DUE TO SUBSIDIARIES

	Company 2015 RM'000	Company 2014 RM'000
Unsecured:		
- Non-current	**786,680**	-
- Current	**46,449**	-
	833,129	-

	2015 RM'000	2014 RM'000
The loan is denominated as follows:		
- Ringgit Malaysia	**312,500**	-
- Canadian Dollar	**520,629**	-
	833,129	-

Effective finance rate for the loan is as follows:

	Company 2015 Finance rate	Company 2015 Effective finance rate at date of statement of financial position per annum	Company 2014 Finance rate	Company 2014 Effective finance rate at date of statement of financial position per annum
		%		%
Loans due to subsidiaries	**Fixed/Floating**	**2.23 – 5.40**	-	-

The carrying amounts and fair value of the non-current and current loans due to subsidiaries are as follows:

	Company Carrying amount 2015 RM'000	Company Carrying amount 2014 RM'000	Company Fair value 2015 RM'000	Company Fair value 2014 RM'000
Loans due to subsidiaries	**833,129**	-	**832,743**	-

The fair value of loans due to subsidiaries is based on cash flows discounted using a rate based on the borrowing rate of 3.63% (2014: not applicable). The fair value of the loans due to subsidiaries is a Level 2 computation.

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46 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:

(a) Land with minerals, as the rights for minerals are excluded from the lease;
(b) 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.

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

46 LAND LEASE AGREEMENT ("LLA") LIABILITY (CONTINUED)

The land lease agreement is calculated based on the terms set out in the various agreements as follows: (continued)

(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 intial 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 losses rights to these land, no compensation is payable to FGVPM.

(v) Management Agreement

On 21 May 2012, the Tenancy Agreement dated 6 January 2012 was supplemented by an addendum, whereby both FELDA and FGVPM acknowledged that as at 1 January 2012, FGVPM 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 FGVPM agree to exclude all the Sarawak Land from the Tenancy Agreement and the LLA. Both FELDA and FGVPM 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 FGVPM 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 2014, FELDA and FGVPM 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 FGVPM;

- 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 FGVPM in the preparation of the statement of plantation operating profit is now clarified via a detailed formula and accompanying assumptions

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

46 LAND LEASE AGREEMENT ("LLA") LIABILITY (CONTINUED)

(vi) Clarification Letter (continued)

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 RM248,370,000 (2014: RM248,464,000) per annum together with 15% (2014: 15%) of yearly plantation operating profit attributable to the land.

	2015 RM'000	2014 RM'000
Non-current	**4,312,277**	4,309,308
Current	**314,918**	371,521
	4,627,195	4,680,829

Movement in LLA liability is as follows:		
At 1 January	**4,680,829**	4,844,390
Fair value changes charged to profit or loss (Note 9)	**224,861**	115,240
Repayment during the financial year	**(278,495)**	(336,401)
Additional land acquired during the financial year	**-**	57,600
At 31 December	**4,627,195**	4,680,829

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 95 years. The key assumptions used to compute the fair value of the LLA liability are as follows:

(i)	Implied discount rate	9.47% (2014: 9.47%) based on discount rates applied by relevant comparable companies
(ii)	CPO price	RM2,170/MT to RM2,630/MT (2014: RM2,450/MT to RM2,630/MT)
(iii)	FFB price	RM450/MT to RM550/MT (2014: RM509/MT to RM550/MT)
(iv)	Average FFB Yield (MT/ha)	19.2/MT to 27.3/MT (2014: 19.1/MT to 27.3/MT)
(v)	Estate replanting fixed cost	• Matured – RM2,580 (2014: RM2,580) per hectare based on a 25 year cycle for oil palm • Immature – RM6,436 (2014: RM6,346) per hectare based on a 25 year cycle for oil palm
(vi)	Lease term	Extension of lease term to 99 years (2014: 99 years) will be obtained for all land in the plantation estates

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

46 LAND LEASE AGREEMENT ("LLA") LIABILITY (CONTINUED)

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 RM276.9 million
		Decrease by 0.5%	Increase by RM314.7 million
(ii)	CPO price	Increase by RM100 per metric tonne	Increase by RM165.9 million
		Decrease by RM100 per metric tonne	Decrease by RM173.8 million
(iii)	Improvement/reduction in FFB yield	Increase/decrease by 1%	Increase/decrease by RM41.6 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 RM2 million
(v)	PK price	Increase by RM100 per metric tonne	Increase/decrease by RM49.0 million

In previous financial year, 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.

47 PROVISION FOR ASSET RETIREMENT

	Group	
	2015	**2014**
	RM'000	**RM'000**
At 1 January	**30,697**	32,373
Unwinding of discount	**457**	38
Payment made during the financial year	**(72)**	(74)
Provision/(reversal) during the financial year	**500**	(2,000)
Currency translation differences	**1,334**	360
At 31 December	**32,916**	30,697
Less: payable within 12 months	**(687)**	(87)
Non-current	**32,229**	30,610

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.

48 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	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current				
- Retirement benefit scheme	**25,776**	22,936	**560**	486
- Housing assistance scheme	**16,899**	15,775	**-**	-
- Long service award	**3,359**	1,009	**61**	54
	46,034	39,720	**621**	540

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.

The Group follows the Malaysian Minimum Retirement Age Act 2012 whereby the benefit shall be paid at age of 60 for retirement scheme in Malaysia. 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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

48 PROVISION FOR DEFINED BENEFIT PLAN (CONTINUED)

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	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Present value of unfunded obligation:				
At 1 January	**39,720**	34,686	**540**	101
Charge to profit or loss	**7,850**	6,759	**81**	78
Benefits paid	**(1,836)**	(1,840)	**-**	-
Re-measurement	**327**	193	**-**	83
Currency translation difference	**(27)**	(78)	**-**	-
Transfer	**-**	-	**-**	278
At 31 December	**46,034**	39,720	**621**	540

The remeasurement amounts recognised in the other comprehensive income are determined as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Re-measurement:				
- Changes in financial assumptions	**327**	(805)	**-**	(12)
- Experience adjustments	**-**	688	**-**	76
- Changes in demographic assumptions	**-**	310	**-**	19
	327	193	**-**	83

The amounts recognised in profit or loss are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current service cost	**3,282**	2,627	**51**	24
Finance cost	**2,245**	1,784	**30**	8
Past service cost	**2,323**	2,348	**-**	46
Expense recognised in profit or loss	**7,850**	6,759	**81**	78

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

48 PROVISION FOR DEFINED BENEFIT PLAN (CONTINUED)

The defined benefit obligations for the Group by country are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Present value of obligation:				
- Malaysia	**44,776**	38,918	**621**	540
- Indonesia	**934**	698	**-**	-
- Thailand	**324**	104	**-**	-
	46,034	39,720	**621**	540

The principal actuarial assumptions used in respect of the Group's and the Company's unfunded defined retirement benefits are as follows:

	Group		Company	
	2015	2014	2015	2014
	%	%	%	%
Discount rate	**5.50**	5.50	**5.50**	5.50
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 by RM3,994
	Decrease 1%	Increase by RM3,530
ii) Salary growth rate	Increase 1%	Increase by RM1,019
	Decrease 1%	Decrease by RM1,191

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 16 to 29 (2014: 17 to 30) years.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

48 PROVISION FOR DEFINED BENEFIT PLAN (CONTINUED)

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 2015	**1,778**	**4,277**	**9,905**	**148,394**	**164,354**
At 31 December 2014	1,074	1,773	8,381	156,232	167,460

49 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Subject to income tax				
- Deferred tax assets	**1,282,189**	1,254,586	**24,873**	24,873
- Deferred tax liabilities	**(724,619)**	(723,398)	**-**	-

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000 (Restated)	2015 RM'000	2014 RM'000
Deferred tax assets:				
- Deferred tax assets to be recovered after more than 12 months	**1,179,919**	1,104,053	**22,535**	22,340
- Deferred tax assets to be recovered within 12 months	**102,270**	150,533	**2,338**	2,533
	1,282,189	1,254,586	**24,873**	24,873
Deferred tax liabilities:				
- Deferred tax liabilities to be recovered after more than 12 months	**(693,332)**	(588,898)	**-**	-
- Deferred tax liabilities to be recovered within 12 months	**(31,287)**	(134,500)	**-**	-
	(724,619)	(723,398)	**-**	-
Deferred tax assets (net)	**557,570**	531,188	**24,873**	24,873

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

49 DEFERRED TAXATION (CONTINUED)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		(Restated)		
At 1 January	**531,188**	537,546	**24,873**	21,257
Acquisition of subsidiaries	**(10,304)**	(10,699)	**-**	-
Disposal of subsidiary	**(18,721)**	-	**-**	-
Credited/(charged) to profit or loss (Note 14):				
- intangible assets	**8,997**	8,191	**448**	(508)
- investment properties	**2,630**	1,961	**491**	(491)
- property, plant and equipment	**(12,625)**	12,232	**(392)**	181
- biological assets	**6,450**	(16,178)	**-**	-
- inventories	**4,472**	15,137	**-**	-
- receivables	**3,911**	(9,437)	**-**	-
- payables	**(14,099)**	25,374	**(627)**	(613)
- unused tax losses	**66,965**	15,081	**80**	5,047
- LLA liability	**(13,408)**	(40,890)	**-**	-
- others	**(5,737)**	(11,838)	**-**	-
	47,556	(367)	**-**	3,616
Currency translation differences	**7,851**	4,708	**-**	-
At 31 December	**557,570**	531,188	**24,873**	24,873
Deferred tax assets				
- receivables	**10,416**	9,164	**-**	-
- property, plant and equipment	**5,498**	35,198	**-**	-
- intangible assets	**7,114**	4,322	**-**	-
- investment properties	**4,591**	-	**-**	-
- inventories	**12,880**	9,383	**-**	-
- LLA liability	**1,118,168**	1,131,576	**-**	-
- payables	**68,166**	82,265	**2,579**	3,206
- unused tax losses	**202,848**	135,883	**24,046**	23,966
- others	**21,578**	13,570	**-**	-
Amount before offsetting	**1,451,259**	1,421,361	**26,625**	27,172
Offsetting	**(169,070)**	(166,775)	**(1,752)**	(2,299)
	1,282,189	1,254,586	**24,873**	24,873

Notes to the Financial Statements

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49 DEFERRED TAXATION (CONTINUED)

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000 (Restated)	RM'000	RM'000
Deferred tax liabilities				
- intangible assets	**(28,918)**	(31,232)	**(725)**	(1,173)
- investment properties	**-**	1,961	**-**	(491)
- property, plant and equipment	**(817,991)**	(809,933)	**(1,027)**	(635)
- prepaid lease payments	**(2,306)**	(2,306)	**-**	-
- biological assets	**(35,167)**	(41,617)	**-**	-
- receivables	**(1,165)**	(3,824)	**-**	-
- inventories	**484**	(491)	**-**	-
- others	**(8,626)**	(2,731)	**-**	-
Amount before offsetting	**(893,689)**	(890,173)	**(1,752)**	(2,299)
Offsetting	**169,070**	166,775	**1,752**	2,299
	(724,619)	(723,398)	**-**	-

The amount of deductible temporary differences and unused tax losses 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		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Unused tax losses	**46,572**	401,431	**11,563**	-

Included in the prior year was unused tax losses relating to Twin Rivers Technologies Enterprises De Transformation De Graines Oleagineuses Du Quebec Inc. ("TRT ETGO") amounting to RM389,831,000. TRT ETGO was disposed in November 2015.

50 PAYABLES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade payables	**426,454**	475,477	**-**	-
Other payables and accruals *	**853,131**	941,890	**87,493**	52,642
Amount due to customer on contracts (Note 51)	**2,063**	136	**-**	-
	1,281,648	1,417,503	**87,493**	52,642

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

50 PAYABLES (CONTINUED)

* Included in other payables and accruals as at 31 December 2015 is a deposit of RM21,876,000 received in connection with proposed divestment of 49% equity interest in FGV China Oils Ltd (previously known as Felda Iffco South China Ltd), a subsidiary of the Company for a total consideration of RMB165 million (RM109 million). The divestment is expected to be completed in 2016.

The payables are denominated as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
- Ringgit Malaysia	**989,030**	1,089,169	**62,109**	52,642
- United States Dollar	**220,914**	228,959	**3,508**	-
- Canadian Dollar	**6,222**	37,203	**-**	-
- Indonesian Rupiah	**20,884**	4,551	**-**	-
- Chinese Yuen Renminbi	**38,645**	-	**21,876**	-
- Thai Baht	**1,402**	1,259	**-**	-
- Pakistan Rupee	**2,890**	4,911	**-**	-
- Great Britain Pound	**1,661**	50,400	**-**	-
- Others	**-**	1,051	**-**	-
	1,281,648	1,417,503	**87,493**	52,642

The credit terms of trade payables range up to 90 days (2014: 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	
	2015	**2014**
	RM'000	**RM'000**
Cost incurred to date	**50,348**	43,704
Attributable profits less foreseeable losses	**8,969**	4,466
	59,317	48,170
Less: Progress billings	**(55,759)**	(42,072)
	3,558	6,098
Amounts due from customers on contracts (Note 27)	**5,621**	6,234
Amounts due to customers on contracts (Note 50)	**(2,063)**	(136)
	3,558	6,098

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52 FINANCIAL INSTRUMENTS

Financial instruments by category

Group	31 December 2015			
	Loans and receivables RM'000	Financial assets at fair value through profit and loss RM'000	Available-for-sale RM'000	Total RM'000
Assets as per statement of financial position				
Available-for-sale financial assets	-	-	314,861	314,861
Receivables	2,090,058	-	-	2,090,058
Amount due from a significant shareholder	101,555	-	-	101,555
Amounts due from joint ventures	247,309	-	-	247,309
Amount due from an associate	85	-	-	85
Amounts due from other related companies	102,636	-	-	102,636
Financial assets at fair value through profit or loss	-	65,905	-	65,905
Derivative financial assets	-	1,388	-	1,388
Deposits, cash and bank balances	2,503,035	-	-	2,503,035
Total	5,044,678	67,293	314,861	5,426,832

	Liabilities at fair value through profit or loss RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
Liabilities as per statement of financial position			
Amount due to a significant shareholder	-	140,113	140,113
Amounts due to other related companies	-	98,524	98,524
Loans due to a significant shareholder	-	1,893,290	1,893,290
Borrowings	-	3,550,419	3,550,419
LLA liability	4,627,195	-	4,627,195
Derivative financial liabilities	1,858	-	1,858
Payables	-	1,261,516	1,261,516
Total	4,629,053	6,943,862	11,572,915

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52 FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments by category (continued)

Group	31 December 2014			
	Loans and receivables RM'000	Financial assets at fair value through profit and loss RM'000	Available-for-sale RM'000	Total RM'000
Assets as per statement of financial position				
Available-for-sale financial assets	-	-	243,685	243,685
Receivables	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 assets	-	15,337	-	15,337
Deposits, cash and bank balances	3,673,415	-	-	3,673,415
Total	5,256,258	36,768	243,685	5,536,711

	Liabilities at fair value through profit or loss RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
Liabilities as per statement of financial position			
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 liabilities	32,392	-	32,392
Payables	-	1,417,503	1,417,503
Total	4,713,221	6,370,009	11,083,230

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For The Financial Year Ended 31 December 2015

52 FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments by category (continued)

Company	Loans and receivables For the financial year ended 31 December	
	2015 RM'000	2014 RM'000
Assets as per statement of financial position		
Receivables	**10,914**	87,975
Amount due from a significant shareholder	**-**	2,308
Amounts due from subsidiaries	**186,233**	101,761
Amounts due from other related companies	**234**	1,571
Loan due from a subsidiary	**1,062**	1,062
Deposits, cash and bank balances	**507,672**	629,119
Total	**706,115**	823,796

	Other financial liabilities at amortised cost For the financial year ended 31 December	
	2015 RM'000	2014 RM'000
Liabilities as per statement of financial position		
Payables	**87,441**	52,642
Amount due to a significant shareholder	**6,963**	6,623
Amounts due to subsidiaries	**23,390**	134,011
Amounts due to other related companies	**67**	354
Loans due to a significant shareholder	**1,893,290**	2,202,920
Loans due to subsidiaries	**833,129**	-
Total	**2,844,280**	2,396,550

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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% (2014: 33.7%) 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, 46, 53(c), 53(e) and 53(f) 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.

Significant related parties and relationships are summarised as follows:

(i) Subsidiaries
Felda Global Ventures Plantations (Malaysia) Sdn. Bhd. ("FGVPM")
Felda Holdings Berhad ("FHB")
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 Travel Sdn. Bhd. ("Felda Travel")
Felda Bulkers Sdn. Bhd. ("FBSB")
Felda Global Ventures Capital Sdn. Bhd. ("FGVC")
FGV Trading Sdn. Bhd. ("FGV Trading")

(ii) Joint ventures
FPG Oleochemicals Sdn. Bhd. ("FPG")
Felda Iffco Sdn. Bhd. Group ("FISB Group")
MAPAK Edible Oil Pvt. Ltd. ("MAPAK")

(iii) Associate
F.K.W Global Commodities (Private) Limited ("FKW")

(iv) Other related companies
Yayasan Felda (Entity controlled by FELDA)

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

53 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
(a) Sales of goods, services and investments				
(i) Transactions with subsidiaries				
Dividend received from subsidiaries	-	-	549,492	606,538
Management fees charged to subsidiaries	-	-	121,780	109,551
(ii) Transactions with joint ventures				
Sales of CPO by FGVPM to FISB Group	1,357,612	2,093,887	-	-
Sales of CPKO, RBDPKO and PFAD by FKPSB to FISB Group and FPG	976,336	1,131,996	-	-
Sales of Processed Palm Oil ("PPO") by FGV Trading to FISB Group	352,454	-	-	-
Sales of CPO by FGVPM to MAPAK	221,212	231,278	-	-
Provision of storage space for vegetable oil by FBSB to FISB Group and FPG	15,665	16,207	-	-
Sales of PPO by FELMA to FISB Group	17,321	137,559	-	-
(iii) Transactions with an associate				
Sales of PPO by FGV Trading to FKW	35,160	-	-	-
(iv) Transactions with FELDA Group				
Sales of fertilizer by FPMSB	339,203	253,708	-	-
IT services rendered by Prodata	42,781	39,165	-	-
Security services rendered by FSSSB	23,327	25,751	-	-
Sales of seedlings and planting materials by FASSB	19,084	15,610	-	-
Maintenance and consultancy services by FESSB	88,620	99,872	-	-

Notes to the Financial Statements
For The Financial Year Ended 31 December 2015

53 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
(b) Purchase of goods and services				
(i) Transactions with subsidiaries				
Management fees charged by by FHB and FGVC	**-**	-	**2,811**	41,665
Finance costs charged by by FGVC	**-**	-	**6,615**	-
Purchase of IT services from Prodata	**-**	-	**10,729**	12,606
Purchase of security services from FSSSB	**-**	-	**1,410**	493
Purchase of travel sevices from Felda Travel	**-**	-	**9,848**	11,030
(ii) Transactions with a joint venture				
Purchase of CPO by FELMA from FISB Group	**16,395**	110,797	**-**	-
Purchase of CPO by FGV Trading from FISB Group	**85,319**	-	**-**	-
(iii) Transactions with FELDA Group				
Finance expense charged	**95,797**	128,184	**95,797**	128,184
Building rental charged	**29,468**	18,538	**7,881**	3,110
Share of infrastructure cost in Sabah charged to FGVPM	**17,722**	25,918	**-**	-
LLA liability paid by FGVPM	**278,495**	336,401	**-**	-
Contribution to Yayasan FELDA	**7,328**	22,782	**5,677**	772
Purchase of latex by FRISB	**84,822**	91,581	**-**	-
Purchase of FFB by FPISB and FGVPM	**2,734,046**	2,894,632	**-**	-
Waiver of compensation receivable by FGVPM	**-**	(75,500)	**-**	-
Joint Consultative Committee payment by FPI and FGVPM to FELDA	**12,315**	9,766	**-**	-
(c) Transactions with Government-related entities				
Transactions between subsidiaries and other government agencies				
Cooking oil subsidy received from Malaysia Palm Oil Board ("MPOB")	**99,160**	160,014	**-**	-
CPO export tax paid to Kastam Diraja Malaysia	**-**	39,465	**-**	-

WHO WE ARE & WHAT WE DO | OUR STRATEGIC INTENT & PERFORMANCE | HOW WE ARE GOVERNED | ADDRESSING OUR RISKS & OPPORTUNITIES | CREATING SUSTAINABLE VALUE | OUR NUMBERS | ADDITIONAL INFORMATION | DETAILS OF THE ANNUAL GENERAL MEETING

Notes to the Financial Statements
For The Financial Year Ended 31 December 2015

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	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Fees	**3,674**	4,340	**1,801**	2,091
Salaries and bonuses	**26,467**	24,406	**25,318**	23,716
Defined contribution retirement plan	**5,911**	4,574	**5,639**	4,463
Other short-term employee benefits	**5,472**	1,776	**4,898**	1,672
	41,524	35,096	**37,656**	31,942

(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	
	2015	2014
	RM'000	RM'000
At 1 January	**2,202,920**	2,697,790
Repayment	**(304,286)**	(499,286)
Finance expense	**95,797**	134,046
Finance paid	**(101,141)**	(129,630)
At 31 December	**1,893,290**	2,202,920

(f) Loans due to subsidiaries

Terms and conditions of the loan are disclosed in Note 45 to the financial statements.

	Company	
	2015	2014
	RM'000	RM'000
At 1 January	**-**	-
Addition	**831,322**	-
Finance expense	**1,807**	-
At 31 December	**833,129**	-

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	
	2015	**2014**
	RM'000	**RM'000**
Within 1 year	**26,599**	21,818
Between 1 and 2 years	**19,628**	21,090
Between 2 and 3 years	**7,815**	15,273
Between 3 and 4 years	**5,549**	12,539
Between 4 and 5 years	**3,487**	10,073
More than 5 years	**9,431**	34,371
	72,509	115,164

The lease payments recognised in profit or loss during the financial year amounted to RM19,248,000 (2014: RM7,918,000).

(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	
	2015	**2014**
	RM'000	**RM'000**
Within 1 year	**2,215**	524
Between 1 and 2 years	**2,215**	-
Between 2 and 3 years	**2,215**	-
Between 3 and 4 years	**2,215**	-
Between 4 and 5 years	**2,215**	-
	11,075	524

Rental income recognised in profit or loss during the financial year amounted RM1,442,000 (2014: RM1,341,000).

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

54 COMMITMENTS (CONTINUED)

(b) Capital commitments

	Group	
	2015	**2014**
	RM'000	**RM'000**
Capital expenditure approved and contracted for:		
- Property, plant and equipment	**640,522**	477,451
- Biological assets	**65,377**	22,351
- Intangible assets	**114**	-
Capital expenditure approved but not contracted for:		
- Property, plant and equipment	**1,242,182**	508,144
- Biological assets	**32,384**	114,269
Investment in subsidiaries	**1,265,750**	-
	3,246,329	1,122,215

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 the year 2008 only. The learned Seremban High Court Judge on 26 June 2015 has dismissed the Plaintiffs' claim with costs. The Court awarded costs of the sum of RM1,000 per Plaintiff, to be paid to the Defendants. There are 370 remaining Plaintiffs, from the original 766 Plaintiffs, as a portion of them have duly withdrawn and passed away. Therefore, costs awarded to the Defendants amounting to RM370,000. The learned Judge delivered her brief grounds of judgment, the Court found that the Plaintiffs have failed to prove their claim for fraud, conspiracy to defraud and breach of trust. On 22 July 2015, Defendants filed an appeal to Court of Appeal against the whole decision of the Seremban High Court. Plaintiffs' Appeal was part heard on 19 February 2016. This matter now is fixed for continued hearing on Plaintiffs' appeal on 13 and 14 April 2016.

(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. Trial of this case is now completed and both parties to submit written submission on or before 11 March 2016. The matter now is fixed for clarification on 29 April 2016.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

55 CONTINGENT LIABILITIES (CONTINUED)

(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 this matter for continued hearing on 16 to 18 May 2016 and 13 to15 June 2016.

(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 final heard on 16 February 2016. Both parties to file written submissions on or before 23 March 2016 and the decision will be delivered on 13 April 2016.

(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. The matter was heard on 22 to 26 June 2015 and continued on 29 to 30 June 2015 and 1 to 3 July 2015. The Court has yet to fix the matter for next trial dates.

(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 22 to 26 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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

56 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) 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. ("LVSB") by way of a Supplemental Agreement dated 28 January 2015 to the Joint Venture and Shareholders' Agreement between FGVD and LVSB 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.

(b) On 24 February 2015, the Board has approved on the proposed disposal of the entire issued and paid-up share capital of Twin Rivers Technologies Enterprises De Transformation De Graines Oleagineuses Du Quebec Inc. ("TRT ETGO"), an indirect wholly-owned subsidiary of the Company.

On 27 August 2015, Twin Rivers Technologies Holdings Enterprises De Transformation De Graines Oleagineuses Du Quebec Inc. ("TRT Holdings ETGO"), an indirect wholly-owned subsidiary of the Company entered into a conditional share purchase agreement ("SPA") with Viterra Inc. ("Viterra") in relation to the disposal.

On 3 November 2015, the disposal has been completed following the fulfilment of all the deliveries and conditions to the disposal as set out in the SPA. Viterra has settled the cash purchase price of CAD172.7 million (amounting RM567.1 million) to TRT Holdings ETGO in accordance with the terms of the SPA.

On 4 February 2016, the final purchase price in respect of the disposal has been determined at CAD172.2 (RM565.2 million). The difference between the final purchase price and the estimated purchase price of CAD0.57 million (RM1.87 million) has been settled by TRT Holdings ETGO plus interest thereon from 2 November 2015 until the payment date to Viterra in accordance to the terms of the SPA and the MOA.

Following the completion of the disposal, TRT ETGO is no longer a subsidiary of FGVH.

(c) On 24 February 2015, the Board of the Company approved to increase the paid up capital of FGV Green Energy Sdn. Bhd. ("FGVGE"), a subsidiary of Felda Global Ventures Downstream Sdn. Bhd. ("FGVD") to RM51,606,275. On 3 June 2015, FGVD paid RM30,963,765 and RM10,321,255 each has been paid by its other shareholders, Benefuel International Holdings and M2 Capital Sdn. Bhd.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

56 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(d) On 31 March 2015, the Company acquired the entire equity interest of Felda Iffco South China Ltd ("FISC") from Felda Iffco Sdn. Bhd., a joint venture of FGVD for a total purchase consideration of RMB320.00 million (RM181.34 million). FISC has changed its business name to FGV China Oils Ltd ("FGVCO") with effect from 22 August 2015.

On 28 August 2015, the Company entered into a sales and purchase agreement ("SPA") with Hua Neng Pte Ltd to dispose 49% of the issued and paid-up share capital of FGVCO for a total consideration of RMB165 million (RM109 million). The proposed disposal is expected to be completed in 2016.

(e) On 8 June 2015, Pontian United Plantations Berhad ("PUP"), a wholly-owned subsidiary of the Company entered into a sale and purchase agreement ("SPA") with Golden Land Berhad ("GLB") to acquire a piece of land owned by GLB and its four subsidiaries for a total purchase price of RM655.00 million. As at 31 December 2015, the Group has paid a deposit of RM365.50 million (Note 27).

Upon completion of the proposed acquisition, PUP will acquire the GLB land and the shares of the four subsidiaries of GLB namely Yapidmas Plantation Sdn Bhd ("YPSB"), Sri Kehuma Sdn Bhd ("SKSB"), Ladang Kluang Sdn Bhd ("LKSB") and Tanah Emas Oil Palm Processing Sdn Bhd ("TEOPP"). On 8 December 2015, all the conditions precedent under the SPA in respect of the proposed acquisition have been fulfilled and accordingly the SPA become unconditional.

The proposed acquisition has been completed on 14 March 2016 in accordance with the terms of the SPA and as mutually agreed between PUP and GLB. Accordingly, YPSB, SKSB, LKSB and TEOPP have become indirect wholly-owned subsidiary of the Company.

The provisional effect of the acquisition is as follows:

	Carrying value RM'000
Property, plant and equipment	403,170
Biological assets	177,605
Net current liabilities	(107,570)
Total net assets acquired	473,205
Purchase consideration	655,000
Provisional goodwill	181,795

The cash outflow on the acquisition is as follows:

Purchase consideration:	655,000
Less: Cash and cash equivalents acquired	(7,079)
Net cash outflow on acquisition	647,921

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

56 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(f) On 12 June 2015, Felda Global Ventures Kalimantan Sdn Bhd ("FGVK"), an indirect wholly-owned subsidiary of the Company entered into a Heads of Agreement ("HOA") with PT Rajawali Capital International ("Rajawali Capital") and PT Rajawali Corpora ("Rajawali Corpora") (collectively, "Vendors") in relation to the proposed acquisition of the following:

(i) 11,664,357,670 shares, representing 37% equity interests in PT Eagle High Plantations Tbk. ("Eagle High") ("Eagle High Sale Shares"), a public listed company incorporated under the laws of the Republic of Indonesia, from Rajawali Capital, a company incorporated under the laws of the Republic of Indonesia;

(ii) 2,375 shares, representing 95% equity interest in PT Cendrawasih Jaya Mandiri ("CJM") ("CJM Sale Shares"), a company incorporated under the laws of Republic of Indonesia, from Rajawali Corpora, a company incorporated under the laws of the Republic of Indonesia, and/or its affiliates;

(iii) 2,375 shares, representing 95% equity interest in PT Karya Bumi Papua ("KBP") ("KBP Sale Shares"), a company incorporated under the laws of the Republic of Indonesia, from Rajawali Corpora and/or its affiliates; and

(iv) 14 shares, representing 93.3% equity interest in PT Rizki Kemilau Berjaya ("RKB") ("RKB Sale Shares"), a company incorporated under the laws of the Republic of Indonesia, from Rajawali Corpora and/or its affiliates.

The proposed acquisitions are conditional upon the following approvals being obtained:

a) approvals of the shareholders of the respective Parties;
b) approval of the shareholders of FGV; and
c) any other relevant approvals from the Malaysian and Indonesian regulatory authorities or third parties for the purposes of entry into and execution of the terms of each of the conditional sales and purchase agreement and any remittance required by FGV Kalimantan.

On 1 December 2015, the discussion for a possible different mode of investment in Eagle High may comprise, among others, potential joint venture, off take agreement or other form of mutually agreed collaborations.

The Board of Directors envisage that a conclusive mode of investment in Eagle High would be announced in 2016.

(g) On 30 December 2015, the Board of Directors of the Company announced that the following seven (7) dormant subsidiaries have been placed under Member's Voluntary Winding-Up pursuant to Section 254 (1)(b) of the Companies Act,1965:

a) Felda Enterprises Sdn. Bhd.,
b) Felda Construction Sdn. Bhd.,
c) Felda Global Ventures Livestock Sdn. Bhd.,
d) Felda Global Ventures Perlis Sdn. Bhd.,
e) Felda Farm Products Sdn. Bhd.,
f) Felda Rubber Products Sdn. Bhd., and
g) Sutrajaya Shipping Sdn. Bhd.

A liquidator has been appointed for the subsidiaries.

The winding up of dormant subsidiaries is part of the Group's continuing rationalisation effort to improve efficiency and save future costs associated with maintaining these subsidiaries. The Member's Voluntary Winding-Up of the subsidiaries did not have any material impact on the net assets and earnings per share of the Group and Company for the financial year ending 31 December 2015.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

57 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

(a) On 3 February 2016, the Company had established a long term incentive plan ("LTIP") in the form of employee share grant scheme.

Pursuant to the LTIP, the Company shall award the grant of up to 10% of the issued and paid-up ordinary share capital of the Company (excluding treasury shares, if any) at any point of time during the duration of the LTIP, to the employees of the Company and its subsidiaries (excluding subsidiaries which are dormant) ("Group") and Executive Directors of the Company who fulfil the eligibility criteria as Eligible Employees.

The LTIP is served to attract, retain, motivate and reward Selected Eligible Employees for their contribution to the Group through the conditional awards of ordinary shares of RM1.00 each in the Company shares ("Grants") without any consideration payable by the Selected Employees, subject to the certain vesting conditions.

The LTIP shall be implemented and administered by a committee to be established ("LTIP Committee"), comprising, among others, directors and senior management of the Group appointed by the Board.

(b) On 26 February 2016, FGVD entered into two (2) conditional sale and purchase agreements ("SPA") for the transfer of 81,566,106 issued and paid-up ordinary shares of Zhong Ling Nutri-Oil Holdings Limited ("Zhong Ling"), representing approximately 55% of the issued and paid-up share capital of the Zhong Ling from Zhong Hai Investment Holdings Limited ("Zhong Hai") and the other vendors for a total purchase consideration of RM976.25 million.

On 4 March 2016, FGVD and the Vendors, by way of an exchange letters ("Extension Letters"), mutually agreed to extend the period to satisfy the condition precedent of the SPA from 4 March 2016 to 18 March 2016, or any other date as may be mutually agreed upon by parties.

On 7 March 2016, based on the Company's reply to Bursa Malaysia Securities Berhad's ("Bursa") query on 3 March 2016, Bursa has written to the Company to inform that the proposed acquisition would be subject to Company's shareholders' approval in compliance with Chapter 10 of the Main Market Listing Requirements.

On 14 March 2016, the Board of Directors announced and clarified that the terms and conditions of SPA were made at arm's length and in the ordinary course of commercial negotiations. As a result of the negotiations and based on parties having commenced the application process for approvals from the regulators in April 2015. Parties agreed that the conditions precedent are to be fulfilled within 5 Business Days.

Under no circumstances, the Board of Directors of the Company imposes an express or implied obligation on the regulators to process and approve any approvals in connection with the proposed acquisition within any time agreed by the parties in SPA.

On 16 March 2016, the Board of Directors of the Company has obtained the requisite approval from the Ministry of Finance via letter to proceed with the proposed acquisition (Approval). The said Approval is one of the conditions precedent to be satisfied under SPA.

On 18 March 2016, the Board of Directors announced that vide extension letters from Vendors and Zhong Hai, Parties have mutually agreed to further extend the CP Completion Date of SPA to a day not later than 8 April 2016, or such other date as may be mutually agreed upon in writing. Contracts for Services for Key Personnel and Shareholders' Agreement have been executed on the same day.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2015

58 ADJUSTMENT TO PURCHASE PRICE ALLOCATION FOR ACQUISITION OF SUBSIDIARY

During the financial year, the Company completed the purchase price allocation of the assets and liabilities of Asian Plantations Limited, a wholly-owned subsidiary acquired in previous financial year.

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
Statements of financial position as at 31 December 2015			
Non-current assets			
Property, plant and equipment	6,348,754	(38,430)	6,310,324
Intangible assets	1,534,397	12,919	1,547,316
Biological assets	2,777,245	14,724	2,791,969
Non-current liability			
Deferred tax liabilities	(734,185)	10,787	(723,398)

59 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 29 March 2016.

Supplementary Information

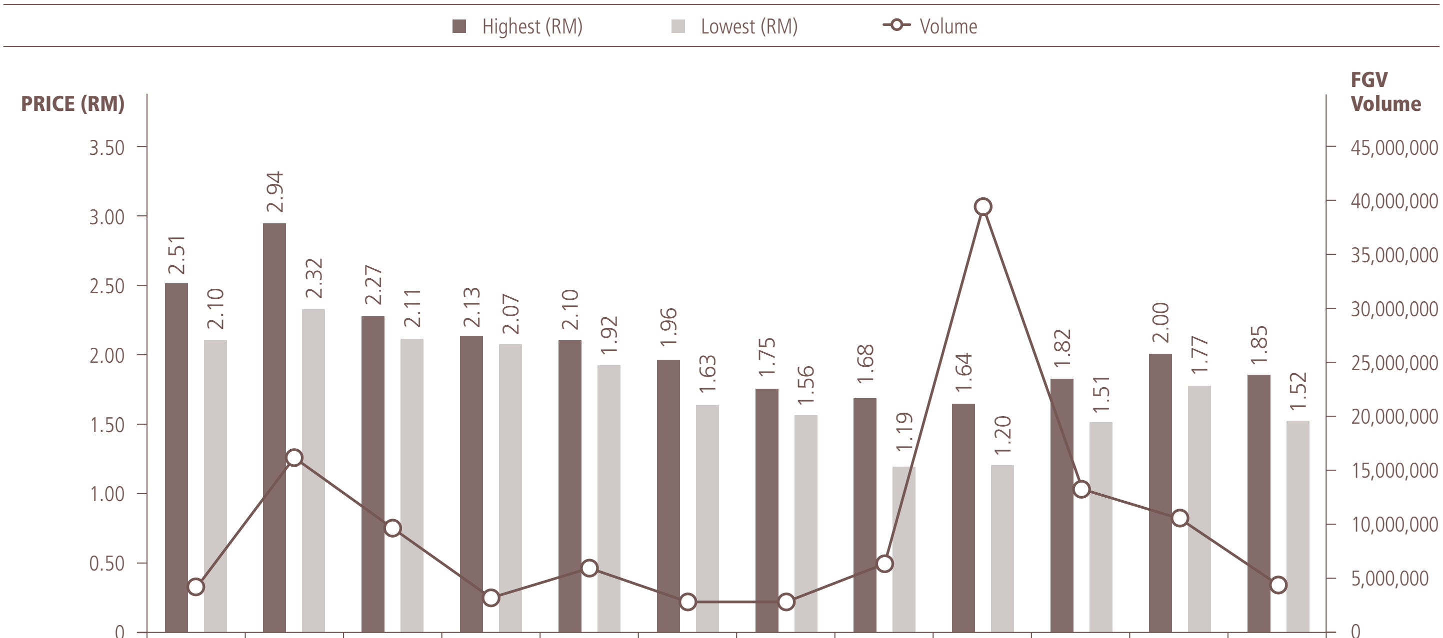
For The Financial Year Ended 31 December 2015

60 REALISED AND UNREALISED RETAINED EARNINGS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:				
- realised	**4,023,829**	4,002,362	**250,075**	190,521
- unrealised	**(231,812)**	(287,921)	**29,434**	24,873
	3,792,017	3,714,441	**279,509**	215,394
Total share of retained earnings from joint ventures:				
- realised	**196,889**	204,318	**-**	-
- unrealised	**(36,880)**	(55,661)	**-**	-
	160,009	148,657	**-**	-
Total share of retained earnings from associates:				
- realised	**172,012**	130,219	**-**	-
- unrealised	**(6,560)**	(6,987)	**-**	-
	165,452	123,232	**-**	-
Less: consolidation adjustments	**(2,813,957)**	(2,570,608)	**-**	-
	1,303,521	1,415,722	**279,509**	215,394

The unrealised portion of retained earnings comprises deferred tax expense, cumulative net gains arising from financial assets at fair value through profit or loss and translation gains and losses on monetary items denominated other than in Ringgit Malaysia.

Share Price Movement & Financial Calendar



	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEP 2015	OCT 2015	NOV 2015	DEC 2015
Highest (RM)	2.51	2.94	2.27	2.13	2.10	1.96	1.75	1.68	1.64	1.82	2.00	1.85
Lowest (RM)	2.10	2.32	2.11	2.07	1.92	1.63	1.56	1.19	1.20	1.51	1.77	1.52
Volume	4,642,900	16,891,300	9,020,300	2,485,600	5,971,100	1,753,000	1,826,300	6,772,100	39,652,800	12,684,200	10,539,700	4,532,300

FINANCIAL CALENDAR

2015

Quarterly Results

24 February 2015
Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2014 and proposed single tier final dividend of 4 sen per ordinary share for the financial year ended 31 December 2014.

26 May 2015
Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2015.

24 August 2015
Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2015.

26 November 2015
Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2015 and declaration of an interim single tier dividend of 2 sen per ordinary share for the financial year ending 31 December 2015.

Annual Audited Accounts

29 April 2015
Announcement of the Annual Audited Accounts for the Financial Year ended 31 December 2014.

Share Price Movement & Financial Calendar

Dividend

22 May 2015
Notice of Book Closure for determining the entitlement of single tier final dividend of 4 sen per ordinary share for the financial year ended 31 December 2014.

10 July 2015
Date of payment of single tier final dividend of 4 sen per ordinary share for the financial year ended 31 December 2014.

26 November 2015
Notice of Book Closure for determining the entitlement of single tier interim dividend of 2 sen per ordinary share for the financial year ending 31 December 2015.

28 December 2015
Date of payment of single tier interim dividend of 2 sen per ordinary share for the financial year ending 31 December 2015.

Annual General Meeting

25 May 2015
Notice of the Seventh Annual General Meeting and issuance of Annual Report 2014.

16 June 2015
Seventh Annual General Meeting.

2016

Quarterly Results

29 February 2016
Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2015 and proposed single tier final dividend of 2 sen per ordinary share for the financial year ended 31 December 2015.

Annual Audited Accounts

20 April 2016
Announcement of the Annual Audited Accounts for the Financial Year ended 31 December 2015.

Dividend

27 April 2016
Notice of Book Closure for determining the entitlement of single tier final dividend of 2 sen per ordinary share for the financial year ended 31 December 2015.

Annual General Meeting

28 April 2016
Notice of the Eighth Annual General Meeting and issuance of Annual Integrated Report 2015.

1 June 2016
Eighth Annual General Meeting.

Analysis of Shareholdings

as at 18 March 2016

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	395	0.68	3,186	0.00
100 to 1,000	40,332	69.58	32,283,678	0.88
1,001 to 10,000	11,980	20.67	58,209,981	1.60
10,001 to 100,000	4,518	7.79	142,644,058	3.91
100,001 to less than 5% of issued shares	738	1.27	1,610,497,322	44.15
5% and above of issued shares	5	0.01	1,804,513,275	49.46
TOTAL	**57,968**	**100.00**	**3,648,151,500**	**100.00**

INFORMATION ON DIRECTORS' SHAREHOLDINGS

		Direct Interest	
No.	**Name of Directors**	**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*	5,000	0.00
7.	Tan Sri Dr. Sulaiman Mahbob	50,000	0.00
8.	Dato' Mohamed Suffian Awang	-	-
9.	Dato' Mohd Zafer Mohd Hashim	-	-

Notes:

* *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 of Shareholdings
as at 18 March 2016

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	20.01
	- *Own Account*	630,588,300		
	- *Maybank Securities Nominees (Tempatan) Sdn Bhd*	44,041,500		
	- *Maybank Securities Nominees (Tempatan) Sdn Bhd (FELDA 2)*	25,000,000		
	- *ABB Nominees (Tempatan) Sdn Bhd*	30,000,000		
2.	FELDA ASSET HOLDINGS COMPANY SDN BHD		498,321,192	13.66
3.	LEMBAGA TABUNG HAJI		284,183,700	7.79
	- *Own Account*	283,710,100		
	- *Maybank Nominees (Tempatan) Sdn Bhd Exempt an for Maybank Asset Management Sdn Bhd*	473,600		
4.	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD		211,758,908	5.80
	- *Own Account*	209,486,108		
	- *Own Account*	1,400,000		
	- *Own Account*	872,800		
5.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)		185,680,700	5.09
	- *Own Account*	181,620,100		
	- *CITIGROUP Nominees (Tempatan) Sdn Bhd (I-Vcap)*	3,060,600		
	- *CITIGROUP Nominees (Tempatan) Sdn Bhd (Vcam Equity FD)*	1,000,000		
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 of Shareholders	No. of Shares held	% of Shares
1.	LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (FELDA)	630,588,300	17.29
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.	MAYBANK NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Kerajaan Negeri Pahang	182,407,575	5.00
6.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	181,620,100	4.98
7.	AMANAHRAYA TRUSTEES BERHAD Amanah Saham Bumiputera	150,705,200	4.13
8.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board	119,879,850	3.29
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

Analysis of Shareholdings
as at 18 March 2016

LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS (continued)
(Without aggregating the securities from different securities account belonging to the same Depositor)

No.	Name of Shareholders	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.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD Malayan Banking Berhad for Lembaga Kemajuan Tanah Persekutuan (FELDA)	44,041,500	1.21
13.	LEMBAGA TABUNG ANGKATAN TENTERA	35,535,900	0.97
14.	AMANAHRAYA TRUSTEES BERHAD Amanah Saham Bumiputera 2	32,642,900	0.89
15.	AMANAHRAYA TRUSTEES BERHAD Amanah Saham Malaysia	30,826,400	0.84
16.	ABB NOMINEE (TEMPATAN) SDN BHD Pledged Securities Account for Lembaga Kemajuan Tanah Persekutuan (FELDA)	30,000,000	0.82
17.	CIMSEC NOMINEES (TEMPATAN) SDN BHD Exempt An for CIMB Bank Berhad (FELDA IPO SMF)	29,597,900	0.81
18.	AMANAHRAYA TRUSTEES BERHAD Amanah Saham Wawasan 2020	29,187,000	0.80
19.	HSBC NOMINEES (ASING) SDN BHD BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	29,011,357	0.80
20.	PERMODALAN NASIONAL BERHAD	27,803,700	0.76
21.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD Malayan Banking Berhad for Lembaga Kemajuan Tanah Persekutuan (FELDA 2)	25,000,000	0.69
22.	CARTABAN NOMINEES (ASING) SDN BHD Exempt An for State Street Bank & Trust Company (West CLTOD67)	21,743,513	0.60
23.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD SDB Asset Management Sdn Bhd for Ekuiti Yakinjaya Sdn Bhd	20,869,113	0.57
24.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD Employees Provident Fund Board (F Templeton)	20,680,000	0.57
25.	HSBC NOMINEES (ASING) SDN BHD Exempt An for JP Morgan Chase Bank, National Association (U.S.A.)	20,247,683	0.56
26.	AMANAHRAYA TRUSTEES BERHAD AS 1Malaysia	17,661,800	0.48
27.	RHB NOMINEES (TEMPATAN) SDN BHD OSK Capital Sdn Bhd for Yayasan Islam Terengganu	16,455,100	0.45
28.	AMSEC NOMINEES (TEMPATAN) SDN BHD Exempt An for Ambank Islamic Berhad (FELDA)	14,894,100	0.41
29.	PERTUBUHAN KESELAMATAN SOSIAL	14,300,000	0.39
30.	AMANAHRAYA TRUSTEES BERHAD Public Islamic Dividend Fund	14,110,600	0.39

Top 10 Properties of the FGV Group

Location	Tenure	Year lease expiring	Approximate Area (Hectares)	Description	Year of Acquisition	Net Book Value (RM'000)
1. **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	2028 - 2887	118,872	Oil palm estates and palm oil mills	2012 - 2013	799,006
2. **Sarawak** Lot 15 Dulit Land Batang Tinjar, Baram. Lot 20 Dulit Land Long Aya, Tinjar, Baram. Lot 10 Dulit Land Batang Tinjar, Baram. Lot 16 Dulit Land Batang Tinjar, Baram. Lot 68, Bok Land, Sg Bok, Dulit, Baram. Lot 23 Dulit Land Sg Bok, Dulit, Baram. Lot 17, 18 & 19 Patah Land District, Sg Aran & Sg Tema-ah, Miri. Sampadi 01, Sampadi 03, Sampadi 04, Sampadi 05, Sampadi 06, Sampadi.	Leasehold	2063 - 2111	32,803	Oil palm estates and palm oil mills	2012-2014	260,475
3. **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, Tanjung Gelang.	Leasehold	2027 - 2111	143,898	Oil palm estates and palm oil mills	2012	225,030

Top 10 Properties of the FGV Group

Location	Tenure	Year lease expiring	Approximate Area (Hectares)	Description	Year of Acquisition	Net Book Value (RM'000)
4. **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, Semencu, 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, Plentong.	Leasehold	2018 - 2111	33,912	Oil palm estates, palm oil mills and margarine plant, warehouse and two storey office	2012	164,714
5. **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	100,818
6. **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. HS (D) 145, PT, Chuping. HS (D) 2587, PT349, Bilal Udoh, Chuping.	Leasehold	2061	4,457	Rubber and other crops plantation and buildings	2011	88,015
7. **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 and finished products via railroad connecting the plant located in Quincy and Braintree train station	1994	68,074
8. **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	37,906
9. **Negeri Sembilan** Palong 17, Palong 18, Palong 21, Serting Hilir 08, Serting, Serting Hilir, Palong Timur, Pasoh.	Leasehold	2111	12,867	Oil palm estates and palm oil mills	2012	26,497
10. **Perak** Besout 06, Besout 07, Lawin Tengah, Nenering 02, Tawai 01, Tawai 02, Trolak, Besout.	Leasehold	2111	15,551	Oil palm estates and palm oil mills	2012	23,347

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 fully utilised as at 31 December 2015 in the following manner:

Details of Use of Proceeds	Estimated Timeframe for Utilisation Upon Listing	RM '000	Amount Utilised as at 31 December 2015 RM'000	Balance of IPO Proceeds as at 31 December 2015 RM'000
Acquisition of plantation assets	within 3 years	2,190,000	(2,190,000)	-
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	(780,000)	-
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	(100,000)	-
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	(4,459,000)	-

Share Buy-Back
The Company did not make any proposal for share buy-back during the financial year ended 31 December 2015.

Option, Warrants or Convertible Securities
The Company did not issue any options, warrants or convertible securities during the financial year ended 31 December 2015.

Depository Receipt Programme
The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2015.

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 regulatory bodies during the financial year ended 31 December 2015.

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 2015 amounted to RM1.94 million and RM1.10 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 2015.

Profit Guarantee
There was no profit guarantee given by the Company during the financial year ended 31 December 2015.

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 except for MSM Malaysia Holdings Berhad had entered into an agreement for term financing-i/Documentary Credit-i of up to RM1.25 billion with CIMB Islamic and HSBC Amanah Malaysia Berhad to finance the construction of the new refinery plant to be located at Tanjung Langsat Industrial Estate, Pasir Gudang, Johor.

Revaluation Policy
The Company does not have a regular revaluation policy on landed properties.

Employee Share Scheme (LTIP)
Employee Share Scheme or Long-Term Incentive Plan (LTIP) was announced on 3 February 2016.

Share Issuance Scheme
There is no Share Issuance Scheme declared or implemented in 2015.

Additional Disclosure

Recurrent Related Party Transactions of Revenue or Trading Nature

At the 7th Annual General Meeting (AGM) held on 16 June 2015, the Company had obtained a Shareholders' mandate from its Shareholders for Recurrent Related Party Transactions of a revenue or trading nature to be entered into by the Company and/or its subsidiaries (RRPT Shareholders' Mandate). The RRPT Shareholders' Mandate is valid until the conclusion of the forthcoming 8th AGM of the Company to be held on 1 June 2016.

The Company proposes to seek a renewal of the existing RRPT Mandate and a new RRPT Mandate at its forthcoming 8th 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. The details of the RRPT Mandate being sought are provided in the Circular to Shareholders dated 28 April 2016 which was sent together with the Annual Integrated 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, the details of the Recurrent Related Party Transactions of a revenue or trading nature entered into during the financial year ended 31 December 2015 by the Company and/or its subsidiaries are as below:

No.	Recipient	Provider	Nature of Transaction	Related Party	Value of Transaction (RM'000)
1.	FELDA	F Engineering	Provision of maintenance and consultancy services	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Datuk Hanapi Suhada	100,053
2.	F Engineering	FELDA	Monthly payment of rental for office premises located at Menara Felda and Balai Felda having a lease period of three (3) years		1,117
3.	FGV	F Engineering	Provisions of construction and renovation services	Interested Major Shareholders: - Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Datuk Hanapi Suhada	410
4.	FELDA	FPM	Sales of fertilisers	Interested Major Shareholders: • FELDA • FAHC Interested Directors: -	116,915
5.	F Rubber Industries	FELDA	Purchase of rubber	Interested Major Shareholders: • FELDA • FAHC Interested Directors: -	84,800
6.	F Rubber Industries	FELDA	Monthly payment of rental for office premises located at Menara Felda and Balai Felda having a lease period of three (3) years		69
7.	FELDA	F Security	Provision of security services	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Dato' Ramli Ismail	23,756
8.	F Security	FELDA	Monthly payment of rental for office premises located at Menara Felda and Balai Felda having a lease period of three (3) years		472
9.	F Security	FGV	Provisions of management services	Interested Major Shareholders: - Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Dato' Ramli Ismail	972
10.	FGV	F Security	Provisions of security services		1,025

Additional Disclosure

No.	Recipient	Provider	Nature of Transaction	Related Party	Value of Transaction (RM'000)
11.	FELDA	F Prodata	Provisions of IT services	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Datuk Khamis Md. Som	34,795
12.	FELDA	F Prodata	Provisions on installation of GPS/GIS service		1,382
13.	FELDA	F Prodata	Monthly payment of rental for office premises located at Menara Felda and Balai Felda having a lease period of three (3) years		2,096
14.	F Prodata	FGV	Provisions of management services	Interested Major Shareholders: - Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Datuk Khamis Md. Som	3,763 credit balance
15.	FGV	F Prodata	Provisions of IT services		21,079
16.	F Prodata	Lunas Technology Sdn Bhd	Provisions of IT software	Interested Major Shareholders: - Interested Directors: • Azly Sham Kamaruddin	5,325
17.	FELDA	F Travel	Travel and accommodation services	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • YB Dato' Mohd Khusairi Abdul Talib	17,894
18.	FELDA	F Agricultural	(i) Sales of seeds palms; and (ii) provisions of consultancy and lab analysis services	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Datuk Khamis Md. Som	2,868
19.	F Agricultural	FELDA	Monthly payment of rental for oil palm estates with each oil palm estate having a lease period between twenty (20) to twenty-five (25) years and building rental in respect of office premises located at Menara Felda having a lease period of three (3) years		1,523
20.	F Agricultural	FGV	Provisions of management services	Interested Major Shareholders: - Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Datuk Khamis Md. Som	12,063
21.	FELDA	F Transport	Jetty commissions	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Abu Bakar Ibrahim	907
22.	F Transport	FELDA	Monthly payment of rental for office premises located at Menara Felda and Balai Felda having a lease period of three (3) years	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Abu Bakar Ibrahim	783

Additional Disclosure

No.	Recipient	Provider	Nature of Transaction	Related Party	Value of Transaction (RM'000)
23.	F Transport	FGV	Provisions of management services	Interested Major Shareholders: - Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Abu Bakar Ibrahim	5,631
24.	F Palm Industries	FELDA	Monthly payment of rental for office premises located at Menara Felda, Balai Felda and wilayah offices having a lease period of three (3) years	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Datuk Saari Din	2,885
25.	F Palm Industries	FGV	Provisions of management services	Interested Major Shareholders: - Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Datuk Saari Din	40,596
26.	FELDA	F Properties	Provision of Project Management Consultant (PMC) service	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad	573
27.	FGVPM	Felda Technoplant Sdn Bhd	Purchase of fresh fruit bunches	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad	1,263,827
28.	FGVPM	FELDA	Purchase of fresh fruit bunches	Interested Major Shareholders: • FELDA • FAHC Interested Directors: -	1,335,777
29.	FGVPM	FELDA	Monthly payment of rental for office premises located at Menara Felda and Balai Felda having a lease period of three (3) years		6,348
30.	FELDA	FGVPM	Payment of incentive for the settlers' welfare to the Joint Consultative Committee (JCC)	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • YB Tan Sri Haji Mohd. Isa Dato' Haji Abdul Samad • Datuk Dr. Omar Salim • YB Datuk Noor Ehsanuddin Mohd Harun Narrashid • Datuk Nozirah Bahari	11,655
31.	FGV	FELDA	Monthly payment of rental for office premises located at Menara Felda and Balai Felda having a lease period of three (3) years		9,168
Total					**3,103,001**

Compliance with the Principles and Recommendations of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012")

The table below sets out the compliance of FGV with the MCCG 2012 in respect of FYE 2015.

No.	Principles/Recommendations	Compliance Status		Remarks	Page
		Yes	No		
Principle 1: Establish Clear Roles and Responsibilities					
1.1	The Board should establish clear functions reserved for the board and those delegated to management.	Yes			99, 130-133
1.2	The Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions.	Yes			99
1.3	The Board should formalise ethical standards through a code of conduct and ensure its compliance.	Yes			99, 133, 136, 144
1.4	The Board should ensure that the company's strategies promote sustainability.	Yes			14, 20, 38-39, 132, 137, 139, 151-159
1.5	The Board should have procedures to allow its members access to information and advice.	Yes			99, 107-108, 111, 132
1.6	The Board should ensure it is supported by a suitably qualified and competent company secretary.	Yes			94, 132
1.7	The Board should formalise, periodically review and make public its board charter.	Yes			99
Principle 2: Strengthen Composition					
2.1	The Board should establish a Nominating Committee which should comprise exclusively of non-executive directors, a majority of whom must be independent.	Yes			121
2.2	The Nominating Committee should develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors.	Yes			100, 104, 122, 129
2.3	The Board should establish formal and transparent remuneration policies and procedures to attract and retain directors.	Yes			101-103, 122-123
Principle 3: Reinforce Independence					
3.1	The Board should undertake an assessment of its independent directors annually.	Yes			107-108, 116, 120, 122-124, 128
3.2	The tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director.	Yes		None of the Independent Directors have served on the Board for more than nine (9) years.	72, 100, 129
3.3	The Board must justify and seek Shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine (9) years.	Not Applicable		None of the Independent Directors have served on the Board for more than nine (9) years.	72, 100, 129
3.4	The positions of Chairman and CEO should be held by different individuals, and the chairman must be a non-executive member of the Board.	Yes			10, 74, 77, 130-131
3.5	The Board must comprise a majority of independent directors where the chairman of the Board is not an independent director.	Yes		The Chairman of the Board, is a Non-Independent Non-Executive Director.	10, 72, 99-100

Compliance with the Principles and Recommendations of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012")

No.	Principles/Recommendations	Compliance Status		Remarks	Page
		Yes	No		
Principle 4: Foster Commitment					
4.1	The Board should set out expectations on time commitment for its members and protocols for accepting new directorships.	Yes		Please refer to para 14.2 of FGV Board Charter for protocols, for accepting new directorships.	104-105, 107
4.2	The Board should ensure its members have access to appropriate continuing education programmes.	Yes			104-105
Principle 5: Uphold Integrity in Financial Reporting					
5.1	The Audit Committee should ensure financial statements comply with applicable financial reporting standards.	Yes			110-112, 114, 117, 135, 175-178, 179, 180-181
5.2	The Audit Committee should have policies and procedures to assess the suitability and independence of external auditors.	Yes			116-117
Principle 6: Recognise and Manage Risks					
6.1	The Board should establish a sound framework to manage risks.	Yes		Details of the Group's Risk Management Framework are contained in the Statement on Risk Management and Internal Control on pages 140 to 148.	112, 127-128, 135, 140-141, 143, 148
6.2	The Board should establish an internal audit function which reports directly to the Audit Committee.	Yes			112, 115, 117-118, 148
Principle 7: Ensure Timely and High Quality Disclosure					
7.1	The Board should ensure the company has appropriate corporate disclosure policies and procedures.	Yes			133
7.2	The Board should encourage the company to leverage on information technology for effective dissemination of information.	Yes			134
Principle 8: Strengthen Relationship between Company and Shareholders					
8.1	The Board should take reasonable steps to encourage Shareholder participation at general meetings.	Yes			134
8.2	The Board should encourage poll voting.	Yes			134
8.3	The Board should promote effective communication and proactive engagements with Shareholders.	Yes			133-134

INDEPENDENT ASSURANCE REPORT
TO THE MANAGEMENT OF FELDA GLOBAL VENTURES HOLDINGS BERHAD

(Incorporated in Malaysia)
(Company No. 800165-P)

We have been engaged by Felda Global Ventures Holdings Berhad ("FGV") to perform an independent limited assurance engagement on selected Sustainability Information (hereon after referred to as "Selected Information") as reported by FGV in "The ESG Journey" and "Our HSE Policy" chapters of its 2015 Annual Integrated Report ("FGV Annual Integrated Report 2015").

Management's Responsibility

Management of FGV is responsible for the preparation of FGV Annual Integrated Report 2015 in accordance with FGV's internal reporting guidelines.

This responsibility includes the selection and application of appropriate methods to prepare the FGV Annual Integrated Report 2015 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 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.

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

INDEPENDENT ASSURANCE REPORT
TO THE MANAGEMENT OF FELDA GLOBAL VENTURES HOLDINGS BERHAD
(Incorporated in Malaysia)
(Company No. 800165-P)

Subject Matter

The following information collectively known as Selected Information on which we provide limited assurance consists of:

- The management and reporting processes with respect to the preparation of the following seven (7) Selected Information reported and marked in FGV Annual Integrated Report 2015 as follows:

    1. Number of new land acquisitions with significant area in peat for the financial year 2015;
    2. Number of fatalities as a result of occupational accidents across FGV upstream for the financial year 2015;
    3. Number of river systems analysed for water quality for the financial year 2015;
    4. Total contribution from FGV group to Yayasan Felda for the financial year 2015;
    5. Number of International Sustainability Carbon Certification ("ISCC") certified mills for the financial year 2015;
    6. Tonnes of Roundtable on Sustainable Palm Oil ("RSPO") certified sustainable palm oil production capacity for the financial year 2015;
    7. Total greenhouse gas ("GHG") emission reduction in palm oil mills operations (mt of CO_2 equivalent) for the financial year 2015.

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 Selected Information reported in FGV Annual Integrated Report 2015 regarding the process to prepare the said report and the underlying internal control system;
- 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 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 aspects, nothing has come to our attention that causes us to believe that, for the year ended 31 December 2015, 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 Annual Integrated Report 2015 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

14 April 2016

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eighth (8th) Annual General Meeting of Felda Global Ventures Holdings Berhad ("FGV" or "the Company") will be held at the **Banquet Hall 1, Level B2, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur, Malaysia** on **Wednesday, 1 June 2016,** 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 2015 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 2 sen per ordinary share, under a single-tier system, in respect of the financial year ended 31 December 2015. **(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) YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad **(Resolution 2)**
   (ii) Tan Sri Dr. Sulaiman Mahbob **(Resolution 3)**

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' Zakaria Arshad **(Resolution 4)**
   (ii) Dato' Siti Zauyah Md Desa **(Resolution 5)**

5. To approve the payment of Directors' fees of RM1,801,561 for the financial year ended 31 December 2015. **(Resolution 6)**

6. To re-appoint Messrs. PricewaterhouseCoopers as auditors of the Company and to authorize the Directors to fix their remuneration. **(Resolution 7)**

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 8)**

   "**THAT** authority be and is hereby given in line with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") for the Company, its subsidiaries or any of them to enter into any of the Recurrent Related Party Transactions, particulars of which are set out in Section 2 and Appendix 1 of the Circular to Shareholders dated 28 April 2016 ("Circular"), with the Related Parties as described and set out 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 Eighth (8th) Annual General Meeting of the Company to be held on 1 June 2016, a final dividend of 2 sen per ordinary share, under a single-tier system, in respect of the financial year ended 31 December 2015 will be paid on 30 June 2016 to the Shareholders. The entitlement date for the said dividend shall be 20 June 2016.

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 20 June 2016 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)
ABD RASHID ATAN (MIA 18390)
Company Secretaries

Kuala Lumpur
28 April 2016

Notice of Annual General Meeting

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 Eighth (8th) 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 20 May 2016. Only a depositor whose name appears on the General Meeting Record of Depositors as at 20 May 2016 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 2, 4 and 5 – Re-election of Directors**

   YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad, Dato' Zakaria Arshad and Dato' Siti Zauyah Md Desa are Government Appointed Directors.
3. **Ordinary Resolution 3 – Assessment of Independence of Independent Director**

   The independence of Tan Sri Dr. Sulaiman Mahbob, who has served as Independent Non-Executive Director of the Company has been assessed by the Nomination and Remuneration Committee and affirmed by the Board. Tan Sri Dr. Sulaiman Mahbob has not exceeded the nine (9) years tenure.
4. **Ordinary Resolution 6 – Directors' fees**

   Please refer to pages 102 to 103 of the Statement on Corporate Governance in the Annual Integrated Report 2015 for the detailed amount of Directors' fees.
5. **Ordinary Resolution 7 – Re-appointment of Auditors**

   The present Auditors, Messrs. PricewaterhouseCoopers ("PwC"), have indicated their willingness to continue their services for another year. The Audit Committee and the Board have considered the re-appointment of PwC as Auditors of the Company and have collectively agreed that PwC has met the relevant criteria prescribed by Paragraph 15.21 of the Listing Requirements.
6. **Abstention from Voting**

   (i) All the Non-Executive Directors who are Shareholders of the Company will abstain from voting on Ordinary Resolution 6 concerning Directors' fees at the Eighth (8th) 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 Eighth (8th) Annual General Meeting of the Company.

EXPLANATORY NOTE ON SPECIAL BUSINESS:

Ordinary Resolution 8 – Proposed Mandates

The proposed Ordinary Resolution 8, if passed, will allow the Company and/or its subsidiary companies to enter into the Recurrent Related Party 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, made on arm's length and on normal commercial terms which are 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.

Statement Accompanying Notice of Annual General Meeting

Made pursuant to Paragraph 8.27(2) of the Listing Requirements

The details of the following Directors who are seeking re-election pursuant to Article 88 and Article 94 of the Company's Articles of Association are set out from pages 74 to 84 of the Annual Integrated Report:

i) YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad
ii) Tan Sri Dr. Sulaiman Mahbob
iii) Dato' Zakaria Arshad
iv) Dato' Siti Zauyah Md Desa

The details of the Directors' shareholdings in the Company are set out in page 350 of this Annual Integrated Report.

Administrative Details

for the Annual General Meeting ("AGM") of Felda Global Ventures Holdings Berhad ("the Company" or "FGV")

8th Annual General Meeting

Date
1 June 2016 (Wednesday)

Time
11.00 a.m.

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

1. ENTITLEMENTS TO ATTEND, SPEAK AND VOTE

Only a depositor (Shareholder) whose name appears on the General Meeting Record of Depositors as at 20 May 2016 shall be entitled to attend, speak and vote at the AGM or appoint proxies to attend, speak and vote on such depositor's behalf.

2. PROXY

a. The instrument appointing a proxy (Proxy Form) 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 AGM or any adjournment thereof**.
b. If you are a Shareholder and wish to attend the AGM yourself, please do not submit any Proxy Form as you will not be allowed to attend the AGM together with a proxy appointed by you.
c. If you are a Shareholder and are unable to attend the AGM, and you wish to appoint a proxy to vote on your behalf, please submit your Proxy Form in accordance with the notes and instructions printed therein.
d. If you are a Shareholder and have submitted your Proxy Form prior to the AGM and subsequently decided to personally attend the AGM, please proceed to the Help Desk on the day of the AGM to revoke the appointment of your proxy.
e. **Only original duly executed Proxy Form is acceptable**.
f. **Proxy Form submitted via fax or email is not acceptable**.

3. CORPORATE MEMBER

Any corporate member who wishes to appoint a representative instead of a proxy to attend the AGM should submit the original certificate of appointment under the seal of the corporation to the office of the Share Registrar of the Company not less than forty-eight (48) hours before the time for holding the AGM or any adjournment thereof.

4. REGISTRATION

a. **Registration will start at 8.30 a.m. and will close at 11.00 a.m.** The Shareholders and proxies are requested to be punctual.
b. Please read the signages to ascertain where you should register yourself as a Shareholder or proxy for the meeting and join the queue accordingly.
c. Please produce your **original MYKAD (for Malaysian) or Passport (for non-Malaysian)** to the registration staff for verification. **No photocopy of MYKAD or Passport will be accepted**. Please make sure you collect your MYKAD or Passport thereafter.
d. **No person will be allowed to register on behalf of another person** even with the original MYKAD or Passport of that other person.
e. You will be provided with an identification tag upon verification and registration.
f. No person will be allowed to enter the meeting hall without the identification tag.
g. The identification tag must be worn throughout the AGM.
h. There will be no replacement in the event that you lose or misplace the identification tag.
i. If you are attending the AGM as Shareholder as well as proxy, you will be registered once and will be provided only one (1) identification tag to enter the meeting hall.
j. 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.

5. 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.

6. REFRESHMENTS

a. Each **Shareholder** who is present at the AGM will be entitled to one (1) Breakfast Voucher only upon registration.
b. Each **proxy** who is present at the AGM will be entitled to one (1) Breakfast Voucher only upon registration (per head count), irrespective of the number of Shareholders he/she represents.
c. If you are a **Shareholder and also a proxy** who is present at the AGM, you will be entitled to one (1) Breakfast Voucher only upon registration (per head count).
d. Please bring your Breakfast Voucher to the designated counter to collect your breakfast.
e. There will be no lunch provided to Shareholders or proxies who attend the AGM.

7. DOOR GIFTS

a. Each **Shareholder** who is present at the AGM will be entitled to one (1) Gift Voucher only upon registration.
b. Each **proxy** who is present at the AGM will be entitled to one (1) Gift Voucher only upon registration (per head count), irrespective of the number of Shareholders he/she represents.
c. If you are a **Shareholder and also a proxy** who is present at the AGM, you will be entitled to one (1) Gift Voucher only upon registration (per head count).
d. Please bring your Gift Voucher to the Door Gifts Counter to collect your door gifts.

Administrative Details

for the Annual General Meeting ("AGM") of Felda Global Ventures Holdings Berhad ("the Company" or "FGV")

8. PARKING

a. Shareholders are encouraged to use the KELANA JAYA LINE Light Rail Transit (LRT) and descend at the Ampang Park Station, which is about 7 minutes walking distance to the venue of the AGM.

b. FGV provides free parking **ONLY at Park Safe, an open parking space located behind Menara Felda and Jalan Stonor ONLY from 7.00 a.m. to 4.30 p.m.** Please produce your parking ticket during registration for validation.

9. ENQUIRIES FOR AGM

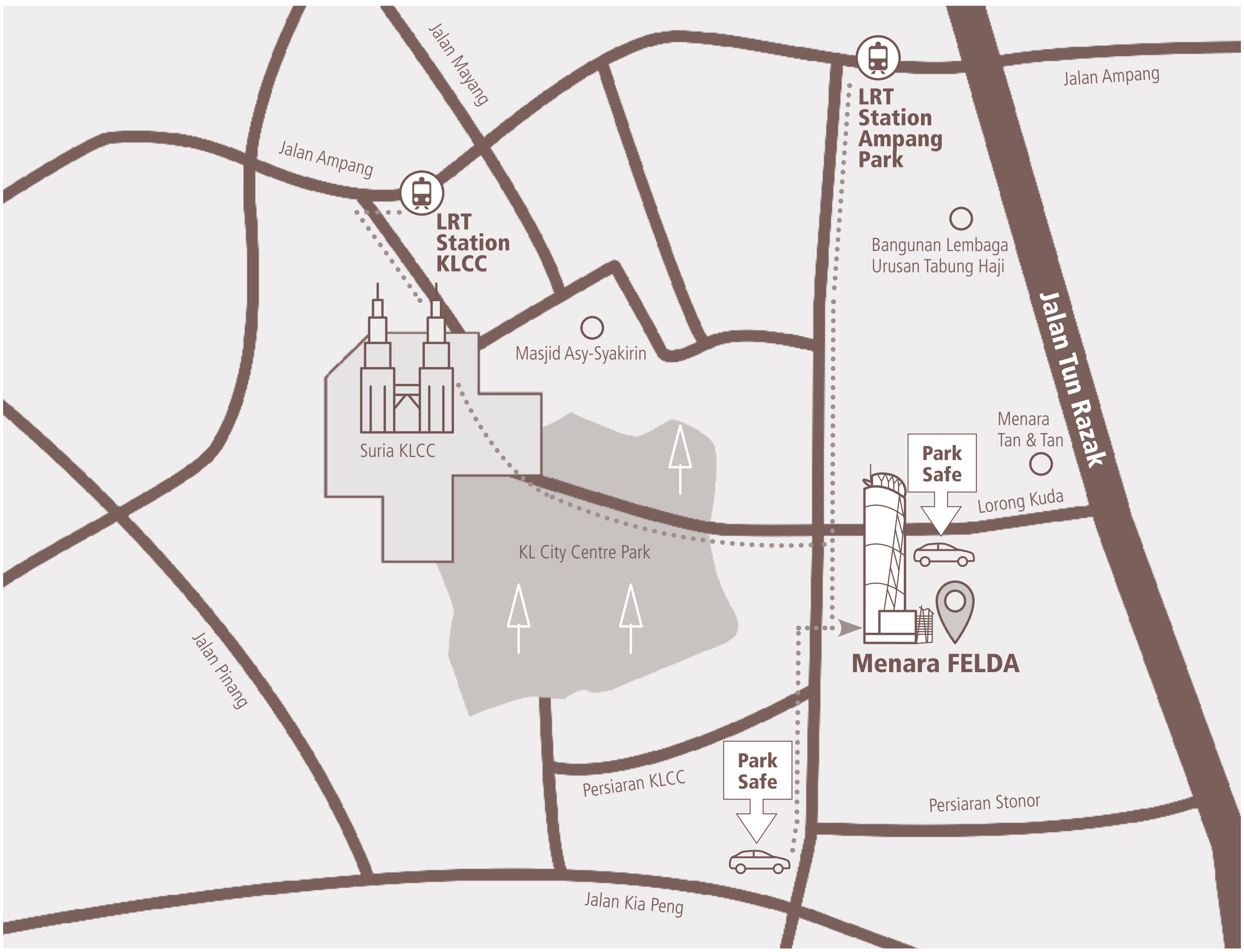
a. If you have any enquiry relating to the administrative details of the AGM, please contact our Investor Relations and Enquiries during office hours:

Tel	:	+603 2859 0000 (Ariff Ahmad/Siti Aisyah Shahruddin)
Fax	:	+603 2859 0016
E-mail	:	fgv.investors@feldaglobal.com

b. If you have any enquiry relating to the registration and Proxy Form, please contact our Share Registrar during office hours:

Tel (Help Desk)	:	+603 7849 0777
Fax	:	+603 7841 8151/8152
E-mail	:	ssr.helpdesk@symphony.com.my

10. LOCATION OF AGM VENUE



Proxy Form

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 Eighth (8^{th}) 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 **Wednesday, 1 June 2016**, at **11.00 a.m.** and at any adjournment thereof. My/our proxy/proxies is to vote as indicated below:

No.	AGENDA			
1	To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon.			
		Resolution	**For**	**Against**
2	Approval of a Final Dividend of 2 sen per ordinary share, under single-tier system, in respect of the financial year ended 31 December 2015.	1		
3(i)	Re-election of YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad as Director pursuant to Article 88 of the Company's Articles of Association.	2		
3(ii)	Re-election of Tan Sri Dr. Sulaiman Mahbob as Director pursuant to Article 88 of the Company's Articles of Association.	3		
4(i)	Re-election of Dato' Zakaria Arshad as Director pursuant to Article 94 of the Company's Articles of Association.	4		
4(ii)	Re-election of Dato' Siti Zauyah Md Desa as Director pursuant to Article 94 of the Company's Articles of Association.	5		
5	To approve the payment of Directors' fees for the financial year ended 31 December 2015.	6		
6	Re-appointment of Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorize the Directors to fix their remuneration.	7		
7	Proposed Mandates.	8		

(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 __________ 2016.

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%**

____

Signature(s)/Common Seal of Member(s)

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 Eighth (8th) 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 20 May 2016. Only a depositor whose name appears on the General Meeting Record of Depositors as at 20 May 2016 shall be entitled to attend the said meeting or appoint a proxy(ies) to attend and/or vote on such depositor's behalf.

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Annual General Meeting

Felda Global Ventures Holdings Berhad

1 June 2016

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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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feldaglobal.com

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