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

We, Goh Eng Chew and Wong Aun Phui, being two of the directors of Chin Teck Plantations Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 38 to 84 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2015 and of their financial performance and cash flows for the year then ended.

Other matters

The supplementary information set out in Note 33 on page 85, 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 (MIA Guidance).

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 November 2015.

Goh Eng Chew

Wong Aun Phui

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

I, Gan Kok Tiong, being the officer primarily responsible for the financial management of Chin Teck Plantations Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 38 to 85 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.

Subscribed and solemnly declared
by the abovenamed Gan Kok Tiong
at Kuala Lumpur in the Federal Territory
on 26 November 2015

Gan Kok Tiong

Before me,

Ooi Ah Bah
No. W152
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHIN TECK PLANTATIONS BERHAD

Report on the financial statements

We have audited the financial statements of Chin Teck Plantations Berhad, which comprise the statements of financial position as at 31 August 2015 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 38 to 84.

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 are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company'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 Company'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 at 31 August 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary have been properly kept in accordance with the provisions of the Act.

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

(c) The auditors' report on the financial statements of the subsidiary was not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHIN TECK PLANTATIONS BERHAD

Other matters

The supplementary information set out in Note 33 on page 85 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Main Market 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.

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.

Ernst & Young
AF: 0039
Chartered Accountants

Tan Shium Jye
No. 2991/05/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
26 November 2015

STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Revenue	4	104,007,196	118,873,686	104,007,196	118,873,686
Cost of sales	4	(54,716,111)	(51,428,887)	(54,716,111)	(51,428,887)
Gross profit		49,291,085	67,444,799	49,291,085	67,444,799
Other items of income					
Interest income		5,747,827	5,715,878	5,729,621	5,698,171
Dividend income	5	3,325,113	2,553,812	3,325,113	2,553,812
Other income	6	9,297,757	984,195	9,297,757	984,195
Other items of expense					
Selling expenses		(3,009,839)	(2,971,916)	(3,009,839)	(2,971,916)
Administrative expenses		(22,841,641)	(20,700,008)	(22,836,195)	(20,694,949)
Replanting expenses		(6,654,813)	(4,010,287)	(6,654,813)	(4,010,287)
Other expenses		(3,935)	(1,314,025)	(3,935)	(1,314,025)
Share of results of associates		2,370,600	1,427,066	-	-
Share of results of a joint venture		(1,156,109)	(1,982,293)	-	-
Profit before tax	7	36,366,045	47,147,221	35,138,794	47,689,800
Income tax expense	10	(5,895,138)	(11,123,747)	(5,890,794)	(11,119,510)
Profit net of tax		30,470,907	36,023,474	29,248,000	36,570,290
Earnings per stock unit attributable to owners of the Company (sen per stock unit)					
Basic	11	33.35	39.43		
Diluted	11	33.35	39.43		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2015

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Profit net of tax	30,470,907	36,023,474	29,248,000	36,570,290
Other comprehensive income/(loss):				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Change in tax rates on deferred tax	-	(941,959)	-	(941,959)
Foreign currency translation	8,354,699	(8,822,786)	-	-
Net gain on fair value changes of available-for-sale investment securities	2,612,071	1,676,022	2,612,071	1,676,022
- Transfer to profit or loss upon disposal	(1,590,402)	(510,138)	(1,590,402)	(510,138)
- Gain on fair value changes	4,202,473	2,186,160	4,202,473	2,186,160
Share of other comprehensive income of an associate	7,432	18,932	-	-
Total other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	10,974,202	(8,069,791)	2,612,071	734,063
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:				
Share of other comprehensive income of an associate	376,782	-	-	-
Share of other comprehensive income of a joint venture	38,440	15,172	-	-
Total other comprehensive income that will not be reclassified to profit or loss in subsequent periods	415,222	15,172	-	-
Total other comprehensive income/(loss)	11,389,424	(8,054,619)	2,612,071	734,063
Total comprehensive income for the year	41,860,331	27,968,855	31,860,071	37,304,353

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 AUGUST 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Assets					
Non-current assets					
Property, plant and equipment	13	47,579,477	45,892,763	47,579,477	45,892,763
Biological assets	14	76,324,523	74,934,467	76,324,523	74,934,467
Investment in a subsidiary	15	-	-	48,100,000	48,100,000
Investments in associates	16	195,554,257	186,754,653	114,000,000	114,000,000
Investment in a joint venture	17	17,025,682	15,833,442	27,585,200	27,585,200
Investment securities	18	90,450,948	85,199,632	90,450,948	85,199,632
		426,934,887	408,614,957	404,040,148	395,712,062
Current assets					
Inventories	19	4,530,544	2,531,009	4,530,544	2,531,009
Receivables	20	8,563,719	7,027,537	8,562,218	7,027,029
Income tax recoverable		726,540	5,523	721,284	-
Cash and bank balances	21	220,549,317	217,318,975	219,819,614	216,596,962
		234,370,120	226,883,044	233,633,660	226,155,000
Total assets		**661,305,007**	**635,498,001**	**637,673,808**	**621,867,062**
Current liabilities					
Payables	22	8,949,461	9,701,345	8,946,811	9,698,695
Income tax payable		-	758,457	-	758,457
		8,949,461	10,459,802	8,946,811	10,457,152
Non-current liabilities					
Deferred tax liabilities	26	7,267,192	7,192,056	7,267,192	7,192,056
Total liabilities		16,216,653	17,651,858	16,214,003	17,649,208
Equity attributable to owners of the Company					
Share capital	23	91,363,250	91,363,250	91,363,250	91,363,250
Share premium	23	19,654,027	19,654,027	19,654,027	19,654,027
Other reserves	24	14,763,357	3,392,400	41,897,005	39,303,401
Retained profits	25	519,307,720	503,436,466	468,545,523	453,897,176
Total equity		645,088,354	617,846,143	621,459,805	604,217,854
Total equity and liabilities		**661,305,007**	**635,498,001**	**637,673,808**	**621,867,062**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

			<--- Non-distributable ---->		Distributable	<---------- Non-distributable ---------->				
2015 Group	Note	Equity attributable to owners of the Company, total RM	Share capital RM	Share premium RM	Retained profits RM	Other reserves, total RM	Asset revaluation reserve – land and biological assets RM	Foreign currency translation reserve RM	Fair value adjustment reserve RM	Employee benefits plan reserve of an associate and a joint venture RM
Opening balance at 1 September 2014		617,846,143	91,363,250	19,654,027	503,436,466	3,392,400	15,762,863	(35,951,888)	23,566,253	15,172
Profit for the year		30,470,907	-	-	30,470,907	-	-	-	-	-
Other comprehensive income		11,389,424	-	-	-	11,389,424	-	8,354,699	2,619,503	415,222
Revaluation reserve of leasehold land realised		-	-	-	18,467	(18,467)	(18,467)	-	-	-
Transactions with owners										
Dividends, representing total transactions with owners	12	(14,618,120)	-	-	(14,618,120)	-	-	-	-	-
Closing balance at 31 August 2015		645,088,354	91,363,250	19,654,027	519,307,720	14,763,357	15,744,396	(27,597,189)	26,185,756	430,394

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2015 (CONT'D.)

			<--- Non-distributable	---->	Distributable	<--------	--------	Non-distributable	--------	-------->
2014 Group	**Note**	**Equity attributable to owners of the Company, total RM**	**Share capital RM**	**Share premium RM**	**Retained profits RM**	**Other reserves, total RM**	**Asset revaluation reserve – land and biological assets RM**	**Foreign currency translation reserve RM**	**Fair value adjustment reserve RM**	**Employee benefits plan reserve of an associate and a joint venture RM**
Opening balance at 1 September 2013		621,397,608	91,363,250	19,654,027	498,913,965	11,466,366	16,724,169	(27,129,102)	21,871,299	-
Profit for the year		36,023,474	-	-	36,023,474	-	-	-	-	-
Other comprehensive income/(loss)		(8,054,619)	-	-	-	(8,054,619)	(941,959)	(8,822,786)	1,694,954	15,172
Revaluation reserve of leasehold land realised		-	-	-	19,347	(19,347)	(19,347)	-	-	-
Transactions with owners										
Dividends, representing total transactions with owners	12	(31,520,320)	-	-	(31,520,320)	-	-	-	-	-
Closing balance at 31 August 2014		617,846,143	91,363,250	19,654,027	503,436,466	3,392,400	15,762,863	(35,951,888)	23,566,253	15,172

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2015 (CONT'D.)

			<---- Non-distributable --->		Distributable	<---------- Non-distributable --------->		
2015 Company	**Note**	**Equity attributable to owners of the Company, total RM**	**Share capital RM**	**Share premium RM**	**Retained profits RM**	**Other reserves, total RM**	**Asset revaluation reserve – land and biological assets RM**	**Fair value adjustment reserve RM**
Opening balance at 1 September 2014		604,217,854	91,363,250	19,654,027	453,897,176	39,303,401	15,762,863	23,540,538
Profit for the year		29,248,000	-	-	29,248,000	-	-	-
Other comprehensive income		2,612,071	-	-	-	2,612,071	-	2,612,071
Revaluation reserve of leasehold land realised		-	-	-	18,467	(18,467)	(18,467)	-
Transactions with owners								
Dividends, representing total transactions with owners	12	(14,618,120)	-	-	(14,618,120)	-	-	-
Closing balance at 31 August 2015		621,459,805	91,363,250	19,654,027	468,545,523	41,897,005	15,744,396	26,152,609

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2015 (CONT'D.)

			<---- Non-distributable --->		Distributable	<---------- Non-distributable		---------->
2014 Company	**Note**	**Equity attributable to owners of the Company, total RM**	**Share capital RM**	**Share premium RM**	**Retained profits RM**	**Other reserves, total RM**	**Asset revaluation reserve – land and biological assets RM**	**Fair value adjustment reserve RM**
Opening balance at 1 September 2013		598,433,821	91,363,250	19,654,027	448,827,859	38,588,685	16,724,169	21,864,516
Profit for the year		36,570,290	-	-	36,570,290	-	-	-
Other comprehensive income		734,063	-	-	-	734,063	(941,959)	1,676,022
Revaluation reserve of leasehold land realised		-	-	-	19,347	(19,347)	(19,347)	-
Transactions with owners								
Dividends, representing total transactions with owners	12	(31,520,320)	-	-	(31,520,320)	-	-	-
Closing balance at 31 August 2014		604,217,854	91,363,250	19,654,027	453,897,176	39,303,401	15,762,863	23,540,538

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Operating activities				
Profit before tax	36,366,045	47,147,221	35,138,794	47,689,800
Adjustments for:				
Depreciation of property, plant and equipment	3,235,603	2,567,161	3,235,603	2,567,161
Dividend income	(3,325,113)	(2,553,812)	(3,325,113)	(2,553,812)
Interest income	(5,747,827)	(5,715,878)	(5,729,621)	(5,698,171)
(Gain)/loss on sale of property, plant and equipment	(45,166)	69,090	(45,166)	69,090
Net gain on fair value changes of available-for-sale investment securities (transferred from equity upon disposal)	(1,590,402)	(510,138)	(1,590,402)	(510,138)
Property, plant and equipment written off	3,935	-	3,935	-
Share of results of associates	(2,370,600)	(1,427,066)	-	-
Share of results of a joint venture	1,156,109	1,982,293	-	-
Unrealised (gain)/loss on foreign exchange	(7,309,594)	1,244,935	(7,309,594)	1,244,935
Total adjustments	(15,993,055)	(4,343,415)	(14,760,358)	(4,880,935)
Operating cash flows before changes in working capital	20,372,990	42,803,806	20,378,436	42,808,865
Changes in working capital				
(Increase)/decrease in inventories	(1,999,535)	292,157	(1,999,535)	292,157
(Increase)/decrease in receivables	(1,505,861)	2,279,770	(1,505,861)	2,279,770
(Decrease)/increase in payables	(751,884)	1,643,800	(751,884)	1,642,740
Total changes in working capital	(4,257,280)	4,215,727	(4,257,280)	4,214,667
Cash flows from operations	16,115,710	47,019,533	16,121,156	47,023,532
Tax paid	(7,297,988)	(11,850,826)	(7,293,911)	(11,839,014)
Net cash flows from operating activities	8,817,722	35,168,707	8,827,245	35,184,518
Investing activities				
Dividends received from investment securities	2,819,591	2,208,693	2,819,591	2,208,693
Increase in biological assets	(1,390,056)	(709,821)	(1,390,056)	(709,821)
Interest received	5,717,506	5,762,684	5,700,293	5,744,506
Purchase of property, plant and equipment	(4,982,086)	(5,998,797)	(4,982,086)	(5,998,797)
Purchase of investment securities	(9,173,118)	(11,586,646)	(9,173,118)	(11,586,646)
Proceeds from sale of investment securities	8,628,309	1,612,414	8,628,309	1,612,414
Proceeds from sale of property, plant and equipment	101,000	72,000	101,000	72,000
Placement of fixed deposits pledged to banks	(25,979)	(33,835)	(25,979)	(33,835)
Net cash flows from/(used in) investing activities	1,695,167	(8,673,308)	1,677,954	(8,691,486)
Financing activity				
Dividends paid to owners of the Company, representing net cash flows used in financing activity	(14,618,120)	(31,520,320)	(14,618,120)	(31,520,320)
Net decrease in cash and cash equivalents	(4,105,231)	(5,024,921)	(4,112,921)	(5,027,288)
Effects of exchange rate changes on cash and cash equivalents	7,309,594	(1,244,935)	7,309,594	(1,244,935)
Cash and cash equivalents at 1 September 2014/2013	216,148,124	222,417,980	215,426,111	221,698,334
Cash and cash equivalents at 31 August (Note 21)	219,352,487	216,148,124	218,622,784	215,426,111

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Suite 2B-3A-2, Block 2B, Level 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.

The principal activities of the Company are the cultivation of oil palms, production and sale of fresh fruit bunches, crude palm oil and palm kernel and investment holding. The principal activity of the subsidiary is that of investment holding. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 November 2015.

2. Summary of significant accounting policies

2.1 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. At the beginning of the current financial year, the Group and the Company adopted Amendments to FRS which are mandatory for financial periods beginning on or after 1 January 2014 as described fully in Note 2.2.

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

The financial statements are presented in Ringgit Malaysia ("RM").

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 September 2014, the Group and the Company adopted the following Amendments to FRS for annual financial periods beginning on or after 1 January 2014 and 1 July 2014.

Effective for annual periods beginning on or after 1 January 2014:

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures For Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting

Effective for annual periods beginning on or after 1 July 2014:

Amendments to FRS 119 Defined Benefit Plans: Employee Contributions
Annual Improvements to FRSs 2010 – 2012 Cycle
Annual Improvements to FRSs 2011 – 2013 Cycle

The initial applications of the above Amendments to FRS have no significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of the issuance of the Group's and of the Company's financial statements are discussed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Effective for annual periods beginning on or after 1 January 2016:

Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
FRS 14	Regulatory Deferral Accounts
Amendments to FRS 116 and FRS138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendments to FRS 10 and FRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 10, FRS 12 and FRS128	Investment Entities: Applying the Consolidated Exception
Annual Improvements to FRSs 2012 – 2014 Cycle	

Effective for annual periods beginning on or after 1 January 2018:

FRS 9	Financial Instruments

The directors expect that the adoption of the above standards will not have a material impact on the financial statements of the Group and of the Company in the period of initial application except as disclosed below:

FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's and the Company's financial assets, but no impact on the classification and measurement of the Group's and the Company's financial liabilities.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing FRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the year ending 31 August 2019. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework.

2. Summary of significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

Malaysian Financial Reporting Standards (MFRS Framework) (cont'd.)

The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. At the date of these financial statements, the Group and the Company have not completed their quantification of the financial effects of the differences between accounting standards under the FRS Framework and MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 August 2015 could be different if prepared under the MFRS Framework.

The Group and the Company consider that they are achieving their scheduled milestones and expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 August 2019.

Upon the adoption of MFRS Framework, the standards that are issued but not yet effective up to the date of the issuance of the Group's and of the Company's financial statements are as follows:

	Effective for annual periods beginning on or after
MFRS 15: Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016

The directors expect that the adoption of the above standards will not have a material impact on the financial statements of the Group and of the Company in the period of initial application except as disclosed below:

Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants

Under the FRS Framework, the Group's and the Company's accounting policy for biological assets are disclosed in Note 2.10. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of MFRS 141. Instead, MFRS 116 will apply. After initial recognition, bearer plants will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that agricultural produce, which is the harvested produce of an entity's bearer plants will remain in the scope of MFRS 141 and are measured at fair value less costs to sell.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the reporting date. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company meets all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation (cont'd.)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, over vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiary is consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

All intra-group balances, income, expenses, cash flows and unrealised gains and losses resulting from intra- group translations are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Company loses control of a subsidiary, a gain or loss calculated as the difference between:

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

(ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss.

The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date of control is lost is regarded as the cost on initial recognition of the investment.

<u>Business combination</u>

Acquisition of subsidiary is accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

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

The Group elects on a transaction-by-transaction basis, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation (cont'd.)

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

2.5 Subsidiary

Subsidiary is an entity over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee as further described in Note 2.4.

In the Company's separate financial statements, investment in a subsidiary is stated at cost less impairment losses.

On derecognition of such investment, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

2.6 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using equity method. Under the equity method, the investments in associates are measured in the Group's statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investments. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. 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 impairments as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with that of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd.)

2.7 Investment in a joint venture

The Group has an interest in a joint venture. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Investment in a joint venture is accounted for in the Group's financial statements using the equity method as described in Note 2.6.

In the Company's separate financial statements, investment in a joint venture is stated at cost less impairment losses.

On disposal of the investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.

2.8 Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

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

2.9 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The freehold land and a parcel of leasehold land have not been revalued since their revaluation in 1983. The directors have not adopted a policy of regular revaluations of such land. As permitted by the transitional provisions of IAS 16 (Revised) Property, Plant and Equipment, these assets continue to be stated at their 1983 valuation less accumulated depreciation. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd.)

2.9 Property, plant and equipment and depreciation (cont'd.)

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital-work-in-progress are not depreciated as these assets are not yet available for use. Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	86 and 99 years
Buildings	10 to 50 years
Motor vehicles	5 years
Plant and machinery, estate equipment, office equipment, and furniture and fittings	10 to 20 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised. .

2.10 Biological assets

This represents plantation development expenditure consisting of cost incurred on land clearing and upkeep of oil palms which are initially recorded at cost and are not amortised. Subsequent to recognition, plantation development expenditure is stated at valuation or cost less any accumulated impairment losses.

These assets which are stated at valuation were revalued by accredited independent valuers in 1983 based on their open market value on existing use basis. The surplus or deficit arising from the revaluation was transferred to the asset revaluation reserve as described in Note 24(a).

The directors have not adopted a policy of regular revaluations of such biological assets. As permitted by the transitional provisions of IAS 16 (Revised) Property, Plant and Equipment, these assets continue to be stated at their 1983 valuation.

2.11 Replanting expenses

Replanting expenses incurred in the financial year is recognised in the profit or loss. Replanting expenses represent the total cost incurred from land clearing to the point of harvesting.

2.12 Inventories

Inventories of oil palm produce and estate stores are stated at the lower of cost (determined on a weighted average basis) and net realisable value. Cost of inventories of oil palm produce includes, where appropriate, the cost of direct materials, direct labour and appropriate production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd.)

2.13 Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Group's and the Company's financial statements are presented in RM, which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Company and is recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.14 Employee benefits

(a) Short term benefits

Wages, salaries, commission, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. 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.

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian company in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd.)

2.15 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiary, associates and interest in a joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiary, associates and interest in a joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd.)

2.16 Provisions

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2.17 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.19 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

2. Summary of significant accounting policies (cont'd.)

2.19 Financial assets (cont'd.)

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

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value thorough profit or loss are recognised separately in profit or loss as part of other losses or other income.

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

The Group and the Company have not designated or classified any financial assets at fair value through profit or loss.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

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

The Group and the Company have designated their cash and bank balances and receivables as loans and receivables as summarised in Note 20.

(c) Held-to-maturity

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group and the Company have the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

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

The Group and the Company have not designated or classified any financial assets as held-to-maturity.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd.)

2.19 Financial assets (cont'd.)

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

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

The Group and the Company have classified their investments in securities as available-for-sale financial assets.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gains or losses that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date the Group and the Company commit to purchase or sell the asset.

2.20 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the customer and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd.)

2.20 Impairment of financial assets (cont'd.)

(a) Trade and other receivables carried at amortised cost (cont'd.)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Unquoted equity security carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, 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 discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

Impairment losses on available-for-sale equity instruments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed to profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

2.21 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd.)

2.21 Financial liabilities (cont'd.)

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated or classified any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

The Group's and the Company's financial liabilities include trade payables and other payables. All financial liabilities of the Group and of the Company are classified as other financial liabilities.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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 different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a 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.

2.22 Leases

Finance leases, which transfer to the Group and the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Leased payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group and the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. 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.

2.23 Segment reporting

The principal activities of the Group are the cultivation of oil palms, production and sale of fresh fruit bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia. The management of the Company regularly reviews the segment performance. Additional disclosures on each of the segment is shown in Note 27, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd.)

2.24 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.25 Fair value measurement

The Group and the Company measure certain of their financial instruments and non-financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial instruments 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.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 - Quoted (unadjusted) market prices in active market for identical assets and liabilities.

(ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Board analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Board verifies inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents which also includes comparison with other relevant external sources to determine if any change is reasonable.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd.)

2.25 Fair value measurement (cont'd.)

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above in the individual notes relating to the assets and liabilities whose fair value were determined.

3. Significant accounting judgements and estimates

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Impairment of investment in associate

The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired.

Since the previous financial year, the unrest in the surrounding villages located in the vicinity of the plantations in Lampung Province, Indonesia has caused the suspension of routine harvesting of fresh fruit bunches. The associate has maintained its management team and labour force to enable it to resume normal operations. The associate has commenced harvesting activities in several areas measuring approximately 13% of the total planted area during the financial year. Repair works on the mill are at final stage and mill operation is scheduled to be resumed in the last quarter of year 2015.

Due to the measures above, the directors are of the view that impairment is not necessary at this juncture. The carrying amount of the investment in associate is disclosed in Note 16.

(b) Impairment of investment in a joint venture

The Group determines at each reporting date whether there is any objective evidence that the investment in a joint venture is impaired.

The harvesting of young matured palms of the joint venture engaged in oil palm plantation in South Sumatera Province, Indonesia has been delayed due to the unrest in the villages neighbouring the estate. The joint venture has maintained its existing staff force to enable it to commence harvesting which is pending clearance by the relevant authorities. As such, the directors are of the view that the clearance from the authorities will be obtained soon and that impairment is not necessary at this juncture. The carrying amount of the investment in a joint venture is disclosed in Note 17.

4. Revenue and cost of sales

Revenue of the Group and of the Company represents the invoiced value of sales of crude palm oil, palm kernel and fresh fruit bunches. The cost of sales in relation to the Group's and the Company's invoiced value of sales consists of cost of cultivation, raw materials, labour and overheads.

5. Dividend income

	Group and Company	
	2015	2014
	RM	RM
Dividend income from:		
Available-for-sale investment securities		
- Securities quoted in Malaysia	433,461	488,779
- Securities quoted outside Malaysia	2,891,652	2,065,033
	3,325,113	2,553,812

NOTES TO THE FINANCIAL STATEMENTS

6. Other income

	Group and Company 2015 RM	Group and Company 2014 RM
Gain on sale of property, plant and equipment	45,166	-
Net fair value gain on available-for-sale investment securities (transferred from equity upon disposal)	1,590,402	510,138
Rental	9,440	10,305
Unrealised gain on foreign exchange	7,309,594	-
Miscellaneous	343,155	463,752
	9,297,757	984,195

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Auditors' remuneration				
- statutory audit	65,500	65,500	63,000	63,000
- other services	25,000	30,000	25,000	30,000
Depreciation of property, plant and equipment (Note 13)	3,235,603	2,567,161	3,235,603	2,567,161
Non-executive directors' remuneration (Note 8)	511,000	448,000	511,000	448,000
Employee benefits expense (Note 9)	19,910,126	19,561,321	19,910,126	19,561,321
Loss on sale of property, plant and equipment	-	69,090	-	69,090
Property, plant and equipment written off	3,935	-	3,935	-
Unrealised loss on foreign exchange	-	1,244,935	-	1,244,935

8. Directors' remuneration

	Group and Company 2015 RM	Group and Company 2014 RM
Directors of the Company		
Executive directors:		
Fees	134,000	134,000
Salaries	1,082,000	1,080,000
Commission	579,790	786,882
Other emoluments	60,000	48,000
	1,855,790	2,048,882
Non-executive directors (Note 7):		
Fees	301,000	301,000
Other emoluments	210,000	147,000
	511,000	448,000
	2,366,790	2,496,882

NOTES TO THE FINANCIAL STATEMENTS

8. Directors' remuneration (cont'd.)

The number of directors of the Company whose total remuneration during the financial year fall within the following bands are:

	Number of Directors	
	2015	**2014**
Executive directors:		
RM350,001 – RM400,000	1	-
RM400,001 – RM450,000	1	2
RM450,001 – RM500,000	1	1
RM600,001 – RM650,000	1	-
RM650,001 – RM700,000	-	1
	4	4
Non-executive directors:		
RM50,000 and below	3	1
RM50,001 – RM100,000	4	6
RM100,001 – RM150,000	1	-
	8	7
	12	11

9. Employee benefits expense

	Group and Company	
	2015	**2014**
	RM	**RM**
Wages and salaries	15,156,229	14,898,701
Social security contributions	150,670	147,105
Employees Provident Fund	901,294	913,067
Other staff related expenses	3,701,933	3,602,448
	19,910,126	19,561,321

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,855,790 (2014: RM2,048,882) as further disclosed in Note 8.

10. Income tax expense

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Current income tax:				
Malaysian income tax	5,684,548	11,284,394	5,680,204	11,280,157
Under/(over) provision in respect of previous years	135,454	(50,388)	135,454	(50,388)
	5,820,002	11,234,006	5,815,658	11,229,769
Deferred income tax (Note 26):				
Origination and reversal of temporary differences	53,608	140,642	53,608	140,642
Under/(over) provision in respect of previous years	23,672	(194,570)	23,672	(194,570)
Change in tax rates	(2,144)	(56,331)	(2,144)	(56,331)
	75,136	(110,259)	75,136	(110,259)
Income tax expense recognised in profit or loss	5,895,138	11,123,747	5,890,794	11,119,510

NOTES TO THE FINANCIAL STATEMENTS

10. Income tax expense (cont'd.)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% from the current year's tax rate of 25%, effective from the year of assessment 2016. The computation of deferred tax as at 31 August 2015 has reflected these changes.

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 August 2015 and 31 August 2014 are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit before tax, representing accounting profit before tax	36,366,045	47,147,221	35,138,794	47,689,800
Tax at Malaysian statutory rate of 25%	9,091,511	11,786,805	8,784,699	11,922,450
Adjustments:				
Income not subject to tax	(3,176,695)	(949,478)	(3,176,695)	(949,478)
Non-deductible expenses	126,963	448,902	125,808	447,827
Share of results of associates and a joint venture	(303,623)	138,807	-	-
Under/(over) provision of deferred tax in respect of previous years	23,672	(194,570)	23,672	(194,570)
Change in tax rates on deferred tax	(2,144)	(56,331)	(2,144)	(56,331)
Under/(over) provision of income tax in respect of previous years	135,454	(50,388)	135,454	(50,388)
Income tax expense recognised in profit or loss	5,895,138	11,123,747	5,890,794	11,119,510

11. Earnings per stock unit

Basic earnings per stock unit amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary stock units outstanding during the financial year.

	Group	
	2015	2014
	RM	RM
Profit attributable to owners of the Company used in the computation of basic and diluted earnings per stock unit	30,470,907	36,023,474

	Number of ordinary stock units	
	2015	2014
Weighted average number of ordinary stock units for basic and diluted earnings per stock unit computation	91,363,250	91,363,250

The respective profit attributable to owners of the Company used in the computation of basic and diluted earnings per stock unit and the weighted average number of ordinary stock units for basic and diluted earnings per stock unit is similar as there is no potential dilutive ordinary stock units outstanding as at end of the financial years.

NOTES TO THE FINANCIAL STATEMENTS

12. Dividends

	Dividends in respect of year		Dividends recognised in year	
	2015	2014	2015	2014
	RM	RM	RM	RM
First interim dividend of 13% less 25% taxation and special dividend of 17% less 25% taxation declared on 29 November 2013 and paid on 30 December 2013 (22.50 sen net per ordinary stock unit)	-	20,556,730	-	20,556,730
Second interim single tier dividend of 12% declared on 24 July 2014 and paid on 29 August 2014	-	10,963,590	-	10,963,590
First interim single tier dividend of 8% declared on 31 December 2014 and paid on 30 January 2015	7,309,060	-	7,309,060	-
Second interim single tier dividend of 8% declared on 30 July 2015 and paid on 28 August 2015	7,309,060	-	7,309,060	-
	14,618,120	31,520,320	14,618,120	31,520,320

NOTES TO THE FINANCIAL STATEMENTS

13. Property, plant and equipment

Group and Company	Freehold land RM	Leasehold land RM	Buildings RM	Motor vehicles RM	Office and estate equipment and furniture and fittings RM	Plant and machinery RM	Capital work-in-progress RM	Total RM
At cost:								
At 1 September 2013	11,219,413	27,632,331	17,715,986	10,025,069	2,111,732	15,813,729	68,616	84,586,876
Additions	-	-	558,061	3,005,431	394,148	1,488,982	552,175	5,998,797
Disposal	-	-	-	(206,728)	-	-	-	(206,728)
Transfer	-	-	-	-	44,890	-	(44,890)	-
At 31 August 2014	11,219,413	27,632,331	18,274,047	12,823,772	2,550,770	17,302,711	575,901	90,378,945
At 1 September 2014	11,219,413	27,632,331	18,274,047	12,823,772	2,550,770	17,302,711	575,901	90,378,945
Additions	-	-	44,665	2,743,566	544,525	1,253,386	395,944	4,982,086
Disposal	-	-	-	(591,555)	-	-	-	(591,555)
Write off	-	-	-	-	(4,179)	-	-	(4,179)
Transfer	-	-	536,835	-	39,066	-	(575,901)	-
At 31 August 2015	11,219,413	27,632,331	18,855,547	14,975,783	3,130,182	18,556,097	395,944	94,765,297

NOTES TO THE FINANCIAL STATEMENTS

13. Property, plant and equipment (cont'd.)

Group and Company	Freehold land RM	Leasehold land RM	Buildings RM	Motor vehicles RM	Office and estate equipment and furniture and fittings RM	Plant and machinery RM	Capital work-in-progress RM	Total RM
At cost:								
Accumulated depreciation								
At 1 September 2013	-	6,975,144	13,402,034	5,283,551	1,484,173	14,839,757	-	41,984,659
Charge for the year	-	317,052	376,439	1,566,866	131,754	175,050	-	2,567,161
Disposal	-	-	-	(65,638)	-	-	-	(65,638)
At 31 August 2014	-	7,292,196	13,778,473	6,784,779	1,615,927	15,014,807	-	44,486,182
At 1 September 2014	-	7,292,196	13,778,473	6,784,779	1,615,927	15,014,807	-	44,486,182
Charge for the year	-	317,052	376,453	2,043,264	165,891	332,943	-	3,235,603
Disposal	-	-	-	(535,721)	-	-	-	(535,721)
Write off	-	-	-	-	(244)	-	-	(244)
At 31 August 2015	-	7,609,248	14,154,926	8,292,322	1,781,574	15,347,750	-	47,185,820
Net carrying amount								
At 31 August 2014	11,219,413	20,340,135	4,495,574	6,038,993	934,843	2,287,904	575,901	45,892,763
At 31 August 2015	11,219,413	20,023,083	4,700,621	6,683,461	1,348,608	3,208,347	395,944	47,579,477

NOTES TO THE FINANCIAL STATEMENTS

13. Property, plant and equipment (cont'd.)

(a) Freehold and a parcel of leasehold land were revalued in Year 1983 based on valuations performed by accredited independent valuer. The valuations were determined by reference to open market value on existing use basis.

(b) Included in the above property, plant and equipment are fully depreciated assets of the Group and of the Company costing RM30,311,126 (2014: RM28,936,891) which are still in use.

(c) As permitted by the transitional provisions of IAS 16 (Revised) Property, Plant and Equipment, freehold and a parcel of leasehold land continue to be stated at their 1983 valuation less accumulated depreciation. Had the revalued freehold and leasehold land been carried at cost less accumulated depreciation, the carrying amounts were as follows:-

	Group and Company	
	2015	**2014**
	RM	**RM**
Freehold land	7,201,144	7,201,144
Leasehold land	9,854,682	10,021,710

14. Biological assets

	Group and Company	
	2015	**2014**
	RM	**RM**
At Cost	76,324,523	74,934,467

Certain biological assets were revalued in Year 1983 based on valuation performed by accredited independent valuer. The valuations were determined by reference to open market value on existing use basis.

As permitted by the transitional provisions of IAS 16 (Revised) Property, Plant and Equipment, these revalued biological assets continue to be stated at their 1983 valuation.

The carrying amounts of these revalued biological assets had these assets been carried at cost have not been disclosed as such information and records relating to the periods prior to the previous revaluation in Year 1983 are no longer available.

15. Investment in a subsidiary

	Company	
	2015	**2014**
	RM	**RM**
Unquoted shares, at cost	48,100,000	48,100,000

Details of the subsidiary which is incorporated in Malaysia are as follows:

	Proportion of ownership interest (%)		
Name of subsidiary	**2015**	**2014**	**Principal activity**
Double Alliance Sdn. Bhd.	100	100	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

16. Investments in associates

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Unquoted shares, at cost	162,000,000	162,000,000	114,000,000	114,000,000
Share of post acquisition reserves	60,577,552	57,822,738	-	-
Currency translation differences	(27,023,295)	(33,068,085)	-	-
	195,554,257	186,754,653	114,000,000	114,000,000

Details of the associates which are incorporated in Malaysia are as follows:

Names of associates	Proportion of ownership interest and voting power (%) 2015	2014	Principal activities
Sin Thye Management Sdn Bhd #	50	50	Provision of management and advisory services and acting as an insurance agent
West Synergy Sdn Bhd ##	40	40	Property development and investment
Global Formation (M) Sdn Bhd #	50	50	Investment holding

\# Financial year end of 31 December
\## Subsequent to financial year ended 31 August 2015, the associate changed its financial year from 31 December to 30 June

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, is follows:

	2015 RM	2014 RM
Assets and liabilities		
Current assets	206,663,922	203,933,457
Non-current assets	283,424,468	261,566,043
Total assets	490,088,390	465,499,500
Current liabilities	52,683,973	49,749,724
Non-current liabilities	3,845,009	5,085,830
Total liabilities	56,528,982	54,835,554
Results		
Revenue	90,181,498	87,778,259
Profit for the year	5,643,209	2,682,586

NOTES TO THE FINANCIAL STATEMENTS

16. Investments in associates (cont'd.)

Summarised financial information not adjusted for the proportion of ownership interest held by the Group in respect of the Group's material associate is stated below:

	Global Formation (M) Sdn Bhd RM	West Synergy Sdn Bhd RM	Sin Thye Management Sdn Bhd RM	Total RM
At 31 August 2015				
(i) Summarised statements of financial position				
Current assets	46,445,324	158,215,901	2,002,697	206,663,922
Non-current assets	244,691,196	36,431,090	2,302,182	283,424,468
Current liabilities	42,691,535	9,795,735	196,703	52,683,973
Non-current liabilities	2,371,998	1,473,011	-	3,845,009
Net assets	246,072,987	183,378,245	4,108,176	433,559,408
(ii) Summarised statements of comprehensive income				
Revenue	54,834,538	30,003,634	5,343,326	90,181,498
Profit/(loss) for the year	(499,030)	4,510,048	1,632,191	5,643,209
Other comprehensive income	12,843,142	-	14,863	12,858,005
At 31 August 2014				
(i) Summarised statements of financial position				
Current assets	50,996,259	152,604,302	332,896	203,933,457
Non-current assets	222,688,611	36,566,819	2,310,613	261,566,043
Current liabilities	40,889,875	8,684,509	175,340	49,749,724
Non-current liabilities	3,467,415	1,618,415	-	5,085,830
Net assets	229,327,580	178,868,197	2,468,169	410,663,946
(ii) Summarised statements of comprehensive income				
Revenue	53,229,105	33,910,081	639,073	87,778,259
(Loss)/profit for the year	(5,912,551)	8,911,091	(135,954)	2,862,586
Other comprehensive income	(13,942,618)	-	37,863	(13,904,755)

17. Investment in a joint venture

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Unquoted shares, at cost	27,585,200	27,585,200	27,585,200	27,585,200
Share of post acquisition reserve	(9,985,624)	(8,867,955)	-	-
Currency translation differences	(573,894)	(2,883,803)	-	-
	17,025,682	15,833,442	27,585,200	27,585,200

NOTES TO THE FINANCIAL STATEMENTS

17. Investment in a joint venture (cont'd.)

Details of the joint venture is as follows:

Name of joint venture	Proportion of ownership interest and voting power (%) 2015	2014	Principal activity
Chin Thye Investment Pte Ltd *	40	40	Investment holding

* Incorporated in the Republic of Singapore with 31 December year end and audited by an affiliate of Ernst & Young

The Group's aggregate share of current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the joint venture is as follows:

	2015 RM	2014 RM
Assets and liabilities		
Current assets	9,165,924	8,257,260
Non-current assets	9,987,068	8,930,036
Total assets	19,152,992	17,187,296
Current liabilities	2,001,254	1,227,211
Non-current liabilities	126,056	126,643
Total liabilities	2,127,310	1,353,854
Results		
Other income	207,306	16,067
Expenses	1,363,415	1,998,360
Loss for the year	(1,156,109)	(1,982,293)

18. Investment securities

	2015 Carrying amount RM	2015 Market value of quoted investments RM	2014 Carrying amount RM	2014 Market value of quoted investments RM
Group and Company				
Available-for-sale financial assets				
Securities quoted In Malaysia	13,543,821	13,543,821	15,572,752	15,572,752
Securities quoted outside Malaysia	72,136,117	72,136,117	64,855,870	64,855,870
Total quoted investment securities	85,679,938	85,679,938	80,428,622	80,428,622
Unquoted equity securities	4,771,010	-	4,771,010	-
Total investment securities	90,450,948	85,679,938	85,199,632	80,428,622

The unquoted equity securities represents investment in a private company and there is no market price available for its shares,

NOTES TO THE FINANCIAL STATEMENTS

19. Inventories

	Group and Company	
	2015	2014
	RM	RM
At cost:		
Oil palm produce	2,724,620	970,619
Estate stores	1,805,924	1,560,390
	4,530,544	2,531,009

The amount of inventories of the Group and of the Company recognised as an expense during the financial year in the income statements was RM54,716,111 (2014: RM51,428,887).

20. Receivables

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Trade receivables				
Third parties	7,382,729	6,086,988	7,382,729	6,086,988
Other receivables				
Deposits, prepayment and sundry receivables	1,180,990	940,549	1,179,489	940,041
Total trade and other receivables	8,563,719	7,027,537	8,562,218	7,027,029
Add: Cash and bank balances (Note 21)	220,549,317	217,318,975	219,819,614	216,596,962
Less: Prepayments	(460,921)	(346,411)	(460,921)	(346,411)
Total loans and receivables	228,652,115	224,000,101	227,920,911	223,277,580

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30-day (2014:30-day) terms. Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group's and the Company's trade receivables as at reporting date are neither past due nor impaired.

Trade receivables are creditworthy customers with good payment records with the Group and the Company. The Group's and the Company's trade receivables arise from customers with more than ten years of experience with the Group and the Company and losses have occurred infrequently.

None of the Group's and the Company's trade receivables of RM7,382,729 (2014:RM6,086,988) that are neither past due nor impaired have been renegotiated during the financial year.

(b) Other receivables

The Group's and the Company's other receivables as at reporting date are neither past due nor impaired.

Other information on financial risks of other receivables are disclosed in Note 31.

The carrying amount of these receivables are reasonable approximation of fair value due to their short term nature.

NOTES TO THE FINANCIAL STATEMENTS

21. Cash and bank balances

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Cash on hand and at banks	22,627,704	8,943,370	22,468,001	8,791,357
Deposits with:				
Licensed banks	161,121,243	177,293,505	160,551,243	176,723,505
Other financial institutions	36,800,370	31,082,100	36,800,370	31,082,100
	197,921,613	208,375,605	197,351,613	207,805,605
Cash and bank balances	220,549,317	217,318,975	219,819,614	216,596,962

Deposits are made for varying periods of between 1 day and 365 days depending on the immediate cash requirements of the Group and of the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate as at 31 August 2015 for the Group and the Company was 2.73% (2014: 2.69%) per annum.

Included in deposits with licensed banks are deposits pledged to banks for bank guarantee facilities provided to the Group and the Company amounting to RM1,196,830 (2014: RM1,170,851). The deposits with other financial institutions relate to placements with foreign banks.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Cash and bank balances	220,549,317	217,318,975	219,819,614	216,596,962
Less: Deposits pledged for bank guarantee facilities	(1,196,830)	(1,170,851)	(1,196,830)	(1,170,851)
Cash and cash equivalents	219,352,487	216,148,124	218,622,784	215,426,111

22. Payables

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Trade payables				
Third parties	1,846,696	2,884,202	1,846,696	2,884,202
Other payables				
Accruals and sundry payables				
Third parties	7,102,765	6,780,493	7,100,115	6,777,843
Companies in which certain directors and substantial shareholders have interest	-	12,000	-	12,000
An associate	-	24,650	-	24,650
	7,102,765	6,817,143	7,100,115	6,814,493
Total payables	8,949,461	9,701,345	8,946,811	9,698,695

NOTES TO THE FINANCIAL STATEMENTS

22. Payables (cont'd.)

(a) Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 90-day (2014: 30 to 90-day) terms.

(b) Other payables

Other payables are non-interest bearing and are normally settled on an average term of three to six months (2014: average term of three to six months).

(c) Amounts due to related parties

The amounts due to companies in which certain directors and substantial shareholder have interest and an associate are unsecured, non-interest bearing and are normally settled on 30 to 90-day (2014: 30 to 90-day) terms.

The carrying amount of these payables are reasonable approximation of fair value due to their short term nature.

23. Share capital and share premium

	Company			
	Number of ordinary shares of RM1 each		<----------- Amount ------------->	
	2015	2014	2015 RM	2014 RM
Authorised share capital				
At 1 September 2014/2013 and 31 August 2015/2014	150,000,000	150,000,000	150,000,000	150,000,000

	Group and Company		
	Number of ordinary stock units of RM1 each	<----------- Amount ------------->	
		Share capital RM	Share premium RM
Issued and fully paid			
At 1 September 2014/2013 and 31 August 2015/2014	91,363,250	91,363,250	19,654,027

The holders of ordinary stock units are entitled to receive dividends as declared from time to time and are entitled to one vote per stock unit at meetings of the Company. All ordinary stock units rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

24. Other reserves

	Asset revaluation reserve - land and biological assets RM	Foreign currency translation reserve RM	Fair value adjustment reserve RM	Employee benefits plan reserve of an associate and a joint venture RM	Total RM
Group					
At 1 September 2013	16,724,169	(27,129,102)	21,871,299	-	11,466,366
Revaluation reserve of leasehold land realised	(19,347)	-	-	-	(19,347)
Other comprehensive income/(loss)					
Change in tax rates on deferred tax	(941,959)	-	-	-	(941,959)
Foreign currency translation	-	(8,822,786)	-	-	(8,822,786)
Net gain on fair value changes of available-for-sale investment securities	-	-	1,694,954	-	1,694,954
- Transfer to profit or loss upon disposal	-	-	(510,138)	-	(510,138)
- Gain on fair value changes	-	-	2,205,092	-	2,205,092
Share of other comprehensive income of a joint venture	-	-	-	15,172	15,172
At 31 August 2014	15,762,863	(35,951,888)	23,566,253	15,172	3,392,400
At 1 September 2014	15,762,863	(35,951,888)	23,566,253	15,172	3,392,400
Revaluation reserve of leasehold land realised	(18,467)	-	-	-	(18,467)
Other comprehensive income					
Foreign currency translation	-	8,354,699	-	-	8,354,699
Net gain on fair value changes of available-for-sale investment securities	-	-	2,619,503	-	2,619,503
- Transfer to profit or loss upon disposal	-	-	(1,590,402)	-	(1,590,402)
- Gain on fair value changes	-	-	4,209,905	-	4,209,905
Share of other comprehensive income of an associate	-	-	-	376,782	376,782
Share of other comprehensive income of a joint venture	-	-	-	38,440	38,440
At 31 August 2015	15,744,396	(27,597,189)	26,185,756	430,394	14,763,357

24. Other reserves (cont'd.)

	Asset revaluation reserve - land and biological assets RM	Fair value adjustment reserve RM	Total RM
Company			
At 1 September 2013	16,724,169	21,864,516	38,588,685
Revaluation reserve of leasehold land realised	(19,347)	-	(19,347)
Other comprehensive income/(loss)			
Change in tax rates on deferred tax	(941,959)	-	(941,959)
Net gain on fair value changes of available-for-sale investment securities		1,676,022	1,676,022
- Transfer to profit or loss upon disposal	-	(510,138)	(510,138)
- Gain on fair value changes	-	2,186,160	2,186,160
At 31 August 2014	15,762,863	23,540,538	39,303,401
At 1 September 2014	15,762,863	23,540,538	39,303,401
Revaluation reserve of leasehold land realised	(18,467)	-	(18,467)
Other comprehensive income			
Net gain on fair value changes of available-for-sale investment securities		2,612,071	2,612,071
- Transfer to profit or loss upon disposal	-	(1,590,402)	(1,590,402)
- Gain on fair value changes	-	4,202,473	4,202,473
At 31 August 2015	15,744,396	26,152,609	41,897,005

(a) Asset revaluation reserve - land and biological assets

The asset revaluation reserve - land and biological assets represents increases in the fair value of land and biological assets and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in statement of comprehensive income.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

(c) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes of available-for-sale investment securities until they are disposed of or impaired.

(d) Employee benefits plan reserve of an associate and a joint venture

Employee benefits plan reserve of an associate and a joint venture represents the Group's share of the cumulative fair value changes in the pension related assets and liabilities of an associate and a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

25. Retained profits

The Company will be able to distribute dividends out of its entire retained earnings under the single tier system.

26. Deferred tax liabilities

Deferred income tax as at 31 August relates to the following:

	Property, plant and equipment RM	Revaluation of land and biological assets RM	Provision RM	Total RM
Group and Company				
At 31 August 2013	1,441,795	5,290,393	(371,832)	6,360,356
Recognised in income statement	(72,362)	(31,636)	(6,261)	(110,259)
Recognised in equity	-	941,959	-	941,959
At 31 August 2014	1,369,433	6,200,716	(378,093)	7,192,056
Recognised in income statement	94,300	(31,636)	12,472	75,136
At 31 August 2015	1,463,733	6,169,080	(365,621)	7,267,192

Presented after appropriate offsetting as follows:

	Group and Company 2015 RM	2014 RM
Deferred tax liabilities	7,632,813	7,570,149
Deferred tax asset	(365,621)	(378,093)
	7,267,192	7,192,056

27. Segment information

The chief operating decision-maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocation of resources. The principal activities of the Group are the cultivation of oil palms and production and sale of fresh fruit bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia.

	Group 2015 RM	2014 RM
Revenue from external customers	104,007,196	118,873,686
Reportable segment profit	17,137,387	40,236,645
Reportable segment assets	139,535,600	130,882,737
Reportable segment liabilities	8,949,461	9,701,345

Reportable segment profit is reconciled as follows:

	2015 RM	2014 RM
Total profit for reportable segment	17,137,387	40,236,645
Share of results of associates	2,370,600	1,427,066
Share of results of a joint venture	(1,156,109)	(1,982,293)
Interest income	5,747,827	5,715,878
Dividend income	3,325,113	2,553,812
Other income	8,945,162	510,138
Other expenses	(3,935)	(1,314,025)
Profit before tax	36,366,045	47,147,221

NOTES TO THE FINANCIAL STATEMENTS

27. Segment information (cont'd.)

	Group 2015 RM	Group 2014 RM
Reportable segment assets are reconciled as follows:		
Total assets for reportable segment	139,535,600	130,882,737
Investments in associates	195,554,257	186,754,653
Investment in a joint venture	17,025,682	15,833,442
Investment securities	90,450,948	85,199,632
Unallocated assets	218,738,520	216,827,537
Total assets	661,305,007	635,498,001
Reportable segment liabilities are reconciled as follows:		
Total liabilities for reportable segment	8,949,461	9,701,345
Income tax payable	-	758,457
Deferred tax liabilities	7,267,192	7,192,056
Total liabilities	16,216,653	17,651,858

Revenue from seven (2014: six) major customers amounted to RM75,773,911 (2014: RM92,673,030) representing 73% (2014: 78%) of total revenue.

28. Related party transactions

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group and Company 2015 RM	Group and Company 2014 RM
An associate in which certain directors and substantial shareholders have interest:		
- Management fee	2,447,430	269,980
Companies in which certain directors and substantial shareholders have interest:		
- Agency fee	-	7,800
- Marketing consultancy fee	164,163	104,610
- Service charge on seedlings cultivation	39,840	22,800
- Sale of oil palm produce	1,222,892	103,351
- Purchase of property, plant and equipment	-	12,000
- Purchase of oil palm produce	1,938,250	11,383

NOTES TO THE FINANCIAL STATEMENTS

28. Related party transactions (cont'd.)

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly and indirectly.

Total remuneration of key management personnel

	Group and Company	
	2015	**2014**
	RM	**RM**
Total	2,366,790	2,496,882

For the details of Board of Directors' remuneration, please refer to Note 8.

29. Capital commitments

	Group and Company	
	2015	**2014**
	RM	**RM**
Capital commitments:		
Approved and contracted for:		
Property, plant and equipment	163,688	660,934
Capital and investment outlay in a joint venture	22,815,210	22,815,210
	22,978,898	23,476,144
Approved but not contracted for:		
Property, plant and equipment	12,627,200	9,643,830
Total	35,606,098	33,119,974

NOTES TO THE FINANCIAL STATEMENTS

30. Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's and of the Company's assets as at reporting date.

Financial instruments

The following table shows carrying amounts of financial assets at fair value including their levels in the fair value hierarchy.

	Carrying amount			Fair value measurement using			
	Available-for-sale RM	Other financial assets RM	Total RM	Quoted prices in active markets (Level 1) RM	Significant observable input (Level 2) RM	Significant unobservable input (Level 3) RM	Total RM
As at 31 August 2015							
Group and Company							
Financial assets measured at fair value							
Investment securities (Note 18)	85,679,938	-	85,679,938	85,679,938	-	-	85,679,938
As at 31 August 2014							
Group and Company							
Financial assets measured at fair value							
Investment securities (Note 18)	80,428,622	-	80,428,622	80,428,622	-	-	80,428,622

There were no transfers between Level 1, Level 2 and Level 3 during the financial years.

NOTES TO THE FINANCIAL STATEMENTS

31. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Group's overall financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst minimising the potential adverse impact arising from fluctuation in foreign exchange and interest rates and the unpredictability of the financial and commodity markets.

The Group operates within clearly defined guidelines that are approved by the Board of Directors and it does not engage in speculative transactions. Financial risk management is further enhanced by effective internal controls and adherence to the financial risk management policies.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and other financial assets such as cash and bank balances.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade and have dealings only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant. For other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

At reporting date, the Group and the Company do not have any significant exposure to any individual customer or counterparty nor do they have any major concentration of credit risks related to any financial assets other than an amount of RM5,647,312 (2014: RM5,169,920) due from five (2014: five) customers representing approximately 76% (2014: 85%) of the Group's and of the Company's trade receivables which were subsequently received in September 2015 (2014: September 2014)

<u>Financial assets that are neither past due nor impaired</u>

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks and other financial institutions, all of which are neither past due nor impaired, are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

NOTES TO THE FINANCIAL STATEMENTS

31. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain sufficient levels of cash including fixed deposits to meet its working capital requirements.

At the reporting date, the Group and the Company do not have any borrowings (including overdrafts) from financial institutions. The maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations are on demand or within one year.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their deposits with financial institutions.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM394,103 and RM393,034 (2014: RM410,131 and RM409,062) respectively lower/higher, arising mainly as a result of lower/higher interest income from deposits with financial institutions. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's and the Company's business is predominantly located in Malaysia. The functional currency in foreign bank balances and quoted investments outside Malaysia are predominantly denominated in Singapore Dollar ("SGD"), which give rise to conversion exposure. The foreign currency exposures are not hedged.

The unhedged financial assets of the Group and of the Company that are not denominated in Ringgit Malaysia are as follows:

	Cash and bank balances RM	Investment securities RM	Total RM
Singapore Dollar			
At 31 August 2015	49,075,961	76,907,127	125,983,088
At 31 August 2014	35,818,225	69,626,880	105,445,105

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and of the Company's other reserves and profit net of tax to a reasonably possible change in the SGD exchange rate against the functional currency of the Group, with all other variables held constant.

	Other reserves		*Profit net of tax*	
	2015 RM	2014 RM	2015 RM	2014 RM
SGD/RM				
- strengthened 1% (2014: 1%)	721,361	648,559	490,760	358,182
- weakened 1% (2014: 1%)	(721,361)	(648,559)	(490,760)	(358,182)

NOTES TO THE FINANCIAL STATEMENTS

31. Financial risk management objectives and policies (cont'd.)

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

(i) Securities price risk

The Group and the Company are exposed to securities price risk from their investment in quoted securities classified as available-for-sale financial assets. These securities are listed on the Bursa Malaysia and Singapore Exchange Limited.

The Group's and the Company's objective are to manage investment returns and the price risk by investing in investment grade shares with steady dividend yield.

Sensitivity analysis for security price risk

At the reporting date, if the market prices for available-for-sale investment had been 1% higher/lower, with all other variables being held constant, the Group's and the Company's other reserve in equity would have been RM856,799 (2014: RM804,286) higher/lower, arising as a result of an increase/decrease in the fair value of quoted securities classified as available-for-sale.

(ii) Commodity price risk

The Group and the Company are exposed to price volatility arising from fluctuation in the prices of fresh fruit bunches ('ffb'), crude palm oil ('CPO') and palm kernel ('PK') in the commodity market.

The Group and the Company manage and mitigate price volatility by monitoring the fluctuation of CPO and PK prices daily and enter into physical forward selling commodity contracts.

Sensitivity analysis for commodity price risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax to a reasonably possible change in price of ffb, CPO and PK at the reporting date, with all other variables held constant.

	Group and Company	
	2015	**2014**
	RM	**RM**
Increase/(decrease) in profit net of tax		
- ffb price 5% higher	490,576	654,515
- ffb price 5% lower	(490,576)	(654,515)
- CPO price 5% higher	2,840,088	3,196,945
- CPO price 5% lower	(2,840,088)	(3,196,945)
- PK price 5% higher	569,783	607,069
- PK price 5% lower	(569,783)	(607,069)

The Group and the Company do not enter into commodity future contracts.

32. Capital management

The Group's and the Company's objectives in managing their capital is to ensure that they maintain a strong and healthy capital to enable the Group and the Company to continue as a going concern in order to provide returns for shareholders and to maintain a debt free capital structure.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group and the Company did not have any borrowings for the years ended 31 August 2015 and 31 August 2014. The Group and the Company monitor capital using dividend payout ratio, which is amount of dividends paid divided by profit net of tax attributable to owners of the Company.

The Group's and the Company's strategy in 2015, which was unchanged from 2014, were to maintain a debt free capital structure and to pay steady amount of dividends to shareholders.

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Amount of dividends paid	14,618,120	31,520,320	14,618,120	31,520,320
Profit net of tax attributable to owners of the Company	30,470,907	36,023,474	29,248,000	36,570,290
Dividend payout ratio - %	47.97%	87.50%	49.98%	86.19%

NOTES TO THE FINANCIAL STATEMENTS

33. Breakdown of retained earnings into realised and unrealised

The breakdown of the retained profits as at 31 August 2015 and 31 August 2014 into realised and unrealised profits or losses are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total retained profits of the Company and subsidiary				
Realised	461,071,046	453,281,095	460,437,236	452,655,701
Unrealised	8,108,287	1,241,475	8,108,287	1,241,475
	469,179,333	454,522,570	468,545,523	453,897,176
Total shares of retained profits from associates				
Realised	59,877,271	57,464,890	-	-
Unrealised	290,352	332,133	-	-
Total shares of (accumulated losses)/retained profits from a joint venture				
Realised	(10,143,382)	(8,966,594)	-	-
Unrealised	104,146	83,467	-	-
	519,307,720	503,436,466	468,545,523	453,897,176
Less: Consolidation adjustments	-	-	-	-
Total retained profits as per financial statements	519,307,720	503,436,466	468,545,523	453,897,176

The disclosure of realised and unrealised profits or losses above has been made solely for complying with the disclosure requirements as stipulated in the directives of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

SHAREHOLDINGS STATISTICS AS AT 30 NOVEMBER 2015

Share capital

Authorised	: RM150,000,000
Issued and fully paid	: RM91,363,250
Class of stock units	: Ordinary stock units of RM1 each
Voting rights	: One vote per stock unit
No. of shareholders	: 2,147

Distribution schedule

No. of Holders	%	Holdings	Total Holdings	%
111	5.17	Less than 100	1,948	*
530	24.69	100 to 1,000	416,168	0.46
1,164	54.21	1,001 to 10,000	4,001,807	4.38
271	12.62	10,001 to 100,000	8,177,885	8.95
70	3.26	100,001 to less than 5% of the issued shares	45,258,724	49.54
1	0.05	5% and above of the issued shares	33,506,718	36.67
2,147	100.00		91,363,250	100.00

* Less than 0.01%

Interests of directors in the stock units of the Company

Name of Directors	<-------Direct Interest--------> No. of Stock Units of RM1.00 each	%	<------Deemed Interest-------> No. of Stock Units of RM1.00 each	%
Goh Eng Chew	-	-	34,020,968	37.24
Goh Wei Lei	-	-	-	-
Goh Pock Ai	500,000	0.55	-	-
Wong Aun Phui	1,030,250	1.13	2,951,905	3.23
Sio Sit Po	851,376	0.93	1,293,750	1.42
Dr Gan Kim Leng	68,812	0.08	2,152,875	2.36
Keong Choon Keat	-	-	-	-
Gho Lian Chin	-	-	33,562,968	36.74
Goh Yeok Beng	24,000	0.03	-	-
Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong	-	-	-	-
Gho Eng Liong	797,625	0.87	-	-
Gho Bun Tjin	-	-	-	-

Interests of directors in shares of subsidiary, Double Alliance Sdn Bhd

Name of Directors	<---------Direct Interest----------> No. of Ordinary Shares of RM1.00 each	%	<--------Deemed Interest---------> No. of Ordinary Shares of RM1.00 each	%
Goh Eng Chew	-	-	100,000	100.00
Goh Wei Lei	-	-	-	-
Goh Pock Ai	-	-	-	-
Wong Aun Phui	-	-	-	-
Sio Sit Po	-	-	-	-
Dr Gan Kim Leng	-	-	-	-
Keong Choon Keat	-	-	-	-
Gho Lian Chin	-	-	100,000	100.00
Goh Yeok Beng	-	-	-	-
Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong	-	-	-	-
Gho Eng Liong	-	-	-	-
Gho Bun Tjin	-	-	-	-

SHAREHOLDINGS STATISTICS AS AT 30 NOVEMBER 2015

Substantial shareholders (excluding bare trustees) as shown in the register of substantial shareholders

	<-------Direct Interest-------->		<------Deemed Interest------->	
Name of Substantial Shareholders	No. of Stock Units of RM1.00 each	%	No. of Stock Units of RM1.00 each	%
Tiong Thye Company Berhad	33,506,718	36.67	-	-
Goh Eng Chew	-	-	34,020,968	37.24
Gho Lian Chin	-	-	33,562,968	36.74
Tai Chuan Company (Private) Limited	-	-	33,506,718	36.67
Gan Teng Siew Realty Sdn Berhad	4,227,500	4.63	3,637,900	3.98
Key Development Sdn Berhad	1,431,200	1.57	6,434,200	7.04
Gemas Bahru Estates Sdn Bhd	952,000	1.04	6,913,400	7.57
Chinchoo Investment Sdn Berhad	554,000	0.61	7,311,400	8.00
Bidor Tahan Estates Sdn Bhd	206,000	0.23	7,659,400	8.38
Mikdavid Sdn Bhd	135,600	0.15	7,729,800	8.46
Malayan Jobbers Sdn Berhad	102,600	0.11	7,762,800	8.50
Rengo Malay Estate Sendirian Berhad	91,500	0.10	7,773,900	8.51
Gan Boon Koo	-	-	7,865,400	8.61
Chin Kah Khen	-	-	7,865,400	8.61
Gan Tee Kian	-	-	7,865,400	8.61
Gan Tee Jin	-	-	7,865,400	8.61

List of 30 largest securities account holders

	Name	No. of stock units	%
1.	Tiong Thye Company Sdn Bhd	33,506,718	36.67
2.	Gan Teng Siew Realty Sdn Berhad	4,227,500	4.63
3.	Gan Puay Chee Sendirian Berhad	3,195,000	3.50
4.	Goh Beng Hwa @ Gho Bin Hoa	3,108,280	3.40
5.	Shing Loong Sdn Berhad	2,951,905	3.23
6.	Citigroup Nominees (Tempatan) Sdn Bhd UBS AG Hong Kong for Keck Seng (Malaysia) Berhad	2,784,375	3.05
7.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (A/C CLIENTS)	2,733,754	2.99
8.	Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited (CLIENT A/C – NR)	2,254,686	2.47
9.	Gan Seng Lian Sendirian Berhad	1,868,250	2.04
10.	Key Development Sdn Berhad	1,417,700	1.55
11.	Chew Huaipin Sdn Bhd	1,244,100	1.36
12.	Maybank Securities Nominees (Asing) Sdn Bhd Pledged securities account for Nanyang Gum Benjamin Manufacturing (Pte) Ltd	1,127,625	1.23
13.	Wong Aun Phui	1,030,250	1.13
14.	Gan Kim Toon Sdn Bhd	1,005,625	1.10
15.	Gemas Bahru Estates Sdn Bhd	932,000	1.02
16.	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Sio Sit Po	851,376	0.93
17.	RHB Nominees (Tempatan) Sdn Bhd RHB Securities Singapore Pte Ltd for Gho Eng Liong	797,625	0.87
18.	Chin Leong Huat Sdn Bhd	722,125	0.79
19.	RHB Nominees (Asing) Sdn Bhd RHB Securities Singapore Pte Ltd for Gho Kim Phek @ Goh Kim Phaik	678,937	0.74
20.	Chinchoo Investment Sdn Berhad	548,000	0.60
21.	Seah Mok Khoon	503,000	0.55
22.	Affin Hwang Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Great Eastern Trading Company Pte Ltd	500,000	0.55
23.	Goh Pock Ai	500,000	0.55
24.	Lim Kian Peng	436,219	0.48
25.	Ang Tien Cheng & Sons Sdn Bhd	408,000	0.45
26.	Gan Kim Hoe Sdn Bhd	381,000	0.42
27.	Teh Wei Siong	353,000	0.39
28.	HSBC Nominees (Asing) Sdn Bhd Exempt An for Bank Julius Baer & Co. Ltd (Singapore BCH)	346,000	0.38
29.	Lok Choon Hong	346,000	0.38
30.	Thye Heng (How Kee) Company Sdn Bhd	331,070	0.36
		71,090,120	77.81

LIST OF PROPERTIES AS AT 31 AUGUST 2015

Location	Tenure	Size	Description	Net book value as at 31 August 2015
		Hectares		RM'000
Jemima & Sungei Sendayan Estate*[b] Lot 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913 and 1914 Mukim of Port Dickson, Lot 5923, 5925, 490, 1006, 1125, 3058, 3059, 5933, 5934, 5926, 5924, 6052, 8297, and 8298 Mukim of Jimah, Daerah Port Dickson Negeri Sembilan	Freehold	1,618	Oil palm estate	22,067*[a]
Gua Musang Estate*[b] Lot 154 Mukim of Ketil Daerah Gua Musang Kelantan Darul Naim	Freehold	1,618	Oil palm estate with mill (Approximate age of mill: 44 years)	21,034*[a]
Keratong Estate			Oil palm estate with two mills (Approximate age of mills: 19 and 35 years respectively)	69,167*[a]
PT 353*[b] Mukim of Keratong Daerah Rompin Pahang Darul Makmur	Leasehold (expires on 18.04.2075)	4,044		
PT 5117*[c] Mukim of Keratong Daerah Rompin Pahang Darul Makmur	Leasehold (expires on 17.07.2094)	527		
PT 2604*[d] Mukim of Keratong Daerah Rompin Pahang Darul Makmur	Leasehold (expires on 01.10.2056 with an option to extend for 33 years)	3,520		
				112,268

LIST OF PROPERTIES AS AT 31 AUGUST 2015

(a) Net book value as at 31 August 2015 are as follows: -

	<---------------------------- Cost		------------------------------>
	Estates (Land and biological assets) RM'000	Buildings RM'000	Total RM'000
Jemima & Sungei Sendayan Estate	21,666	401	22,067
Gua Musang Estate	18,149	2,885	21,034
Keratong Estate	67,752	1,415	69,167
	107,567	4,701	112,268

(b) The estates have not been revalued since their revaluation in 1983. The directors have not adopted a policy of regular revaluations of such estates. As permitted by the transitional provisions of IAS 16 (Revised) Property, Plant and Equipment, these assets continue to be stated at their 1983 valuation less accumulated depreciation.

(c) Date of acquisition: 17 July 1995

(d) Date of acquisition: 1 October 1990

OTHER INFORMATION

(a) Material Contracts

Material contracts entered into by the Company and its subsidiary which involved the directors' and major shareholders' interests either still subsisting at the end of the financial year ended 31 August 2015 or entered into since the end of the previous financial year:-

Related party transactions of a revenue or trading nature with related parties entered into by the Company during the financial year ended 31 August 2015: -

	RM
Management fees paid to Sin Thye Management Sdn. Bhd., an associate in which the substantial shareholders (Tiong Thye Company Sdn Bhd, Tai Chuan Company (Private) Limited, Goh Eng Chew and Gho Lian Chin) and several directors (Goh Eng Chew, Goh Pock Ai, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong and Gho Bun Tjin) have interests.	2,447,430
Marketing consultancy fee paid to Tat Lee Commodities Pte. Ltd., a company incorporated in the Republic of Singapore, in which the substantial shareholders (Goh Eng Chew and Gho Lian Chin) and several directors (Goh Eng Chew, Goh Pock Ai, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong and Gho Bun Tjin) have interests.	164,163
Transactions with Seong Thye Plantations Sdn Bhd, a company in which the substantial shareholders (Tiong Thye Company Sdn Bhd, Tai Chuan Company (Private) Limited, Goh Eng Chew and Gho Lian Chin) and several directors (Goh Eng Chew, Goh Pock Ai, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong and Gho Bun Tjin) have interests:-	
(i) Service charge on seedlings cultivation paid	39,840
(ii) Purchase of oil palm produce	1,938,250
Sale of oil palm produce to Eng Thye Plantations Berhad, a company in which the substantial shareholders (Tiong Thye Company Sdn Bhd, Tai Chuan Company (Private) Limited, Goh Eng Chew and Gho Lian Chin) and several directors (Goh Eng Chew, Goh Pock Ai, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong and Gho Bun Tjin) have interests:-	1,222,892

(b) Sanctions and /or penalties

No sanctions and/or penalties were imposed on the Company and its subsidiary, Directors or management by relevant authorities during the financial year. .

(c) Non-audit fees

During the financial year ended 31 August 2015, non-audit fees paid or payable to Ernst & Young amounted to RM25,000.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

FORM OF PROXY

I / We ....

of ....

being a member of CHIN TECK PLANTATIONS BERHAD hereby appoint ....

....

of ....

or failing him / her ....

of ....

as my / our proxy to attend and vote on my / our behalf at the Fifty Seventh Annual General Meeting of the Company to be held at the Conference Room, Suite 2B-3A-3, Block 2B, Level 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Thursday, 28 January 2016 at 10.30 am and at any adjournment thereof.

Resolutions		For	Against
1.	To receive the Directors' Report and the Financial Statements for the financial year ended 31 August 2015 and the Independent Auditors' Report thereon.		
2.	To approve the directors' fees for the financial year ended 31 August 2015 and to authorise the directors to divide such fees in the proportions and manner to be determined by them		
	To re-elect the following directors retiring under Article 94 of the Articles of Association of the Company: -		
3.	Mr Goh Wei Lei		
4.	Mr Goh Tju Kiang @ Gho Tju Kiang @ Gho Tju Kiong		
	To re-elect the following directors retiring under Article 97 of the Articles of Association of the Company: -		
5.	Mr Gho Eng Liong		
6.	To re-appoint Mr Goh Eng Chew as director pursuant to Section 129(6) of the Companies Act, 1965		
7.	To re-appoint Mr Wong Aun Phui as director pursuant to Section 129(6) of the Companies Act, 1965		
8.	To re-appoint Mr Goh Pock Ai as director pursuant to Section 129(6) of the Companies Act, 1965		
9.	To re-appoint Dr Gan Kim Leng as director pursuant to Section 129(6) of the Companies Act, 1965		
10.	To re-appoint Mr Keong Choon Keat as director pursuant to Section 129(6) of the Companies Act, 1965		
11.	To re-appoint auditors and authorise the directors to fix their remuneration.		
	To retain the following directors as Independent Non-Executive Directors: -		
12.	Mr Sio Sit Po		
13.	Dr Gan Kim Leng		
14.	Mr Keong Choon Keat		

(Please indicate with "X" or "√" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion)

____
Signature(s)
Date:

No. of stock units held	
CDS NO.	

NOTES:

1. A depositor shall not be regarded as a member entitled to attend this Meeting and to speak and vote thereat unless his/her name appears in the Record of Depositors as at 21 January 2016 issued by Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") upon request by the Company in accordance with the rules of the Bursa Depository.
2. A member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
3. If the member is a corporation, the Form of Proxy must be executed under its common seal or under the hand of a person duly authorised in writing.
4. The Form of Proxy must be deposited at the Registered Office, Suite 2B-3A-2, Block 2B. Level 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.

Fold this flap for sealing

Then fold here

AFFIX
POSTAGE
STAMP

CHIN TECK PLANTATIONS BERHAD
Suite 2B-3A-2
Block 2B Level 3A
Plaza Sentral
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur

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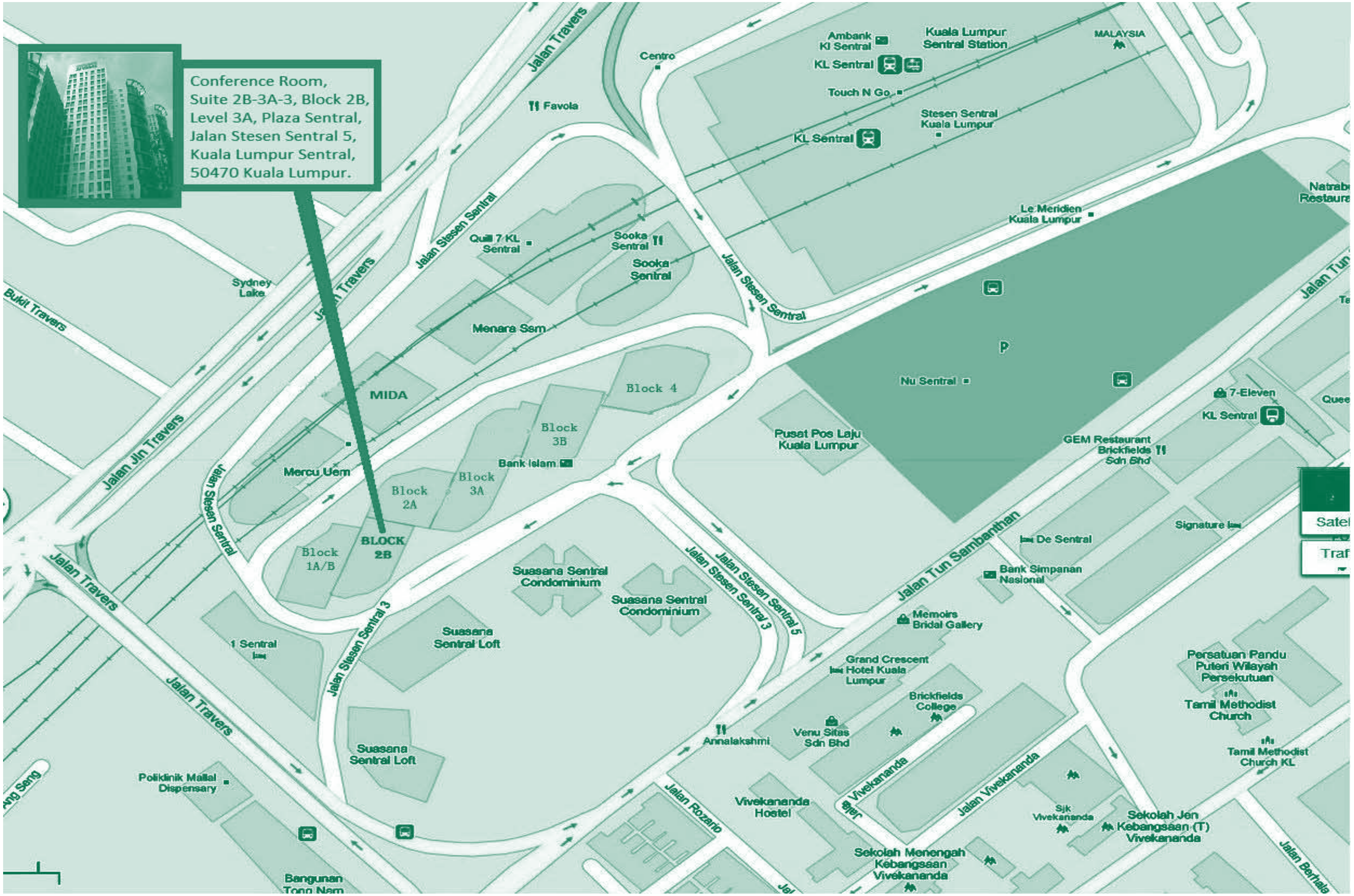

Conference Room,
Suite 2B-3A-3, Block 2B,
Level 3A, Plaza Sentral,
Jalan Stesen Sentral 5,
Kuala Lumpur Sentral,
50470 Kuala Lumpur.
Kuala Lumpur Sentral Station
Ambank Kl Sentral
KL Sentral
Touch N Go
Stesen Sentral Kuala Lumpur
Le Meridien Kuala Lumpur
Nu Sentral
Pusat Pos Laju Kuala Lumpur
GEM Restaurant Brickfields Sdn Bhd
7-Eleven
Signature
De Sentral
Bank Simpanan Nasional
Memoirs Bridal Gallery
Grand Crescent Hotel Kuala Lumpur
Brickfields College
Venu Sitas Sdn Bhd
Annalakshmi
Vivekananda Hostel
Sekolah Menengah Kebangsaan Vivekananda
Sjk Vivekananda
Sekolah Jen Kebangsaan (T) Vivekananda
Persatuan Pandu Puteri Wilayah Persekutuan
Tamil Methodist Church
Tamil Methodist Church KL
Jalan Tun Sambanthan
Jalan Vivekananda
Jalan Rozario
Jalan Berhala
Jalan Stesen Sentral
Jalan Stesen Sentral 3
Jalan Stesen Sentral 5
Jalan Travers
Jalan Jin Travers
Bukit Travers
Sydney Lake
Centro
Favola
Quill 7 KL Sentral
Sooka Sentral
Menara Ssm
MIDA
Mercu Uem
Block 4
Block 3B
Block 3A
Block 2A
BLOCK 2B
Block 1A/B
Bank Islam
Suasana Sentral Condominium
Suasana Sentral Loft
1 Sentral
Poliklinik Mallal Dispensary
Bangunan Tong Nam
MALAYSIA
P