BOUSTEAD PLANTATIONS BERHAD (1245-M)

ANNUAL REPORT 2014

Annual Report 2014

SURGING AHEAD

Plantations

inside

FEATURES

rationale

This year, we begin our journey as a newly listed entity. As we surge ahead, Boustead Plantations Berhad is set to unlock our inherent potential, represented by the wave of dynamism on the cover of this Annual Report.

at a glance

Revenue	EBITDA	Profit Before Tax	Profit After Tax
RM717.3 million	RM173.6 million	RM89.8 million	RM 52.4 million
Dividend	**Total Assets**	**CAPEX & Acquisition**	**Employees**
6 sen	RM3,302.7 million	RM68.0 million	9,039

chairman's statement

GEN. TAN SRI DATO' MOHD GHAZALI HJ. CHE MAT (R)
Chairman

Dear Shareholder,

It was indeed an eventful year for Boustead Plantations Berhad as we made our debut on Malaysia's capital market. With this significant corporate milestone, we took a step forward in our journey to unlock value and strengthen our long-term prospects.

It is my distinct pleasure to share our inaugural annual report as a listed subsidiary of the Boustead Group. Although it has been a demanding year, Boustead Plantations was able to build on its proven track record and vast experience in the plantation sector to deliver sustained results in 2014.

ECONOMIC LANDSCAPE

Despite an uncertain global economic climate in 2014 and slow recovery in both developed and emerging markets, Malaysia was resilient, recording a 6% growth in GDP for the year. This was mainly attributable to robust domestic demand.

The plantation industry was impacted by tough external conditions and volatile crude palm oil (CPO) prices, largely due to the increased supply of alternative vegetable oils and reduced demand for biodiesel. Palm oil exports were also lower than expected despite the greater palm oil supply.

In a bid to strengthen CPO prices, the Government implemented a zero export tax on CPO. This was further supported by the depreciation of the Ringgit against the US dollar in the fourth quarter of 2014, although this was moderated by falling oil prices. Furthermore, at the tail end of the year CPO production was impacted by severe flooding in Malaysia, resulting in lower CPO inventories.

chairman's **statement**

Delivering consistent positive yields has always been a priority for the Group in order to generate value for our shareholders

Prospectus launching ceremony

FINANCIAL PERFORMANCE

In our first financial year as a listed entity, the Group recorded a revenue of RM717 million. Operating profit improved to RM90 million compared with RM76 million in 2013. This was achieved on the back of higher CPO production and palm product prices. We closed the year with earnings per share of 4.3 sen and net assets per share of RM1.43. Shareholders' funds stood at RM2.3 billion for the year ended 31 December 2014.

DIVIDEND

Delivering consistent positive yields has always been a priority for the Group in order to generate value for our shareholders.

The Group's dividend was 6 sen per share, representing a 4% yield based on the closing stock price for the financial year. To date, dividends totalling 4 sen have been paid out to shareholders, while the remaining 2 sen will be paid on 30 March 2015 to shareholders on the register as at 13 March 2015.

HUMAN CAPITAL

We fully appreciate that part and parcel of our growth is a strong talent pool driving the Group's goals and aspirations. As we move forward and become a more dynamic entity, it is crucial that our workforce develops their skills and capabilities as an integral resource of the Group.

As such, in tandem with our growth strategies, we have implemented a number of employee engagement and talent development initiatives in our pursuit to realise our objectives. It is clear that a motivated and dynamic team is essential as we strive to contribute to the development of Malaysia's plantation industry and the Government's aims towards emerging as a highly skilled, high-income nation.

OUTLOOK

Moving forward, in the midst of a volatile global economy, Malaysia is set to experience sustained growth on the back of domestic demand and strong fundamentals, coupled with the proactive measures undertaken by the Government in the revised National Budget 2015. This encouraging outlook for the Malaysian economy certainly bodes well for us.

The global demand for palm oil is likely to remain moderate. CPO prices are expected to recover, especially in light of stagnated CPO production in Malaysia. At the same time however, competition in the industry is set to increase, especially with Indonesian palm oil and other edible oils on the rise.

Nevertheless, with our unwavering focus, we are confident that we will be able to tap into opportunities and capitalise on prospects ahead. We will maintain our resolve and dedicated efforts in order to achieve our long-term growth plans.

ACKNOWLEDGEMENT

Our journey to date would not have been possible without the steadfast commitment of our Board members and management team of highly seasoned professionals. I would also like to express my appreciation to all our employees for their efforts in driving the success of the Group.

My sincere thanks to our major shareholders, Lembaga Tabung Angkatan Tentera and Boustead Holdings Berhad for the trust they have placed in us.

Also to all of our shareholders, financiers, business associates, consultants and all the regulatory bodies who have supported us through our listing process and beyond, my deepest gratitude for your faith in us.

GEN. TAN SRI DATO' MOHD GHAZALI HJ. CHE MAT (R)
Chairman

25 February 2015

ceo's review

FAHMY ISMAIL
Chief Executive Officer

Dear Shareholder,

As we commemorate our inaugural annual report since our listing in June 2014, it is an honour to write to you as the Chief Executive Officer of Boustead Plantations Berhad. Over the years as the Boustead Group's plantation arm, we have built a strong track record, which has borne us much fruit, particularly in terms of solid financial returns.

FINANCIAL PERFORMANCE

THE Group registered an operating profit of RM90 million, which was an improvement compared with last year's RM76 million. The previous year's profit before tax of RM359 million included exceptional items such as gains on disposal of plantation land to Boustead Properties Berhad, fair value gains on deemed disposal of investment securities and a special dividend from Al-Hadharah Boustead REIT. The Group's positive result for the year was due to better palm products prices and CPO production.

In line with the Group's commitment to enhancing shareholder value, total dividend for the year is 6 sen per share, representing a total payout of RM96 million.

Earnings per share based on weighted average ended at 4.3 sen, while net assets per share was RM1.43 for the year. The Group's market capitalisation as at 31 December 2014 stood at RM2.3 billion while our gearing ratio was recorded at 0.4 times.

Palm kernel recorded significant contribution to earnings

MARKET REVIEW

CPO prices, which is key to the Group's bottom line, averaged at RM2,401 per metric tonne (MT) for 2014, a gain of 2% from the previous year's price of RM2,353. Palm kernel recorded significant contribution to earnings, ending the year with an average price of RM1,679 per MT; an increase of 31% from the price of RM1,284 achieved for last year.

CPO prices started the year at RM2,649 per MT, reaching a high of RM2,901 in March. However, the bullish sentiment from the first quarter did not sustain into the next few quarters as the market faced lower demand against the backdrop of Malaysia and Indonesia's strong production.

Dropping to a low of RM1,929 per MT in August 2014 as Malaysia and Indonesia failed to meet biodiesel consumption targets along with the fact that the impact from the anticipated El Nino phenomenon was not as intense, CPO prices rebounded to a high of RM2,336 per MT in November 2014. This was supported by a moderate increase in export demand, as consumers reacted to the low prices and replenished stocks depleted in preceding months. The Ringgit, which weakened against the US dollar, made purchases cheaper for consuming countries. CPO prices ended the year at RM2,266 per MT as Brent crude oil prices fell to a five-year low of USD57 per barrel.

The Malaysian Government's proactive measure in scrapping the 4.5% CPO export tax from September 2014 to February 2015 to alleviate the declining CPO prices boosted Malaysian CPO export to 27% of all palm oil exported in 2014, compared with 22% in 2013.

A close-up of fresh fruit bunches

Sungai Jernih Estate, Pahang

OPERATIONS REVIEW

The Group operates a total of 41 estates, which are located in Peninsular Malaysia, Sabah and Sarawak spanning 83,400 hectares (ha), of which, 70,600 ha is under cultivation. The Group's land bank of mature and immature areas stood at 64,500 ha and 6,100 ha respectively. The average age profile of our oil palms is approximately 14 years.

Fresh fruit bunches (FFB) production of 1,037,000 MT was stable while average yield per ha stood at 16.2 MT. Contribution from our newly acquired G&G estate and improved crops from existing estates in Sabah, offset the lower crops from the Peninsular and Sarawak estates.

The Group's 10 palm oil mills have a total processing capacity of 415 MT FFB per hour. We processed 1,135,000 MT FFB where 1,037,000 MT or 91% was from own estates. The FFB processed in 2014 was fairly consistent with the previous financial year's volume of 1,142,000 MT.

The operating cost of the estates averaged at RM306 per MT (2013: RM295) as a result of incremental costs related to new acquisitions coupled with expenditure on roads to improve accessibility. Lower crop production had a knock-on effect on processing costs, thus, cost of milling increased to RM64 per MT FFB from RM59 the previous year. Palm oil production cost of RM1,435 per MT was comparable with the previous year's cost of RM1,436.

The year's palm oil production of 247,000 MT saw an increase of 4% over the previous year's production of 238,000 MT. This was mainly because of better average oil extraction rate (OER) which improved to 21.8% compared with 20.9% recorded last year. The average OER for the Group was higher than the National Malaysian Palm Oil Board (MPOB) average of 20.6%.

The Group's palm kernel production of 52,000 MT was 2% lower than the previous year's production of 53,000 MT. Average palm kernel extraction rate (KER) of 4.5% was fairly comparable with last year's average of 4.6% but lower than the National MPOB average of 5.1% partly due to smaller nuts in the fruit composition of the palms planted from clonal planting materials.

ceo's **review**

Mechanisation of field operations is the cornerstone of our efforts to reduce our dependence on manual labour, as we contend with labour shortage and rising cost. The methods we have employed include the use of mechanical spreaders for fertiliser applications, mini-tractor and grabber system for in-field FFB collection, controlled droplet applicators and power sprayers for control of weeds, pests and diseases. Mini tractors fitted with a track system instead of wheels are now being explored for use in soft areas with peat soils.

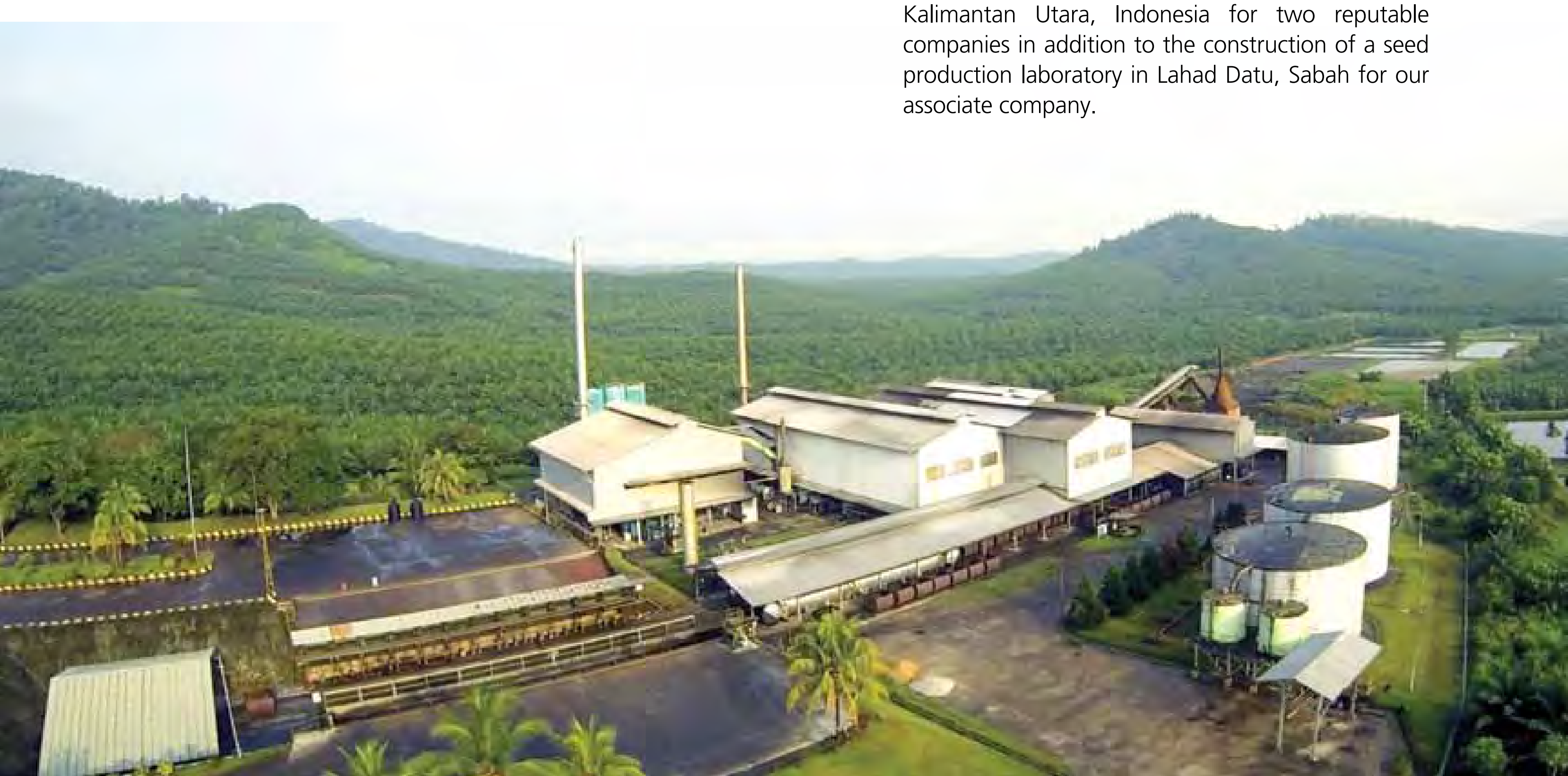
Further to our efforts to increase productivity, we have started utilising light weight graphite harvesting poles as a solution to the limitations encountered with the existing aluminium alloy poles that are too heavy for harvesting tall palms of over six metres in height. The graphite harvesting pole can improve productivity by up to 20%. Some 3,000 ha in Peninsular Malaysia and 5,000 ha in Sabah have been earmarked for implementation of this innovative tool. We will also be expanding the use of motorised sickles for harvesting of our young mature palms to boost productivity.

AAR nursery

In ensuring that FFB is transported to the mill for processing within 24 hours after harvesting, we implemented the bin transportation system at our Segaria and Bukit Segamaha estates and mill complexes.

Our Engineering Department undertook external consultancy contracts for the construction of new palm oil mills with a processing capacity of 40/60 MT per hour in Keningau, Sabah; Bintulu, Sarawak; and Kalimantan Utara, Indonesia for two reputable companies in addition to the construction of a seed production laboratory in Lahad Datu, Sabah for our associate company.

Sungai Jernih mill



Peninsular Malaysia

With a total of 20 estates, our land bank in Peninsular Malaysia amounts to 27,900 ha with a total planted area of 26,100 ha. The average age profile for the region's oil palms is approximately 13 years.

A total of 428,000 MT FFB was produced, 5% lower than the previous year's 452,000 MT FFB. The average yield per ha was 18.7 MT versus 19.8 MT for last year.

FFB production was challenging, particularly for the northern Peninsular estates during the first half of the year, as a result of unfavourable hot and dry weather conditions. The resulting poorer fruitsets continued, thus the lower yield trends for the remaining half of the year. Shortage of harvesters for very tall palm areas in the northern Peninsular estates has further dampened crop achievements.

Our Lepan Kabu estate in Kuala Krai, Kelantan was affected by heavy floods, which impacted production as field operations were suspended for the last two weeks in December.

In contrast, our Bebar and Sungai Jernih estates located in the east coast of Peninsular Malaysia achieved a promising yield of 18.6 MT per ha, which was a 10% increase from the previous year's yield of 16.9 MT. The yields from these young palms averaging five years have exceeded our expectations, made possible with adequate harvesters and our improved planting materials.

With an average OER of 21.9%, our Peninsular Malaysia mills surpassed the Peninsular MPOB average of 20.2% and last year's average of 20.8%. Our Sungai Jernih mill received the highest OER Achievers Award for Peninsular Malaysia (Own Crop Category) in Oil Palm Industry from MPOB for two years in a row, achieving 23.4% in 2013 and 24.7% in 2014.

Sabah

The Group's 12 estates in Sabah comprise 29,000 ha, of which 26,400 ha is planted with oil palms. With an average age profile of approximately 15 years, our Sabah estates produced a total of 438,000 MT FFB, 17% higher than the previous year's achievement of 375,000 MT.

FFB yield for the region stood at 18.7 MT per ha, a 11% increase from last year's yield of 16.9 MT.

Yields for our Nak and Segaria estates increased concurrently due to the increasing maturity of the young palms and good agronomic practices.

Our Sabah mills were the most productive with an average OER of 22.2%, an improvement over last year's 21.4%. This was also higher than the Sabah MPOB average of 21.5%. Our Segaria mill recorded the highest OER of 23.8%.

Sarawak

Consisting of nine estates, the Group's total land bank in Sarawak amounts to 26,500 ha of which only 68% or 18,100 ha is planted with oil palms. The region's average age profile is 16 years. A total of 171,000 MT FFB was produced, 17% lower than the previous year's 205,000 MT. Average FFB yield per ha achieved at our Sarawak estates of 9.6 MT was 16% lower than the 11.4 MT achieved last year.

Relentless field blockades on Bukit Limau and Sungai Lelak estates impacted FFB yields at our Boustead Pelita Tinjar estates in Miri. As for Boustead Pelita Kanowit estates, similar protracted field blockades were erected by longhouse landowners who have acted against the decision of the Court of Appeal which ruled in favour of the Group.

The region's mills achieved OER of 20.5%, which was above the Sarawak MPOB average OER of 20.4% and a considerable improvement over last year's rate of 20%.

RESEARCH & DEVELOPMENT

The Group's research and development (R&D) efforts are driven by our associate company, Applied Agricultural Resources Sdn Bhd (AAR).

Scientific evaluations and experiments are a focus of AAR's work, which include collaborations with international experts from various organisations across the globe. We are able to reap the benefits of state-of-the-art technological advances that are achieved as a result of these collaborations which are then utilised to ensure our plantation practices are not just agronomically and economically sound; but also ecologically and environmentally friendly.

The AAR oil palm breeding programme has been fruitful as evidenced by our various planting materials including AA DxP, AA Hybrida I, AA Hybrida IS and AA Hybrida II as well as the high OER of above 24% that we managed to achieve at our palm oil mills. In addition to this, other value-added traits are also actively pursued such as planting materials with high yields and small palm stature to increase oil yield per ha. To date, we have 18,900 ha of oil palms planted using clonal planting materials which have produced better oil yields.

We invested further in the Oil Palm Genomic Project (OPGP) to identify candidate markers and Quantitative Trait Loci (QTL), which is a breeding selection method that combines classical oil palm breeding and molecular biology. Genomic selection methodology shows great promise for use as a routine tool in reducing time for crop improvement.

As a result of AAR's field experiments, we are evaluating the use of our specially designed modified polythene sheet, AA+ Plastic Mulch as well as control released fertilisers and beneficial microbes to enhance palm growth.

Another beneficial finding by AAR has been the fact that the use of oil palm waste such as empty fruit bunches (EFB) and palm oil mill effluent as well as other organic mulches can increase soil microbes significantly compared with the application of inorganic fertilisers. Correspondingly, increasing levels of microbial biomass were also noted in areas where good leguminous cover crop was established during the early years of oil palm cultivation.

AAR's perseverance to study Ganoderma root disease in oil palms has yielded results for us as we now have new information pertaining to the spread of this disease. We are currently screening potential tolerant planting materials in the fields and have identified microbial candidates, which can be used to deter or reduce Ganoderma infection, which we have filed for patent.

We are evaluating the use of unmanned aerial vehicles in obtaining quick yet extensive aerial information for problem identification in order for immediate corrective measures to be carried out at our plantations.

OUTLOOK

Optimistic projections for CPO prices in 2015 bode well for the Group. Analysts are expecting tightening CPO supply coupled with growing demand especially from the global food industry to buffer CPO prices, leading to a gradual recovery. Some analysts however cautioned against the impact of weakening Brent crude oil prices.

While we expect CPO prices to recover provided Brent crude oil does not continue to deteriorate, the recovery in palm oil prices will also hinge on Indonesia's biodiesel mandate. Much remains to be seen in terms of its implementation of the B10 biodiesel mandate.

Biodiesel production in Malaysia reached a new high of 0.6 million MT in 2014, up from 0.5 million MT the year before. Production was primarily driven by the full implementation of the B5 biodiesel admixture followed by the gradual introduction of B7 since November 2014.

India's move to raise the import tax of crude vegetable oils from 2.5% to 7.5% and from 10% to 15% for refined oils could possibly affect demand for palm oil in the price-sensitive Indian consumer market.

We are encouraged to note that the Governments of both Indonesia and Malaysia are looking to phase out domestic subsidies for diesel fuels. This in turn will improve competitiveness of biodiesel and is likely to result in higher domestic biodiesel consumption in 2015, which consequentially will mean there will be lesser palm oil for exports.

Expanding our land bank is foremost on our minds, as evidenced by the successful post IPO acquisition of a neighbouring oil palm estate in Sugut, Sabah for RM30.5 million that complements our existing operations in that locality. We are currently on the lookout for more opportunities to increase to our land bank and complement our existing operations.

With the opportunities that exist in the plantation sector, the outlook is indeed bright for the Group as we focus on unlocking the value of our plantation assets.

FAHMY ISMAIL
Chief Executive Officer

25 February 2015

corporate responsibility

We are driven by our core values of respect, integrity, teamwork and excellence (RITE). In tandem with our commitment to delivering sustainable business growth, we aim to positively contribute to society as a responsible corporate citizen through our corporate responsibility initiatives, from development of our workforce to enhancing quality of life for the community and preservation of the environment.

HUMAN CAPITAL

One of the critical success factors for a company is the strength of its people. The Group recognises the importance of attracting, developing and retaining a highly skilled workforce in order to forge ahead, particularly in an increasingly competitive environment. With this in mind, we are focused on providing employee engagement and talent development opportunities in order to cultivate our talent pool.

We firmly believe that investing in our people will yield long-term positive results and business sustainability. We have implemented a number of comprehensive training and development programmes in order to inculcate the Group's core values in our employees as well as boost skills and capabilities to drive employee performance. Brainstorming sessions are conducted yearly for our leadership team to encourage idea generation and creative solutions to problems in a positive and rewarding environment.

Another important component of our employee development programmes is continuous employee training on mechanisation systems. This is an initiative to reduce reliance on manpower via the implementation of suitable machinery for use in our estates, which can greatly improve operational efficiency and productivity.

Good milling practices were implemented at our palm oil mills and these were instilled in our employees via in-house as well as public training seminars and workshops.

Estate and Mill Managers brainstorming session

Planting materials showcase during AAR field day

Through our collaboration with our associate, AAR, the Group provides support and training on precision farming techniques using AA AeGIS (AAR Agricultural, Environmental and Geographical Information System) and also Boustead AAR Management Information System (BAARMIS). The techniques enable employees to make quick and accurate decisions on-site.

In preparation for the upcoming implementation of the Goods and Services Tax (GST), we conducted GST training for our staff in all regions. An additional round of training will be carried out in March of 2015 for the management teams at our estates and mills.

Our employees are also active participants in training workshops and seminars conducted by the Malaysian Palm Oil Association and the MPOB.

Besides training programmes for our existing workforce, the Group aims to strengthen the nation's talent pool by providing opportunities for young Malaysians. We have established a platform for students from higher learning institutions with plantations or agricultural backgrounds to carry out their practical training with the Group.

In addition, we have established incentives to motivate our employees to further their education. Upon completion of the technical qualifications required for planters and engineers, employees are rewarded with an honorarium. For those who intend to pursue a Master's or a Doctor of Philosophy (Ph.D) degree, the opportunity exists for a partial reimbursement of tuition fees.

COMMUNITY

As part of our corporate responsibility efforts, we are strongly committed to the welfare of our staff and their families, as well as the communities that reside within the vicinity of our plantations.

In a bid to care for the children in the community, we have established public learning centres, such as kindergartens and crèches for young children. In some of our Sabah estates, we also set up schools for the children of foreign workers. We provide financial assistance and contributions such as school bags and shoes for needy students.

corporate responsibility

Estate learning centre

Humanitarian aid for flood victims

Other facilities we have established for our employees, which have also benefitted local residents, include subsidised school bus fares for children, clinics and religious institutions. During the year, we undertook repairs on roads leading to the longhouses on our estates.

We are strong advocates for the safety and health of our workforce and encourage our employees to lead active lifestyles. With this in mind, in 2014 we held our annual sports carnival as well as community activities in several estates and mills. These included futsal and football matches between estate staff and the local community, as well as family days.

As part of a collaboration with our sister company, Pharmaniaga Berhad, our Skuad Operasi Sihat 1 Malaysia (SOS1M) organised a health awareness campaign for the Group. Due to the success of first campaign at Head office, the Group intends to carry out similar campaigns in our estates.

In appreciation of the Malaysian Armed Forces members' service to the nation, we have contributed to Yayasan Wawasan Perajurit. In addition, we contributed to Universiti Pertahanan Malaysia, Persatuan Bekas Perajurit Malaysia and the Retired Armed Forces Officer's Club.

During the devastating floods in late December 2014, we lent a helping hand to the communities in our Lepan Kabu estate and Lepan Kabu palm oil mill in Kuala Krai. The Group delivered food supplies and other essentials in collaboration with Pharmaniaga Berhad and MHS Aviation.

We donated to a number of charitable community programmes including Program Sambutan Maulidur Rasul and Program Ambang Ramadhan, amongst many others.

The Group appreciates the invaluable contributions of our country's dedicated men in uniform. In line with this, we provided contributions in cash for the celebration of Hari Polis ke-207 of Balai Polis Kanowit in 2014 as well as Majlis Makan Malam Sambutan Ulangtahun Veteran Tentera Laut Diraja Malaysia.

ENVIRONMENT

The Group has taken every effort to conserve the ecosystem throughout our operations including reserving 2,600 ha of land in a bid to protect our natural environment. By undertaking this responsibility, we are able to create a sustainable business while safeguarding the environment for surrounding communities.

We adhere to the zero burning policy for both new planting and replanting of oil palms, whereby the remainder of palms are allowed to decompose naturally and release nutrients into the soil for uptake by the palm roots. The decomposition process contributes to reduction of our carbon footprint.

The Group is focused on minimising our impact on the environment by encouraging the use of AA+ Plastic Mulch system which reduces the use of chemical herbicides.

We take steps to mitigate soil erosion by ensuring soil conservation terraces and cover crops are cultivated to achieve full ground coverage as soon as possible after land preparation.

We are committed to sustainable agricultural practices in our operations. On this note, our Sungai Jernih palm oil mill business unit is an accredited producer of Certified Sustainable Palm Oil, while our Nak palm oil mill business unit is on track to receive certification. Our Trong palm oil mill business unit is targeted to undertake certification for Roundtable on Sustainable Palm Oil (RSPO) this year.

The nation is launching Malaysian Sustainable Palm Oil (MSPO) in 2015. Plans are underway to obtain certification for all our estates and mills. Our Sungai Jernih estate and Sungai Jernih palm oil mill are expected to obtain MSPO certification this year.

The Group's processed wastes are properly managed and disposed off in accordance to statutory requirements. Wastes, which are classified as Scheduled Waste, are securely stored, labelled and disposed off in accordance to the Environmental Quality Act.

A major portion of the EFB which are by-products of the oil extraction process is utilised by our estates as fertiliser, hence reducing the requirement for chemical fertilisers.

In support of the initiative on biogas facilities under the Government's Economic Transformation Programme on 12 National Key Economic Areas, we have implemented a biogas capture plant project, beginning with Telok Sengat palm oil mill in Kota Tinggi, Johor. Installation works are in progress and are expected to be completed and commissioned by the second half of 2015.

The current palm oil mill effluent treatment process creates greenhouse gas emissions, which is hazardous to the environment. With the implementation of biogas plants at our mills, we will not only contribute to the reduction of greenhouse gas emissions, it will also be a source of renewable fuel in place of fossil fuel to reduce our carbon footprint.

AA+ Plastic Mulch

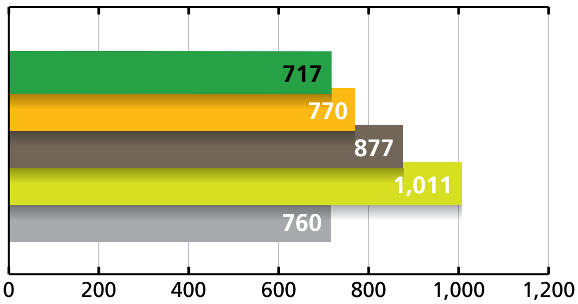
five-year financial highlights

		2014	2013	2012	2011	2010
FINANCIAL PERFORMANCE						
Revenue		**717**	770	877	1,011	760
Profit before taxation		**90**	359	184	332	152
Profit after taxation		**52**	331	144	308	128
Profit attributable to shareholders		**57**	333	131	268	127
Earnings per share	sen	**4.3**	32.7	12.8	26.3	12.5
Return on equity	%	**3.1**	23.6	9.8	23.1	12.6
Return on asset	%	**4.1**	13.7	8.9	20.8	10.8
Return on revenue	%	**17.9**	18.6	18.9	25.0	18.8
DIVIDENDS						
Dividend declared		**96**	90	59	186	72
Net dividend per share	sen	**6**	72	47	149	58
Dividend yield - net of tax	%	**4.1**	-	-	-	-
Dividend cover	times	**0.6**	3.7	2.2	1.4	1.8
GEARING						
Borrowings		**841**	977	679	160	149
Gearing	times	**0.4**	0.7	0.5	0.1	0.1
Interest cover	times	**2.5**	11.2	12.9	32.5	13.1
OTHER FINANCIAL STATISTICS						
Net assets per share	sen	**143**	1,116	1,154	980	886
Share price - high	sen	**164**	-	-	-	-
Share price - low	sen	**140**	-	-	-	-
Price earnings ratio	times	**33.5**	-	-	-	-
Paid up share capital		**800**	125	125	125	125
Numbers of issued share capital	million	**1,600**	125	125	125	125
Shareholders' equity		**2,295**	1,390	1,437	1,221	1,104
Total equity		**2,348**	1,449	1,498	1,269	1,114
Total assets		**3,303**	3,259	2,330	1,705	1,431

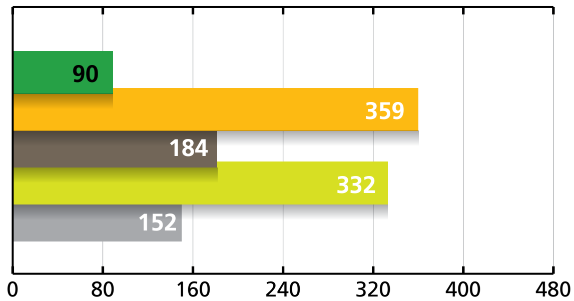
All figures are in RM million unless otherwise stated.

Note:
The above historical financial summary may not be comparable across the periods due to changes in the Group's structure as well as the effects of the intial public offering in 2014.

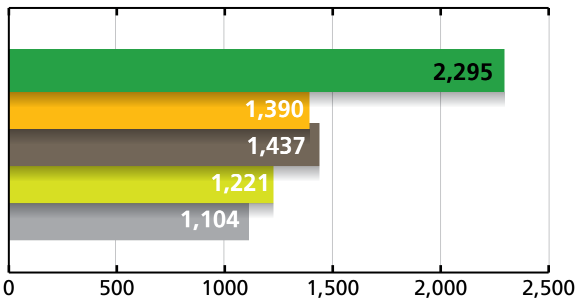
revenue (RM Million)



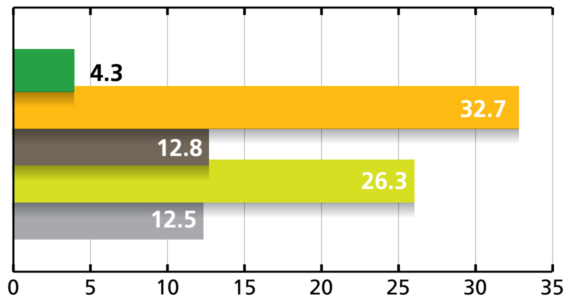
profit before taxation (RM Million)



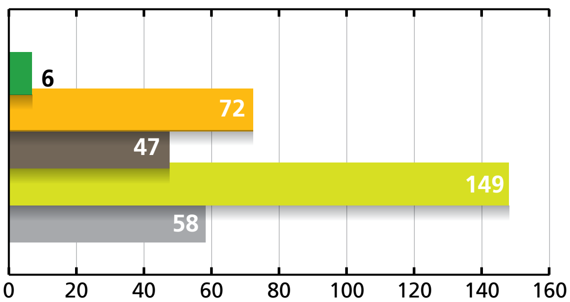
shareholders' equity (RM Million)



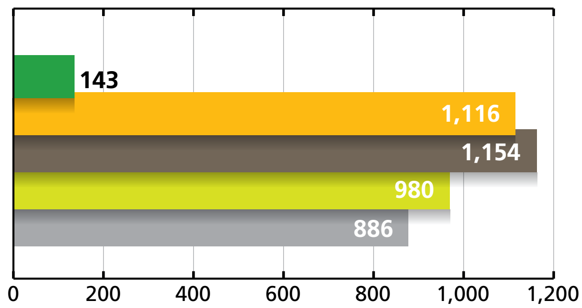
earnings per share (sen)



dividend per share (sen)



net assets per share (sen)



2014 2013 2012 2011 2010

corporate information

DIRECTORS

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)
Non-Independent Non-Executive Chairman

Tan Sri Dato' Seri Lodin Wok Kamaruddin
Non-Independent Non-Executive Vice Chairman

Dato' Mohzani Abdul Wahab
Senior Independent Non-Executive Director

Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.
Independent Non-Executive Director

Dr. Raja Abdul Malek Raja Jallaludin
Independent Non-Executive Director

Datuk Zakaria Sharif
Non-Independent Non-Executive Director

CHIEF EXECUTIVE OFFICER

Fahmy Ismail

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REGISTRAR

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Level 17, The Gardens North Tower
Mid-Valley City, Lingkaran Syed Putra
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SECRETARY

Nor Azrina Zakaria

PRINCIPAL BANKERS

Affin Bank Berhad
Affin Islamic Bank Berhad
Alliance Bank Malaysia Berhad
HSBC Bank Malaysia Berhad
Kuwait Finance House (Malaysia) Bhd
OCBC Bank (Malaysia) Berhad
The Bank of Nova Scotia Berhad
United Overseas Bank Berhad

AUDITORS

Ernst & Young

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Stock name: BPLANT
Stock code: 5254

HOLDING CORPORATION

Boustead Holdings Berhad

financial calendar

FINANCIAL YEAR

1 January to
31 December 2014

RESULTS

First quarter

Announced
24 June 2014

Second quarter

Announced
20 August 2014

Third quarter

Announced
19 November 2014

Fourth quarter

Announced
25 February 2015

ANNUAL REPORT

Issued
10 March 2015

ANNUAL GENERAL MEETING

To be held
1 April 2015

DIVIDENDS

First interim

Announced
20 August 2014

Entitlement date
8 September 2014

Payment date
24 September 2014

Second interim

Announced
19 November 2014

Entitlement date
5 December 2014

Payment date
24 December 2014

Third interim

Announced
25 February 2015

Entitlement date
13 March 2015

Payment date
30 March 2015

board of directors

1. Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)
2. Tan Sri Dato' Seri Lodin Wok Kamaruddin
3. Dato' Mohzani Abdul Wahab
4. Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.
5. Dr. Raja Abdul Malek Raja Jallaludin
6. Datuk Zakaria Sharif

profile of **directors**

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)

Non-Independent Non-Executive Chairman

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R), Malaysian, eighty-four years of age, was appointed to the Board on 18 January 1991. He is the Chairman of the Remuneration Committee and a member of the Nominating Committee.

Tan Sri Ghazali graduated from the Officer Cadet School Eaton Hall, United Kingdom, the Royal Military Academy, Sandhurst, United Kingdom and the Command and Staff College, Quetta, Pakistan. He had served in various command and staff appointments in the Malaysian Armed Forces for more than 30 years culminating in his appointment as Chief of the Armed Forces from 1985 to 1987.

Tan Sri Ghazali was appointed as the Chairman of Lembaga Tabung Angkatan Tentera (LTAT) from 23 February 1988 until 22 February 2007. He is the Independent Non-Executive Chairman of Boustead Holdings Berhad (BHB), a public listed company and sits on the board of various companies within the BHB Group namely, UAC Berhad and Boustead Properties Berhad.

On 23 September 2013, he was awarded with Honorary Doctorate of Philosophy in Defence Studies by the National Defence University Malaysia.

He does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

Tan Sri Dato' Seri Lodin Wok Kamaruddin

Non-Independent Non-Executive Vice Chairman

Tan Sri Dato' Seri Lodin Wok Kamaruddin, Malaysian, sixty-five years of age, was appointed to the Board on 25 October 2013. He is a member of the Remuneration Committee.

He is currently the Chief Executive of Lembaga Tabung Angkatan Tentera (LTAT) and Deputy Chairman/Group Managing Director of Boustead Holdings Berhad (BHB).

Tan Sri Lodin graduated from the University of Toledo, Ohio, USA with a Bachelor of Business Administration and Masters of Business Administration. He has extensive experience in not only managing a provident fund but also in the establishment, restructuring and management of various business interests ranging from plantation, trading and industrial, financial services, property development, oil and gas, pharmaceuticals and shipbuilding.

Tan Sri Lodin is the Chairman of Boustead Heavy Industries Corporation Berhad (BHIC), Pharmaniaga Berhad, 1Malaysia Development Berhad and Affin Hwang Asset Management Berhad as well as the Deputy Chairman of Affin Holdings Berhad and sits on the boards of directors of various companies such as UAC Berhad, MHS Aviation Berhad, FIDE Forum, Badan Pengawas Pemegang Saham Minoriti Berhad, Affin Bank Berhad, Affin Islamic Bank Berhad, Affin Hwang Investment Bank Berhad and AXA Affin Life Insurance Berhad.

BHB, BHIC, Pharmaniaga Berhad and Affin Holdings Berhad are public listed companies in Malaysia.

Among the many awards Tan Sri Lodin has received to date include the Chevalier De La Legion D'Honneur from the French Government, the Malaysian Outstanding Entrepreneurship Award, the Degree of Doctor of Laws Honoris Causa from the University of Nottingham, United Kingdom, the UiTM Alumnus of the Year 2010 Award, The BrandLaureate Most Eminent Brand ICON Leadership Award 2012 and The BrandLaureate Corporate Leader of The Year Award 2013-2014.

He does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

Dato' Mohzani Abdul Wahab

Senior Independent Non-Executive Director

Dato' Mohzani Abdul Wahab, Malaysian, sixty-one years of age, was appointed to the Board on 25 October 2013. He is the Chairman of the Audit Committee and Nominating Committee.

Dato' Mohzani graduated from University Malaya with a Bachelors degree in Economics.

Dato' Mohzani has had a noteworthy 33 year long career span with Shell group of companies since 1976. During his service with the Shell Group, he assumed various senior positions in different divisions ranging from supply distribution, branding and communications, marketing and retail management under Shell's downstream oil products sector. From 2003 to 2009, he was involved in the management of the Shell Group's international retail business, namely in Singapore, Brunei, Hong Kong and Oman. His career progressed mainly within the Shell Group and he held his final position as Managing Director of Shell Malaysia Trading Sdn Bhd and Shell Timur Sdn Bhd in the year 2001 and 2005, respectively, until his retirement at the end of the year 2009.

Currently he is the Chairman of TH-Alam Management (M) Sdn Bhd, TH-Alam Holdings (L) Inc and TH Marine Sdn Bhd, Merchantrade Asia Sdn Bhd and he sits on the board of Celcom Axiata Berhad, Pavilion REIT Management Sdn Bhd and Hong Leong Investment Bank Berhad as an Independent Non-Executive Director. He is also a member of the investment panel of Lembaga Tabung Haji.

Celcom Axiata Berhad and Hong Leong Investment Bank Berhad are subsidiaries of Axiata Group Berhad and Hong Leong Capital Berhad respectively. Both holding companies are public listed companies in Malaysia.

He does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.

Independent Non-Executive Director

Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P., Malaysian, sixty-four years of age, was appointed to the Board on 10 April 2014. He is a member of Nominating Committee.

Dato' Hj. Khairuddin graduated from the Malaysian Armed Forces Staff College and Malaysian Armed Forces Defence College. He obtained his Diploma in Industrial Management from Universiti Kebangsaan Malaysia and Master of Business Administration from Charles Sturt University, Australia. He has also attended the Commonwealth and Foreign Ordinance Officers' Course in United Kingdom, Senior Ordinance Officer (Management) Course in India and Ordinance Officer Advance Course in United States of America. He is a member of the Malaysian Institute of Management since 1978.

He joined the Malaysian Armed Forces in 1971 where he served in various capacities such as Senior Officer, Logistics Plan & Operations for the United Nations' operations in Somalia, Deputy Commandant of the Malaysian Armed Forces Staff College, Director of Defence Logistics Policy and Assistant Chief of Staff, Logistics before he retired from military service in 2006 with his last position as General Officer Commanding of the Logistics Division. During his tenure with Malaysian Armed Forces, he was responsible for the planning, management, financial control and implementation of the logistics, inventory, procurement and transportation of the army in the Malaysian Armed Forces.

Currently he is the Executive Chairman of Intake Eighteen Security Sdn Bhd, a security services company.

He does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

profile of **directors**

Dr. Raja Abdul Malek Raja Jallaludin
Independent Non-Executive Director

Dr. Raja Abdul Malek Raja Jallaludin, Malaysian, sixty-nine years of age, was appointed to the Board on 23 December 2013. He is a member of Audit Committee and Remuneration Committee.

Dr. Raja Abdul Malek graduated with Bachelor of Medicine and Bachelor of Surgery from Universiti Malaya. He has served in various peer and academic activities, amongst others, as a clinical tutor in the Faculty of Medicine, Universiti Malaya, a member of the Ethical Committee of the Malaysian Medical Council, Ministry of Health and also the Chairman of Council, Academy of Family Physicians, Malaysia.

Early in his career, he worked at the General Hospital, Kuala Lumpur and the Faculty of Medicine, Universiti Kebangsaan Malaysia. In late 1975, he went into private medical practice and became a senior partner of Drs. Catterall, Khoo, Raja Malek & Partners.

From 1984 to 2000, he was the Medical Director (Malaysia-Singapore) for Parke Davis-Warner Lambert, and had continued with Pfizer Malaysia after the two corporations merged in 2001. In 2003, he resigned from Drs. Catterall, Khoo, Raja Malek & Partners and joined HOE Pharmaceuticals Sdn Bhd, a multinational pharmaceutical firm as the Director of Medical and Scientific Affairs and holds this position to-date.

Currently, his other directorships in public and private companies include StemLife Berhad, Hartamanis Holding Sdn Bhd and RAMJ Sdn Bhd.

He does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

Datuk Zakaria Sharif
Non-Independent Non-Executive Director

Datuk Zakaria Sharif, Malaysian, fifty-seven years of age, was appointed to the Board on 15 April 2014. He is a member of the Audit Committee.

He is currently the Deputy Chief Executive of Lembaga Tabung Angkatan Tentera (LTAT).

Datuk Zakaria graduated from Monash University, Australia with a Bachelors degree in Economics majoring in Accountancy. He is a Fellow of the Australian Society of Certified Public Accountant (FSCPA) since 2009, an associate of the Malaysian Institute of Certified Public Accountant (MICPA) since 1989 as well as a member of the Malaysian Institute of Accountants (MIA) since 1984.

He started his career with Price Waterhouse & Co in 1980 and joined Arab Malaysian Finance Berhad in 1984 where he served in various positions until 1987. He subsequently joined Lembaga Tabung Angkatan Tentera (LTAT) in 1988 where he served as an Investment Manager until 1991. He joined the Boustead Holdings Berhad's Group (BHB) in 1992 as the General Manager of Emastulin Automobile Sdn Bhd, a subsidiary of BHB involved in the distribution of passenger cars and light and heavy vehicles before joining another subsidiary of BHB, Boustead Trading Sdn Bhd in 2000 as General Manager. From 2000 to 2003, he served as a General Manager at Perbadanan Hal Ehwal Bekas Angkatan Tentera, a wholly owned corporation of LTAT involved in providing training of retiring servicemen of the Malaysia Armed Forces and later he joined Perbadanan Perwira Harta Malaysia, another wholly owned corporation of LTAT involved in construction, property development and property management, as General Manager. He returned to LTAT in 2007 as General Manager Investment where he was responsible for managing LTAT's investments. He was later promoted as LTAT's Deputy Chief Executive in 2011, a position he holds to-date.

Currently he sits on the board of various public and private companies including Labuan Reinsurance (L) Ltd, Perumahan Kinrara Bhd, Chery Holdings (Malaysia) Sdn Bhd, Jendela Hikmat Sdn Bhd and LTP Wibawa Sdn Bhd.

He does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

profile of **ceo**

Fahmy Ismail
Chief Executive Officer

Fahmy Ismail, Malaysian, thirty-eight years of age, was appointed as the Chief Executive Officer on 1 March 2014.

He graduated with a Bachelor of Commerce in Accounting and Finance from University of Sydney, Australia in 1999. He is a Chartered Accountant under Malaysian Institute of Accountants (MIA) and is also a Certified Practicing Accountant under CPA Australia.

Fahmy Ismail began his career as a management trainee in the Renong Group (currently known as the UEM Group) in the year 1999. He assumed several finance roles within the Renong Group and one of its subsidiaries, Crest Petroleum Berhad, ranging from accounting, performance reporting, treasury and corporate finance. His last held position prior to joining Boustead Holdings Berhad (BHB), was Assistant Manager, Corporate Finance for SapuraCrest Petroleum Bhd.

Fahmy Ismail joined BHB in January 2006 as its Corporate Planning Manager. In addition to his corporate planning role, his responsibilities included amongst others, investor relations, corporate finance, institutional relations, head of transformation office for the GLC Transformation Programme and several CSR initiatives within the BHB Group.

In the year 2007, he was appointed as Deputy Chief Executive Officer of Boustead REIT Managers Sdn Bhd (BRMSB) and subsequently, on 15 January 2009, he was appointed as the Chief Executive Officer of BRMSB. He is responsible for the overall day-to-day management of BRMSB, being the manager of Al-Hadharah Boustead REIT (BREIT) which primarily invests in oil palm plantations.

Following the completion of the BREIT Privatisation in January 2014, he was then appointed as the Chief Executive Officer of Boustead Plantations Berhad.

He is also a Director of BRMSB, Boustead Building Materials Sdn Bhd, Boustead Eldred Sdn Bhd, Boustead Emastulin Sdn Bhd, Boustead Shipping Agencies Sdn Bhd, AB Shipping Pte Ltd and Boustead Information Technology Sdn Bhd.

Fahmy Ismail holds 506,300 shares in the Company. He does not hold any share in any subsidiary of the Company.

He does not have any family relationship with any Director and/or major shareholder of Boustead Plantations Berhad, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offences within the past ten years.

senior **management team**

1 **En. Fahmy Ismail**
Chief Executive Officer

2 **Mr. Chow Kok Choy**
Chief Operating Officer

3 **Ms. Chin Sup Chien**
Chief Financial Officer

4 **Dato' Shoib Abdullah**
Senior General Manager,
Human Resource & Corporate Communication

5 **Tn. Hj. Sharudin Jaffar**
Planting Director

6 **Mr. Teng Peng Khen**
Senior General Manager,
Sales and Marketing

7 **Mr. Loh Wai Cheong**
Group Engineer

audit committee report

MEMBERS AND MEETINGS

A total of two meetings were held during the year. Details of the composition of the Committee and the attendance by each member at the Committee meetings are set out below:

Name of Director	Status of Directorship	Independent	Attendance of Meetings
Dato' Mohzani Abdul Wahab	Senior Independent Non-Executive Director Chairman of the Committee	Yes	2/2
Dr. Raja Abdul Malek Raja Jallaludin	Independent Non-Executive Director	Yes	2/2
Datuk Zakaria Sharif	Non-Independent Non-Executive Director	No	2/2

During the financial year, the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Head of Internal Audit had attended the meetings. The Audit Committee met with the external auditors once during the year without the presence of management. The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification.

The Audit Committee Chairman reports to the Board on principal matters deliberated at the Audit Committee meetings. Minutes of each meeting are circulated to the Board.

TERMS OF REFERENCE

Membership

The Committee shall comprise at least three Non-Executive Directors, the majority of whom are independent, including the Chairman. The Chairman shall be elected by the members of the Committee. No alternate director shall be appointed as a member of the Committee. All members of the Audit Committee shall be financially literate and at least one member shall be a professional or qualified accountant. Any vacancy resulting in there being no majority of Independent Directors shall be filled within three months.

Authority

In carrying out their duties and responsibilities, the Audit Committee shall have the authority to:

- investigate any matter within its terms of reference;
- have the resources which are required to perform its duties and to obtain independent professional or other advice it deems necessary;
- have full and unrestricted access to any information pertaining to the Group as well as direct communication channels with the internal and external auditors and Senior Management of the Group;
- to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

Key Functions and Responsibilities

A summary of the key functions and responsibilities of the Audit Committee in accordance with the terms of reference of the Audit Committee is as follows:

1. Review the external auditors' audit plan, the scope of their audits and audit report.
2. Review the evaluation of the system of internal control with the internal and external auditors.
3. Review the adequacy of the scope, functions, competency and resources of the internal audit function, including whether it has the necessary authority to carry out its work.
4. Review the internal audit plan and results of the internal audit plan or investigation undertaken and follow-up on the recommendations contained in the internal audit reports.
5. Review the Group's quarterly results and the annual financial statements prior to the approval by the Board of Directors, focusing particularly on:
    - changes in or implementation of major accounting policies;
    - significant and unusual events; and
    - compliance with accounting standards and other regulatory requirements.
6. Review any related party transactions and conflict of interest situations that may arise including any transaction, procedure or course of conduct that raises questions of Management integrity.
7. Review the procedures of recurrent related party transactions undertaken by the Company and the Group.
8. Review the Risk Management Committee's periodic report on key risk profiles and risk management activities.
9. Discuss with the external auditors with regards to problems and observations noted in their interim and final audits.

10. Assess the performance of the external auditors and make recommendations to the Board of Directors on their appointment and removal.

11. Recommend the nomination of a person or persons as external auditors.

12. Review any letter of resignation from the external auditors or suggestions for their dismissal.

13. Monitor the Group's compliance to the Main Market Listing Requirements (MMLR) and the Malaysian Code of Corporate Governance from assurances by the Company Secretary and the results of review by the external and internal audits.

14. Where the Audit Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the MMLR, the Audit Committee must promptly report such matter to Bursa Malaysia Securities Berhad.

15. Carry out any other functions that may be mutually agreed upon by the Committee and the Board of Directors.

ACTIVITIES DURING THE FINANCIAL YEAR

During the year, the Audit Committee carried out its duties as set out in its terms of reference. The main activities undertaken were as follows:

- Reviewed the internal and external auditors' scope of work and annual audit plans for the Group.

- Reviewed the management letters and the audit reports of the external auditors.

- Reviewed the quarterly and annual reports of the Group to ensure compliance with the MMLR, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board of Directors.

- Reviewed the Risk Management Committee's report on key risk profiles and risk management activities.

- Reviewed the Audit Committee Report, Statement on Corporate Governance and Statement on Risk Management and Internal Control and recommend to the Board for approval prior to their inclusion in the Company's annual report.

- Reviewed the adequacy of resource requirements and competencies of staff within the Group's internal audit function to execute the annual audit plan and the results of the work.

- Reviewed the related party transactions entered by the Company and the Group as well as the disclosure of and the procedures relating to related party transactions.

- Reviewed the Circular to Shareholders relating to shareholders' mandate for recurrent related party transactions of revenue or trading nature before recommending it for Board's approval.

- Reviewed and deliberated internal audit reports and to monitor/follow-up on remedial action. Where required, members of the Audit Committee would carry out ground visits to verify significant issues highlighted in the internal audit reports.

- Met with the external auditors once during the year in the absence of management.

INTERNAL AUDIT FUNCTION

The Audit Committee is assisted by the Group Internal Audit (GIA) from Boustead Holdings Berhad (the Immediate Holding Company of Boustead Plantations Berhad) whose principal responsibility is to evaluate and improve the effectiveness of risk management, control and governance processes. This is accomplished through a systematic and disciplined approach of regular reviews and appraisals of the Management, control and governance processes based on the review plan that is approved by the Audit Committee annually. The GIA function adopts a risk-based methodology in planning and conducting audits by focusing on key risks areas.

The terms of reference of the GIA function are clearly spelt out in the Internal Audit Charter (Charter). GIA has operated and performed in accordance to the principles of the Charter that provides for its independence. The GIA function reports directly to the Audit Committee, and is independent of the activities it audits. The Immediate Holding Company has an adequately resourced internal audit function to assist the Audit Committee and the Board in maintaining an effective system of internal control and overall governance practices within the Company and the Group.

During the financial year, the GIA function had undertaken the following activities:

- Prepared the annual audit plan for approval by the Audit Committee.

- Performed risk-based audits based on the annual audit plan, including follow-up of matters from previous internal audit reports.

- Issued internal audit reports to the Management on risk management, control and governance issues identified from the risk-based audits together with recommendations for improvements for these processes.

- Undertook investigations and special reviews of matters arising from the audits and/or requested by the Management and/or Audit Committee and issued reports accordingly to the Management.

- Reported on a quarterly basis to the Management Audit Committee on significant risk management, control and governance issues from the internal audit reports issued, the results of investigations and special reviews undertaken and the results of follow-up of matters reported.

- Reported on a quarterly basis to the Audit Committee the achievement of the audit plan and status of resources of the Group's internal audit function.

- Conducted follow-up of the recommendations by the external auditors in their management letter.

- Liaised with the external auditors to maximise the use of resources and for effective coverage of the audit risks.

- Reviewed the procedures relating to related party transactions.

The total cost incurred for the GIA function in respect of the financial year ended 31 December 2014 amounted to RM0.7 million.

statement on corporate governance

BOARD ROLES AND RESPONSIBILITIES

The Board is responsible for the corporate governance practices of the Group. It guides and monitors the affairs of the Group on behalf of the shareholders and retains full and effective control over the Group.

The Board manages the affairs of the Group guided by the principles of good corporate governance in accordance with the requirements and guidelines as per the Malaysian Code on Corporate Governance 2012 ("Code") as well as the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The Board of Directors is committed to uphold appropriate standards of corporate governance practices throughout the Group and believes that good governance practices are fundamental for the achievement of financial goals, enhancement of shareholders value and safeguard stakeholders' interests.

The Board has approved this statement and is of the view that it has complied with the recommendations set out in the Code and the disclosure requirements under the MMLR. Set out below is the manner in which the Board has applied the principles of good governance and the extent to which it has complied with the Code and MMLR.

The key responsibilities of the Board cover:

- Reviewing the strategic direction for the Group;
- Overseeing and evaluating the conduct of business of the Group;
- Reviewing the adequacy of management information and internal control systems;
- Identifying principal risks and ensuring that the risks are properly managed;
- Establishing a succession plan for Senior Management; and
- Developing and implementing an investor relations programme.

The responsibility for matters material to the Group is in the hands of the Board, with no individuals having unfettered powers to make decisions.

The Board has approved a board charter ("Board Charter") which sets out a list of specific functions that are reserved for the Board. The Board Charter addresses, among others, the following matters:

- Duties and responsibilities of the Board;
- Directors' Code of Ethics;
- Composition and Board balance;
- The role of Chairman and Chief Executive Officer;
- Appointments;
- Re-election;
- Supply of information;
- Separation of power;
- Board Committees;
- Remuneration;
- Financial reporting;
- General meetings;
- Investor relations and shareholder communication; and
- Relationship with other stakeholders (employees, environment, social responsibility).

The approval and adoption of the Board Charter and Directors' Code of Ethics formalises the standard of ethical values and behaviour that is expected of Directors at all times. The Board Charter and Directors' Code of Ethics are reviewed periodically to ensure their relevance and compliance.

The Board is guided by the approved Board Charter, terms of reference of the respective Board Committees and approved Limits of Authority which define matters which are specifically reserved for the Board and those delegated to the Chief Executive Officer for day-to-day management of the Group. This formal structure of delegation is further cascaded by the Chief Executive Officer to the Senior Management team within the Group. However, the Chief Executive Officer and the Senior Management team remain accountable to the Board for the authority that is delegated.

In performing their duties, all Directors have access to the advice and services of the Company Secretary and if necessary, may seek independent professional advice about the affairs of the Group. The Company Secretary attends all Board meetings and advises the Board on procedures and requirements under the Company's Memorandum and Articles of Association, the Companies' Act 1965 and the MMLR. The Company Secretary also ensures that there is good information flow within the Board and between the Board, Board Committees and Senior Management. Board members are provided with Board papers in advance before each Board meeting for decision, including the overall Group's strategy and direction, acquisitions and divestments, approval of major capital expenditure projects and significant financial matters.

The Group is also committed towards sustainable development with specific attention to environmental, social and governance attributes of the Group's businesses. Employees' welfare and the community responsibilities are also integral to the way in which the Group conducts its business. The report on the activities pertaining to corporate social responsibilities is set out on pages 14 to 17 of this annual report.

COMPOSITION OF THE BOARD

The Board currently has six members, who are all Non-Executive Directors. Three of the Directors are Independent Directors, which is in excess of the MMLR of one third. Together, the Directors bring characteristics which allow a mix of qualifications, skills and experience which is necessary for the successful direction of the Group.

A brief profile of each Director is presented on pages 24 to 26 of this annual report.

There is a division of functions between the Board and the Management. The Board plays a strategic role in overseeing Management in their discharging the delegated duties towards achieving the Group's corporate objectives and long term strategic business plans. The Chairman, who is not a Chief Executive Officer previously and a non-executive member of the Board, is primarily responsible for the orderly conduct and working of the Board whilst the Chief Executive Officer has the overall responsibility for the day-to-day running of the business, organisational effectiveness and implementation of Board policies and decisions. The Independent, Non-Executive Directors provide impartial and independent views, advice and judgement concerning strategy, business performance, resources and standard of conduct and thus help to ensure that interest of shareholders and stakeholders of the Company are safeguarded.

Dato' Mohzani Abdul Wahab is the Senior Independent Non-Executive Director. Any concerns regarding the Group may be conveyed to him. The Senior Independent Director serves as the point of contact between the Independent Directors and the Chairman on sensitive issues and act as a designated contact to whom shareholders' concerns or queries may be raised.

The terms of the appointment of Directors include the procedures for dealing with conflict of interest and the availability of independent professional advice. The Board believes that the current size and composition is appropriate for its purpose, and is satisfied that the current Board composition fairly reflects the interest of minority shareholders within the Group.

The Board acknowledges the importance of board diversity, including gender diversity. The Board believes that for it to function effectively, the requisite skills, experience, knowledge and independence is vital, regardless of gender. Although no specific target has been set, the Board is mindful that any gender representation should be for the best interest of the Group.

BOARD MEETINGS

Board meetings are held at quarterly intervals with additional meetings convened for particular matters, when necessary. The Board records its deliberations, in terms of issues discussed, and the conclusions in discharging its duties and responsibilities. All Directors are fully briefed in advance of Board meetings on the matters to be discussed and have access to any further information they may require.

The number of meetings of the Board and Board Committees held during the year were:

Board of Directors	4 meetings
Audit Committee	2 meetings
Nominating Committee	1 meeting
Remuneration Committee	1 meeting

The composition of the Board and the attendance of each Director at the Board meetings held during the year are as follows:

Name of Director	Status of Directorship	Independent	Attendance of Meetings
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	Non-Executive Chairman	No	4
Tan Sri Dato' Seri Lodin Wok Kamaruddin	Non-Executive Vice Chairman	No	3
Datuk Zakaria Sharif	Non-Executive Director	No	3
Dato' Mohzani Abdul Wahab	Senior Independent Non-Executive Director	Yes	3
Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.	Non-Executive Director	Yes	3
Dr. Raja Abdul Malek Raja Jallaludin	Non-Executive Director	Yes	4

INFORMATION FOR THE BOARD

The Directors are provided with adequate Board reports on a timely manner prior to the Board meeting to enable the Directors to obtain further explanations, where necessary. These reports provide information on the Group's performance and major operational, financial and corporate issues. Minutes of meetings of the Board Committees are also tabled at the Board meetings for the Board's information and deliberation. The Directors have access to the advice and services of the Company Secretary whose terms of appointment permit removal and appointment only by the Board as a whole. The Board's rights to information and access to independent professional advice at the expense of the Company are stated in the Board Charter.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, all newly appointed Directors shall retire from office but shall be eligible for re-election in the next Annual General Meeting subsequent to their appointment. The Articles further provide that at least one third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting. Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

BOARD INDEPENDENCE

Independent Non-Executive Directors play a leading role in Board Committees. The Management and third parties are co-opted to the Committees as and when required.

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R) who is the Chairman of Boustead Holdings Berhad, has been an effective Non-Independent Non-Executive Chairman of Boustead Plantations Berhad. He exercises independent and broad judgment as well as provides independent opinions and constructive views on proposals from the Management.

The Code recommends that if the Chairman of the Board is not an independent director, the Board must comprise a majority of independent directors. The Company's Chairman is Non-Independent Non-Executive Director and there are three (3) Independent Non-Executive Directors out of six (6) board members. The Board believes that the interests of shareholders are best served by a Chairman who is sanctioned by the shareholders and who will act in the best interests of shareholders as a whole. As the Chairman represents shareholders with a substantial interest in the Company, he is well placed to act on behalf of the shareholders and in their best interests. As of now, the Board does not believe that it should urgently increase independent directors to form a majority of the Board. However, the Board will continuously review and evaluate such recommendation.

BOARD COMMITTEES

The Board may, whenever required, set up committees delegated with specific powers and responsibilities. The Board has established the following Committees to assist the Board in the discharging of its duties:

- Audit Committee
- Nominating Committee
- Remuneration Committee

The Board has also approved and adopted a formal charter that outlines the functions, duties and responsibilities of the Board Committees in line with the Board's objective in pursuing good governance practice.

Audit Committee

The Audit Committee was established on 23 December 2013 to serve as a Committee of the Board. The composition of the Audit Committee meets the MMLR, where Independent Directors form the majority. The members of the Audit Committee comprise:

Dato' Mohzani Abdul Wahab (Chairman)
Dr. Raja Abdul Malek Raja Jallaludin
Datuk Zakaria Sharif

The Audit Committee reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the internal audit function and ensures an objective and professional relationship is maintained with external auditors. The Audit Committee has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the Audit Committee. The role of the Audit Committee and the number of meetings held during the financial year as well as the attendance record of each member are set out in the Audit Committee Report in the annual report.

Nominating Committee

The Nominating Committee, established on 23 December 2013 comprises entirely Non-Executive Directors, majority of whom are independent and chaired by an Independent Director. The members of the Nominating Committee comprises:

Dato' Mohzani Abdul Wahab (Chairman)
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)
Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.

The Nominating Committee is responsible for proposing new nominees to the Board and Board Committees, for assessing on an ongoing basis, the contribution of each individual Director and the overall effectiveness of the Board. The final decision as to who shall be appointed as Director remains the responsibility of the full Board, after considering the recommendation of the Nominating Committee.

The terms of reference of the Nominating Committee are as follows:

- To assess and recommend to the Board candidates for directorship on the Board of the Company as well as membership of the Board Committees.

- To review and assess annually the overall composition of the Board in terms of appropriate size, required mix of skills, experience and core competencies, and the adequacy of balance between Executive Directors, Non-Executive Directors and Independent Directors.

- To establish the mechanism for the formal assessment of the effectiveness of individual Director, and to annually appraise the performance of Chief Executive Officer and Senior Management based on objective performance criteria as approved by the Board.

- Meetings of the Nominating Committee are held as and when necessary, and at least once a year. The Nominating Committee met once during the year and all members registered full attendance. The Nominating Committee, upon its recent annual review carried out, is satisfied that the size of the Board is optimum and that there is an appropriate mix of experience and expertise in the composition of the Board.

Remuneration Committee

The Board has established a Remuneration Committee consisting of the following Directors, all of whom are Non-Executive Directors:

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R) (Chairman)
Tan Sri Dato' Seri Lodin Wok Kamaruddin
Dr. Raja Abdul Malek Raja Jallaludin

The Remuneration Committee reviews the remuneration packages, reward structure and fringe benefits applicable to the Chief Executive Officer and Senior Management on an annual basis and makes recommendations to the Board. The Board as a whole determines the remuneration of the Chief Executive Officer with each individual Director abstaining from decisions in respect of his own remuneration. In establishing the level of remuneration for the Chief Executive Officer and Senior Management, the Remuneration Committee has regard to packages offered by comparable companies, and may obtain independent advice.

The remuneration of the Chief Executive Officer comprises a fixed salary and allowances, and a bonus approved by the Board, which is linked to the Company's performance. The remuneration for Non-Executive Directors comprises annual fees, meeting allowance for every meeting that they attend, and reimbursement of expenses for their services in connection with Board and Board Committee meetings.

The terms of reference of the Remuneration Committee are as follows:

- To review annually and make recommendations to the Board the remuneration packages, reward structure and fringe benefits applicable to Chief Executive Officer and Senior Management to ensure that the rewards commensurate with their contributions to the Group's growth and profitability.

- To review annually the performance of the Chief Executive Officer and Senior Management and recommend to the Board specific adjustments in remuneration and reward payments if any, to reflect their contributions for the year.

- To ensure that the level of remuneration of the Non-Executive Directors are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board.

- To keep abreast of the terms and conditions of service of the Chief Executive Officer and key Senior Management including their total remuneration packages for market comparability; and to review and recommend to the Board changes whenever necessary.

- To keep abreast of the remuneration packages of the Non-Executive Directors to ensure that they commensurate with the scope of responsibilities held and to review and recommend to the Board changes whenever necessary.

Meetings of the Remuneration Committee are held as and when necessary, and at least once a year. The Remuneration Committee met once during the year and all the members registered full attendance.

BOARD APPOINTMENTS AND COMMITMENTS

As documented in the approved Board Charter, the appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation by the Nominating Committee. The Board appoints its members through a formal and transparent selection process which is consistent with the Articles of Association of the Company. All new appointees will be considered and evaluated by the Nominating Committee for the candidates' ability in terms of their skills, knowledge, experience, expertise and integrity to discharge responsibilities as expected of them. In the case of candidate for Independent Non-Executive Director, the Nominating Committee also evaluates the candidate's ability to discharge such responsibility or functions as expected of an Independent Non-Executive Director. The Company Secretary will ensure that all appointments are properly made and that legal and regulatory obligations are met. New Directors are expected to have such expertise so as to qualify them to make positive contribution to the Board, performance of duties and to give sufficient commitment, time and attention to the affairs of the Company.

The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointment of new Directors are properly executed. The Company has adopted an induction program for newly appointed Directors. The induction program aims at communicating to the newly appointed directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors.

DIRECTORS' TRAINING

The Company has adopted educational/training programs to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.

In addition to the Mandatory Accreditation Program, Board members are also encouraged to attend training programs conducted by highly competent professionals that are relevant to the Company's operations and businesses. All Directors have successfully completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia. The Directors will continue to attend other relevant training programmes to keep abreast with developments on a continuous basis in compliance with the MMLR. Trainings attended by the Directors during the year are as follows:

DIRECTOR	COURSE TITLE AND ORGANISER	DATE
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	• Talk on (Affin Holdings Berhad): I. Amendments to Companies Bill. II. GST Implications to Non-Executive Directors. III. Recovery and Resolution Planning. IV. Cybercriminals in the Financial Services Sector.	2 December 2014
	• Talk on "Nominating and Remuneration Committees – What Every Director Should Know" (Bursatra Sdn Bhd)	18 December 2014
Tan Sri Dato' Seri Lodin Wok Kamaruddin	• Financial Services Act & Islamic Financial Act 2013 (Affin Bank Berhad)	21 January 2014
	• FIDE Forum Dialogue with Governor – "Economic and Financial Services Sector: Trends and Challenges Moving Forward" (Financial Institutions Directors' Education (FIDE)).	24 March 2014
	• Affin Investment Conference Series 2014 – Look East Policy (Affin Investment Bank Berhad)	8 April 2014
	• High Level Roundtable on The Malaysian Code for Institutional Investors (Securities Commission and Minority Shareholder Watchdog Group)	27 June 2014
	• Talk on Corporate Governance (Affin Holdings Berhad): I. Anti-Money Laundering and Anti-Terrorism Financing Act 2001 II. Using Risk Management as a Catalyst for Performance III. Best Practices in Ensuring Boardroom Effectiveness & Accountability	18 August 2014
	• Business Leader Dialogue with the Prime Minister - "Partnerships in Nurturing Human Capital" (Securities Commission and Prime Minister's Office)	26 August 2014
	• Perdana Leadership Foundation CEO Forum 2014 (Perdana Leadership Foundation)	24 September 2014
	• Directors Breakfast Series with Beverly Behan on "Great Companies Deserves Great Boards" (Bursa Malaysia Securities Berhad)	10 October 2014
	• Nominating Committee Programme (ICLIF and Bursa Malaysia)	15 October 2014
	• Talk on (Affin Holdings Berhad): I. Amendments to Companies Bill. II. GST Implications to Non-Executive Directors. III. Recovery and Resolution Planning. IV. Cybercriminals in the Financial Services Sector.	2 December 2014

DIRECTOR	COURSE TITLE AND ORGANISER	DATE
Dato' Mohzani Abdul Wahab	• Advocacy sessions on Corporate Disclosure for Directors (Bursa Malaysia)	3 September 2014
Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.	• 3rd Annual National Procurement & Integrity Forum for Public and Private Sectors 2014 (Malaysian Institute of Corporate Governance) • Annual Asean Corporate Governance Summit 2014 (Malaysian Institute of Corporate Governance) • National Seminar on Anti-Money Laundering and Anti-Terrorism Financing 2014 (Malaysian Institute of Corporate Governance)	16 January 2014 1-2 October 2014 24 November 2014
Dr. Raja Abdul Malek Raja Jallaludin	• Audit Committee Workshop Series 1 & 2: The Functions of the Audit Committee (Malaysian Institute of Accountants) • Audit Committee Workshop Series 3 & 4: The Functions of the Audit Committee (Malaysian Institute of Accountants) • Seminar on Corporate Governance Management and Best Practices – Audit Committees – Increased Expectations (Bursatra Sdn Bhd)	17 July 2014 7 August 2014 22 December 2014
Datuk Zakaria Sharif	• Audit Committee Workshop Series 1 & 2: The Functions of the Audit Committee (Malaysian Institute of Accountants) • Audit Committee Workshop Series 3 & 4: The Functions of the Audit Committee (Malaysian Institute of Accountants) • Mandatory Accreditation Programme for Directors of Public Listed Companies (Bursatra Sdn Bhd) • Advocacy sessions on Corporate Disclosure for Directors (Bursa Malaysia) • Annual Asean Corporate Governance Summit 2014 (Malaysian Institute of Corporate Governance) • Talk on (Affin Holdings Berhad): I. Amendments to Companies Bill. II. GST Implications to Non-Executive Directors. III. Recovery and Resolution Planning. IV. Cybercriminals in the Financial Services Sector.	17 July 2014 7 August 2014 27-28 August 2014 3 September 2014 1-2 October 2014 2 December 2014

DIRECTORS' REMUNERATION

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal. The level of remuneration for the Chief Executive Officer is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies. A formal review of the Directors' remuneration is undertaken no less frequently than once every three years.

The details on the aggregate remuneration of Directors for the financial year ended 31 December 2014 are as follows:

	Non-Executive Directors RM'000
Directors' fees	506
Meeting allowances	38
Total	544

Remuneration payable to Directors for financial year ended 31 December 2014 analysed into bands of RM50,000, which complies with the disclosure requirements under the MMLR is as follows:

	Non-Executive Directors Number
Up to RM50,000	2
From RM50,001 to RM100,000	4
From RM100,001 to RM150,000	2

ACCOUNTABILITY AND AUDIT

The Audit Committee reviews the integrity of the financial reporting and oversees the independence of external auditors.

Transparency and Financial Reporting

In presenting the annual financial statements and quarterly announcements of results to the shareholders, the Board aims to present a balanced and understandable assessment of the Group's position and prospects. Before the financial statements were drawn up, the Directors have taken the necessary steps to ensure all the applicable accounting policies are applied consistently, and that the policies are supported by reasonable and prudent judgement and estimates. All accounting standards, which the Board considers to be applicable, have been followed. The role of the Audit Committee in the review and reporting of the financial information of the Group is outlined in the Audit Committee Report in the annual report.

Related Party Transactions

Directors recognise that they have to declare their respective interests in transactions with the Company and the Group, and abstain from deliberation and voting on the relevant resolution in respect of such transactions at the Board or at any general meetings convened to consider the matter. All related party transactions are reviewed as part of the annual internal audit plan, and the Audit Committee reviews any related party transactions and conflict of interest situation that may arise within the Group including any transactions, procedure or course of conduct that causes questions of management integrity to arise. Details of related party transactions are set out in Note 30 to the annual financial statements.

Internal Control

The Board acknowledges its responsibilities for the Group's systems of internal control covering not only financial controls but also operational controls, compliance controls and risk management.

The information on the Group's internal control is presented in the Statement on Risk Management and Internal Control in the annual report.

Relationship with External Auditors

The Board has established transparent and appropriate relationship with the external auditors through the Audit Committee. The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report in the annual report.

RECOGNISE AND MANAGE RISKS

Sound framework to manage material business risks

The Company has established policies and framework for the oversight and management of material business risks and has adopted a formal Risk Management Policy. As required by the Board, the Management has devised and implemented appropriate risk management systems and reports to the Board and Senior Management. Management is charged with monitoring the effectiveness of risk management systems and is required to report to the Board via the Risk Management Committee. The Board has received, and will continue to receive periodic reports through the Risk Management Committee, summarising the results of risk management issues and initiatives undertaken during the year.

Internal audit function

The Group has an internal audit function that is independent of the Company activities and operations. The Head of Internal Audit reports directly to the Audit Committee who reviews and approves the internal audit department's annual audit plan, financial budget and human resource requirements to ensure that the department is adequately resourced with competent and proficient internal auditors.

Further details of the activities of the internal audit function are set out in the Statement of Risk Management and Internal Control of this annual report.

TIMELY DISCLOSURE AND INVESTOR RELATIONSHIP

The Company is fully committed to maintain a high standard for the dissemination of relevant and material information on the development of the Group. The Company also places strong emphasis on the importance of timely and equitable dissemination of information to shareholders. The Company uses a number of formal channels for effective dissemination of information to the shareholders and stakeholders particularly through the annual report, announcements to Bursa Malaysia, media releases, quarterly results, analyst briefings, company websites and investor relations.

The annual report has comprehensive information pertaining to the Company, while various disclosures on quarterly and annual results provide investors with financial information. Material information will be disseminated broadly and publicly via Bursa Malaysia. Interested parties may also obtain the full financial results and the Company's announcements from the Group's website at http://www.bousteadplantations.com.my.

The Group's investor relation activities are aimed at developing and maintaining a positive relationship with all the stakeholders through active two-way communication, and to promote and demonstrate a high standard of integrity and transparency through timely, accurate and full disclosure and to enhance the stakeholders' understanding of the Group, its core businesses and operations, thereby enabling investors to make informed decisions in valuing the Company's shares.

EFFECTIVE COMMUNICATION AND ENGAGEMENT WITH SHAREHOLDERS

The Company is of the view that the Annual General Meeting and other general meetings are important opportunities for meeting investors and addressing their concerns. The Board, Senior Management and external auditors attend all such meetings. Registered shareholders are invited to attend and participate actively in such meetings, including clarifying and questioning the Group's strategic direction, business operations, performance and proposed resolutions.

Each shareholder can vote in person or by appointing a proxy to attend and vote on his/her behalf. Separate issues are tabled in separate resolutions at general meetings, voting is carried out systematically and resolutions are properly recorded.

This statement is made in accordance with a resolution of the Board of Directors dated 25 February 2015.

directors' responsibility statement

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

In preparing these financial statements, the Directors have:

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

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act,1965.

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

This statement is made in accordance with a resolution of the Board of Directors dated 25 February 2015.

statement on risk management and internal control

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets and for reviewing the adequacy and integrity of the system; including for Associates and Joint Operation.

Notwithstanding, due to the limitations that are inherent in any system of internal control, the Group's internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Except for insurable risks where insurance covers are purchased, other significant risks faced by the Group are reported to Board, and managed by the respective Boards within the Group. The internal control system of the Group is supported by an appropriate organisation structure with clear reporting lines, defined lines of responsibilities and authorities from respective operating units up to the Board level.

RISK MANAGEMENT

Risk management is regarded by the Board as an important aspect of the Group's operations with the objective of maintaining a sound internal control system and to ensure proper management of the risks that may impede the achievement of the Group's goals and objectives. The Group has established the appropriate risk management infrastructure to ensure that the Group's assets are well-protected and shareholders' value enhanced.

The risk management process includes identifying principal business risks in critical areas, assessing the likelihood and impact of material exposures and determining its corresponding risk mitigation and treatment measures. These ongoing processes are co-ordinated by the Group Risk Management of Boustead Holdings Berhad (the Immediate Holding Company of Boustead Plantations Berhad) in conjunction with the business heads within the Group.

The Management is entrusted with the responsibility of implementing and maintaining the enterprise risk management framework to achieve the following objectives:

- communicate the vision, role, direction and priorities to all employees and key stakeholders;
- identify, assess, treat, report and monitor significant risks in an effective manner;
- enable systematic risk review and reporting on key risks, existing control measures and any proposed action plans and;
- create a risk-aware culture and building the necessary knowledge for risk management at every level of Management.

The enterprise risk management framework encompasses the following key elements:

- adoption of a structured and systematic risk assessment, monitoring and reporting framework as well as clearly defining the risk responsibilities and the escalation process;
- heightened risk awareness culture in the business processes through risk owners' accountability and sign-off for action plans and continuous monitoring;
- fostered a culture of continuous improvement in risk management through risk review meetings; and
- provided a system to manage the central accumulation of risk profiles data with risk significance rating for the profiles as a tool for prioritising risk action plans.

Amidst delivering growth for its stakeholders, the Group will continue its focus on sound risk assessment practices and internal controls to ensure that the Group is well equipped to manage the various challenges arising from the dynamic business and competitive environment.

KEY ELEMENTS OF INTERNAL CONTROL

Internal controls are embedded in the Group's operations as follows:

- Clear organisation structure with defined reporting lines.
- Defined level of authorities and lines of responsibilities from operating units up to the Board level to ensure accountabilities for risk management and control activities.
- Group Risk Management department of Boustead Holdings Berhad assists in reviewing and recommending the risk management policies, strategies, major risks review and risk mitigation actions for the Group as well as reporting to the Audit Committee and Board on periodic basis.
- Training and development programmes are established to ensure that staff are kept up to date with the necessary competencies to carry out their responsibilities towards achieving the Group's objectives.
- Code of ethics for the Board and all employees to ensure high standards of conduct and ethical values in all business practices.
- Whistle blowing policy to provide an avenue for employees to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines in a safe and confidential manner.
- Regular Board and Management meetings to assess the Group's performance and controls.
- Group Internal Audit function assists in providing assurance of the effectiveness of the system of internal control within the Group. Regular internal audit visits to review the effectiveness of the control procedures and ensure accurate and timely financial management reporting. Internal audit efforts are directed towards areas with significant risks as identified by Management, and the risk management process is being audited to provide assurance on the management of risks.
- Review of internal audit reports and follow-up on findings by Management Audit Committee. The internal audit reports are deliberated by the Audit Committee, and are subsequently presented to the Board on a quarterly basis or earlier, as appropriate.
- Review and award of major contracts by Tender Committee. A minimum of three quotations is called for and tenders are awarded based on criteria such as quality, track record and speed of delivery. The Tender Committee ensures transparency in the award of contracts.

- Clearly documented standard operating procedure manuals set out the policies and procedures for day to day operations. Regular reviews are performed to ensure that documentation remains current and relevant.

- Consolidated monthly management accounts and quarterly forecast performance which allow Management to focus on areas of concern.

- Regular visits to operating units by Plantation Advisors, Visiting Engineers and Estates Agents, with the emphasis on the monitoring and control of expenditure at operating units, agronomic practices and ad-hoc investigations.

- Strategic planning, target setting and detailed budgeting process for each operating unit which are approved both at the operating level and by the Board.

- Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary.

- Regular visits to the operating units by members of the Board and Senior Management.

MONITORING AND REVIEW OF THE ADEQUACY AND INTEGRITY OF THE SYSTEM OF INTERNAL CONTROL

The processes adopted to monitor and review the adequacy and integrity of the system of internal control include:

- Periodic confirmation by the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and/or Risk Officer on the effectiveness of the system of internal control, highlighting any weaknesses and changes in risk profile.

- Periodic examination of business processes and the state of internal control by the internal audit function. Reports on the reviews carried out by the internal audit function are submitted on a regular basis to the Management Audit Committee and Audit Committee.

The monitoring, review and reporting arrangements provide reasonable assurance that the structure of controls and its operations are appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangements, however, do not eliminate the possibility of human error, deliberate circumvention of control procedures by employees and others, or the occurrence of unforeseeable circumstances. The Board believes that the development of the system of internal controls is an on-going process and has taken proactive steps throughout the year to improve its internal controls system and will continue to undertake such steps. The Board is of the view that the system of internal control in place for the year under review is sound and sufficient to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

WEAKNESSES IN INTERNAL CONTROL THAT RESULT IN MATERIAL LOSSES

There were no material losses incurred during the financial year under review as a result of weaknesses in internal control. Management continues to take measures to strengthen the control environment.

This statement is made in accordance with a resolution of the Board of Directors dated 25 February 2015.

financial **statements**

directors' report

The Directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, which also operates oil palm plantations. The principal activities of the Subsidiaries and Associates are disclosed on pages 134 and 135. There have been no significant changes in the nature of the principal activities of the Group and the Company during the financial year under review.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Shareholders of the Company	57,158	171,381
Non-controlling interests	(4,740)	–
	52,418	171,381

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

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

DIVIDENDS

During the financial year under review, the Company paid an interim single tier dividend of 72.28 sen per share totalling RM90.0 million in respect of the financial year ended 31 December 2013 as declared in the Directors' report of that year.

The Directors have declared the following single tier dividends in respect of the financial year ended 31 December 2014:

	Net dividend		
	Sen per share	RM Million	Payment date
First interim dividend	2	32	24 September 2014
Second interim dividend	2	32	24 December 2014
Third interim dividend	2	32	30 March 2015
	6	96	

DIRECTORS

The Directors of the Company in office since the date of the last report are:

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	
Tan Sri Dato' Seri Lodin Wok Kamaruddin	
Dato' Mohzani Abdul Wahab	
Dr. Raja Abdul Malek Raja Jallaludin	
Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.	(appointed on 10 April 2014)
Datuk Zakaria Sharif	(appointed on 15 April 2014)
Yu Choong Cheong	(resigned on 3 April 2014)
Izzat Othman	(resigned on 15 April 2014)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors, or the fixed salary of a full-time employee of the Company or its related corporations as shown in Note 5 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial interest.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares of the Company and its related corporations were as follows:

	At 1.1.2014	Acquired	Sold	At 31.12.2014
Ordinary shares of RM0.50 each				
Boustead Plantations Berhad				
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	-	1,560,000	-	1,560,000
Tan Sri Dato' Seri Lodin Wok Kamaruddin	-	31,381,600	-	31,381,600
Dato' Mohzani Abdul Wahab	-	200,000	-	200,000
Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.	-	200,000	200,000	-
Dr. Raja Abdul Malek Raja Jallaludin	-	200,000	-	200,000
Datuk Zakaria Sharif	-	203,000	-	203,000

DIRECTORS' INTERESTS (CONT'D.)

	At 1.1.2014	Acquired	Sold	At 31.12.2014
Ordinary shares of RM0.50 each				
Boustead Holdings Berhad				
Tan Sri Dato' Seri Lodin Wok Kamaruddin	28,192,758	-	-	28,192,758
Pharmaniaga Berhad				
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	220,000	-	-	220,000
Tan Sri Dato' Seri Lodin Wok Kamaruddin	12,500,148	-	-	12,500,148
Ordinary shares of RM1.00 each				
Boustead Heavy Industries Corporation Berhad				
Tan Sri Dato' Seri Lodin Wok Kamaruddin	2,000,000	-	-	2,000,000
Datuk Zakaria Sharif	400	-	-	400
Boustead Petroleum Sdn Bhd				
Tan Sri Dato' Seri Lodin Wok Kamaruddin	5,916,465	-	-	5,916,465
Affin Holdings Berhad				
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	91,708	27,512	-	119,220
Tan Sri Dato' Seri Lodin Wok Kamaruddin	808,714	242,614	-	1,051,328

ISSUE OF SHARES

(a) During the current financial year, the authorised share capital of the Company was increased from 2,000,000,000 ordinary shares of RM1 each to 4,000,000,000 ordinary shares of RM0.50 each via the subdivision of every 1 ordinary share of RM1 each into 2 ordinary shares of RM0.50 each on 7 April 2014.

(b) The movements to the issued and paid up share capital of the Company are as follows:

  (i) Subdivision of 124,521,383 ordinary shares of RM1 each into 249,042,766 ordinary shares of RM0.50 each on 7 April 2014;

  (ii) Increase from 249,042,766 ordinary shares of RM0.50 each to 1,020,000,000 ordinary shares of RM0.50 each via bonus issue of 770,957,234 ordinary shares of RM0.50 each on 7 April 2014. The bonus issue was effected by way of capitalisation of the Company's retained earnings and share premium of RM208,040,000 and RM177,439,000 respectively; and

  (iii) Increase from 1,020,000,000 ordinary shares of RM0.50 each to 1,600,000,000 ordinary shares of RM0.50 each by way of issuance and allotment of 580,000,000 ordinary shares of RM0.50 each at RM1.60 per ordinary share on 26 June 2014.

OTHER STATUTORY INFORMATION

(a) Before the income statements and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

  (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

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

(e) In the interval between the end of the financial year and at the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen that secures the liabilities of any other person; or

  (ii) any contingent liability in respect of the Group or of the Company which has arisen.

(f) In the opinion of the Directors:

  (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

directors' **report**

SIGNIFICANT EVENTS

Details of significant events are disclosed in Notes 28 and 33 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors

GEN. TAN SRI DATO' MOHD GHAZALI HJ. CHE MAT (R)

TAN SRI DATO' SERI LODIN WOK KAMARUDDIN

Kuala Lumpur
25 February 2015

statement by directors **and statutory declaration**

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

We, Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R) and Tan Sri Dato' Seri Lodin Wok Kamaruddin, being two of the Directors of Boustead Plantations Berhad, do hereby state that, in our opinion, the accompanying financial statements set out on pages 60 to 135 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 December 2014 and of their financial performance and cash flows for the year ended on that date.

In the opinion of the Directors, the information set out in Note 39 has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors

GEN. TAN SRI DATO' MOHD GHAZALI HJ. CHE MAT (R)

TAN SRI DATO' SERI LODIN WOK KAMARUDDIN

Kuala Lumpur
25 February 2015

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

I, Chin Sup Chien, being the officer primarily responsible for the financial management of Boustead Plantations Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 60 to 135 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 in Kuala Lumpur on 25 February 2015

Before me

ZAINALABIDIN BIN NAN
Commissioner for Oaths
Kuala Lumpur

CHIN SUP CHIEN

independent **auditors' report**

to the members of Boustead Plantations Berhad (incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Boustead Plantations Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the income statements, 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 information, as set out on pages 60 to 132 and pages 134 to 135.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the 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 December 2014 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 subsidiaries have been properly kept in accordance with the provisions of the Act.

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

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 39 on page 133 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1. Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

ERNST & YOUNG
AF: 0039
Chartered Accountants

TAN SHIUM JYE
No. 2991/05/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
25 February 2015

income **statements**

for the year ended 31 december 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Revenue	4	**717,321**	770,280	**98,597**	188,294
Operating cost	5	**(588,698)**	(627,265)	**(44,675)**	(69,839)
Results from operations		**128,623**	143,015	**53,922**	118,455
Gain on disposal of plantation land	6	**-**	92,834	**-**	92,834
Interest income	7	**11,301**	15,045	**36,120**	37,497
Other income	8	**-**	35	**34,832**	35
Finance cost	9	**(53,875)**	(33,727)	**(47,160)**	(33,397)
Share of results of Associates		**3,734**	5,235	**-**	-
Fair value gain on cancellation of units held in Al-Hadharah Boustead REIT (BREIT)	16(a)	**-**	-	**108,182**	-
Fair value gain on deemed disposal of available-for-sale investment securities	28(b)	**-**	136,796	**-**	-
Gain on disposal of Subsidiary	28(d)	**-**	25	**-**	-
Profit before taxation		**89,783**	359,258	**185,896**	215,424
Income tax expense	10	**(37,365)**	(27,905)	**(14,515)**	(20,931)
Profit for the year		**52,418**	331,353	**171,381**	194,493
Attributable to:					
Shareholders of the Company		**57,158**	333,164	**171,381**	194,493
Non-controlling interests		**(4,740)**	(1,811)	**-**	-
Profit for the year		**52,418**	331,353	**171,381**	194,493
Earnings per share					
Basic and diluted (sen)	11	**4.3**	32.7		

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

statements of **comprehensive income**

for the year ended 31 december 2014

	Note	Group		Company	
		2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Profit for the year		**52,418**	331,353	**171,381**	194,493
Other comprehensive loss:					
Net changes on fair value of available-for-sale investment securities		**-**	(133,469)	**-**	(133,469)
Fair value gain on cancellation of units held in BREIT	16(a)	**-**	-	**(108,182)**	-
Fair value gain on deemed disposal of available-for-sale investment securities	28(b)	**-**	(136,796)	**-**	-
Share of exchange fluctuation of Associates		**(489)**	-	**-**	-
Total comprehensive income for the year		**51,929**	61,088	**63,199**	61,024
Attributable to:					
Shareholders of the Company		**56,669**	62,899	**63,199**	61,024
Non-controlling interests		**(4,740)**	(1,811)	**-**	-
Total comprehensive income for the year		**51,929**	61,088	**63,199**	61,024

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

statements of financial position
as at 31 december 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	**1,408,760**	1,402,711	**829,619**	49,194
Biological assets	14	**1,261,223**	1,239,495	**508,164**	6,796
Prepaid land lease payments	15	**57,229**	59,263	**-**	-
Investment in Subsidiaries	16	**-**	-	**238,864**	720,119
Investment in Associates	17	**33,452**	32,207	**-**	-
Goodwill on consolidation	18	**2,785**	2,687	**-**	-
Deferred tax assets	19	**25,001**	32,466	**-**	-
Receivables	21	**-**	-	**102,548**	96,639
		2,788,450	2,768,829	**1,679,195**	872,748
Current assets					
Inventories	20	**32,676**	42,983	**32**	1,601
Receivables	21	**50,728**	414,868	**305,514**	675,817
Tax recoverable		**-**	53	**-**	-
Cash and bank balances	22	**430,884**	32,302	**426,555**	354
		514,288	490,206	**732,101**	677,772
Total assets		**3,302,738**	3,259,035	**2,411,296**	1,550,520
Equity and liabilities					
Equity attributable to shareholders of the Company					
Share capital	25	**800,000**	124,521	**800,000**	124,521
Non-distributable reserves	26	**622,077**	177,631	**622,344**	285,621
Retained profits	27	**872,805**	1,087,717	**249,829**	350,488
Shareholders' equity		**2,294,882**	1,389,869	**1,672,173**	760,630
Non-controlling interests		**53,579**	59,099	**-**	-
Total equity		**2,348,461**	1,448,968	**1,672,173**	760,630

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current liabilities					
Borrowings	23	**150,000**	240,000	**-**	-
Deferred tax liabilities	19	**18,530**	27,750	**1,056**	10,896
Payables	24	**4,766**	4,094	**3,576**	1,142
		173,296	271,844	**4,632**	12,038
Current liabilities					
Borrowings	23	**690,915**	737,355	**660,864**	42,068
Payables	24	**84,021**	710,864	**67,387**	643,420
Tax payable		**6,045**	-	**6,240**	2,360
Dividend payable		**-**	90,004	**-**	90,004
		780,981	1,538,223	**734,491**	777,852
Total liabilities		**954,277**	1,810,067	**739,123**	789,890
Total equity and liabilities		**3,302,738**	3,259,035	**2,411,296**	1,550,520

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

statements of changes in equity

for the year ended 31 december 2014

	Note	Share capital RM'000	Non-distributable reserves RM'000	Distributable Retained profits RM'000	Total equity attributable to shareholders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
Group							
At 1 January 2013		124,521	447,896	864,374	1,436,791	61,705	1,498,496
Total comprehensive income		-	(270,265)	333,164	62,899	(1,811)	61,088
Transactions with owner:							
Acquisition of Subsidiaries	28(c)	-	(19,817)	-	(19,817)	-	(19,817)
Disposal of Subsidiary	28(d)	-	-	-	-	(26)	(26)
Transfer to retained earnings		-	19,817	(19,817)	-	-	-
Dividends paid to non-controlling interests		-	-	-	-	(769)	(769)
Dividends	12	-	-	(90,004)	(90,004)	-	(90,004)
Total transactions with owner		-	-	(109,821)	(109,821)	(795)	(110,616)
At 31 December 2013		124,521	177,631	1,087,717	1,389,869	59,099	1,448,968
At 1 January 2014		**124,521**	**177,631**	**1,087,717**	**1,389,869**	**59,099**	**1,448,968**
Total comprehensive income		**-**	**(489)**	**57,158**	**56,669**	**(4,740)**	**51,929**
Transactions with owners:							
Issue of bonus shares	25	**385,479**	**(177,439)**	**(208,040)**	**-**	**-**	**-**
Public issue:							
- Issue of ordinary shares	25	**290,000**	**638,000**	**-**	**928,000**	**-**	**928,000**
- Share issuance and listing expenses		**-**	**(15,656)**	**-**	**(15,656)**	**-**	**(15,656)**
Capital redemption by Subsidiary		**-**	**30**	**(30)**	**-**	**-**	**-**
Dividends paid to non-controlling interests		**-**	**-**	**-**	**-**	**(780)**	**(780)**
Dividends	12	**-**	**-**	**(64,000)**	**(64,000)**	**-**	**(64,000)**
Total transactions with owners		**675,479**	**444,935**	**(272,070)**	**848,344**	**(780)**	**847,564**
At 31 December 2014		**800,000**	**622,077**	**872,805**	**2,294,882**	**53,579**	**2,348,461**

	Note	Share capital RM'000	<— Non-distributable —> Share premium RM'000	Fair value adjustment reserve RM'000	Distributable Retained profits RM'000	Total equity RM'000
Company						
At 1 January 2013		124,521	177,439	241,651	245,999	789,610
Total comprehensive income		-	-	(133,469)	194,493	61,024
Transactions with owner:						
Dividends	12	-	-	-	(90,004)	(90,004)
At 31 December 2013		124,521	177,439	108,182	350,488	760,630
At 1 January 2014		**124,521**	**177,439**	**108,182**	**350,488**	**760,630**
Total comprehensive income		**-**	**-**	**(108,182)**	**171,381**	**63,199**
Transactions with owners:						
Issue of bonus shares	25	**385,479**	**(177,439)**	**-**	**(208,040)**	**-**
Public issue:						
- Issue of ordinary shares	25	**290,000**	**638,000**	**-**	**-**	**928,000**
- Share issuance and listing expenses		**-**	**(15,656)**	**-**	**-**	**(15,656)**
Dividends	12	**-**	**-**	**-**	**(64,000)**	**(64,000)**
At 31 December 2014		**800,000**	**622,344**	**-**	**249,829**	**1,672,173**

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

statements of **cash flows**

for the year ended 31 december 2014

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Cash flows from operating activities				
Cash receipts from customers	**716,757**	698,139	**76,430**	60,841
Cash paid to suppliers and employees	**(540,128)**	(642,263)	**(22,890)**	(71,426)
Cash generated from/(used in) operations	**176,629**	55,876	**53,540**	(10,585)
Taxation paid	**(33,023)**	(15,896)	**(20,474)**	(7,821)
Net cash generated from/(used in) operating activities	**143,606**	39,980	**33,066**	(18,406)
Cash flows from investing activities				
Proceeds from transfer of assets and liabilities to Subsidiary (Note 28 (a))	**-**	-	**33,026**	-
Purchase of property, plant and equipment	**(45,441)**	(165,605)	**(606)**	(2,909)
Purchase of biological assets	**(22,538)**	(82,708)	**-**	-
Purchase of prepaid land lease payments	**-**	(1,766)	**-**	-
Proceeds from disposal of property, plant and equipment and biological assets	**3,381**	107,446	**1,473**	107,379
Proceeds from disposal of assets held for sale	**-**	5,346	**-**	-
Acquisition of BREIT (Note 28(b))	**(611,079)**	21,504	**(643,321)**	-
Acquisition of Subsidiaries (Note 28(c))	**-**	(17,572)	**-**	(21,600)
Disposal of Subsidiary (Note 28(d))	**-**	(13)	**-**	51
Proceeds from disposal of Associates	**-**	-	**-**	3,330
Dividends received	**2,000**	31,912	**104,715**	64,011
Interest received	**11,301**	14,980	**35,804**	17,324
Net cash (used in)/generated from investing activities	**(662,376)**	(86,476)	**(468,909)**	167,586

	Group		Company	
	2014 **RM'000**	**2013** **RM'000**	**2014** **RM'000**	**2013** **RM'000**
Cash flows from financing activities				
Dividends paid	**(64,000)**	-	**(64,000)**	-
Increase/(decrease) in revolving credits	**402,000**	(60,391)	**515,000**	(65,000)
(Repayment)/drawdown of term loans	**(540,000)**	137,500	**(90,000)**	(12,500)
Advance/repayment from Immediate Holding Company	**650,000**	7,564	**650,000**	8,963
Repayment to Immediate Holding Company	**(390,000)**	-	**(390,000)**	-
Movement in related companies balances, net	**8,601**	21,975	**1,834**	6,975
Movement in Subsidiaries balances, net	-	-	**(621,113)**	(54,363)
Proceeds from issue of shares, net of share issuance and listing expenses	**906,954**	-	**906,954**	-
Interest paid	**(54,969)**	(33,043)	**(47,633)**	(32,794)
Net cash generated from/(used in) financing activities	**918,586**	73,605	**861,042**	(148,719)
Net increase in cash and cash equivalents	**399,816**	27,109	**425,199**	461
Cash and cash equivalents at beginning of year	**29,603**	2,494	**(58)**	(519)
Cash and cash equivalents at end of year	**429,419**	29,603	**425,141**	(58)
Cash and cash equivalents at end of year				
Cash and bank balances (Note 22)	**430,884**	32,302	**426,555**	354
Bank overdrafts (Note 23)	**(1,465)**	(2,699)	**(1,414)**	(412)
	429,419	29,603	**425,141**	(58)

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

notes to the financial statements

31 december 2014

1. CORPORATE INFORMATION

The Company is an investment holding company, which also operates oil palm plantations. The principal activities of the Subsidiaries and Associates are disclosed on pages 134 and 135.

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 28th Floor Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur.

The Immediate Holding Company is Boustead Holdings Berhad ("BHB"), a public limited liability company. BHB is incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The Ultimate Holding corporation is Lembaga Tabung Angkatan Tentera ("LTAT"), a local statutory body established by the Tabung Angkatan Tentera Act, 1973. The Group is a Government related-entity by virtue of its relationship with LTAT.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 February 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention except as disclosed in the accounting policies below and comply with 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 the revised FRS, Amendments to FRS and Amendments to IC Interpretation as described fully in Note 2.2.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise stated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group and the Company adopted for the first time the following new and amended FRS:

Effective for annual period beginning on or after 1 January 2014

Amendments to FRS 10	Investment Entities
Amendments to FRS 12	Disclosures on Interests in Other Entities
Amendments to FRS 127	Separate Financial Statements – Investing Entities
Amendments to FRS 132	Financial Instruments Presentation Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Financial Instruments Recognition and Measurement: Novation of Derivatives and Continuation of Hedge Accounting

Adoption of the above new or amended standards did not have any effect on the financial performance or the position of the Group and of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards Issued But Not Yet Effective

The Group has not early adopted the following new and amended FRSs that are issued but not yet effective:

Effective for annual period beginning on or after 1 July 2014

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

Effective for annual period beginning on or after 1 January 2016

Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associates of Joint Venture
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
FRS 14	Regulatory Deferral Accounts
Amendments to FRS 101	Presentation of Financial Statements – Disclosure Initiative
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to FRS 127	Equity Method in Separate Financial Statements
Annual Amendments to FRSs 2010 – 2012 Cycle	
Annual Improvements 2012 -2014 Cycle	

Effective for annual period beginning on or after 1 January 2018

FRS 9	Financial Instruments
Amendments to FRS 7	Financial Instruments Disclosures – Mandatory Effective Date of FRS 9 and Transition Disclosures

Amendments to FRS 10 and FRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards Issued But Not Yet Effective (cont'd.)

Amendments to FRS 127 - Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. The amendments are to be applied retrospectively from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

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 MFRS 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 financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

2.4 Malaysian Financial Reporting Standards

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 effective for annual periods beginning on or after 1 January 2012 for all entities except for entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate ("IC 15"), including its parent, significant investor and venturer (herein called Transitioning Entities). Adoption of the MFRS framework by Transitioning Entities will only be mandatory for annual periods beginning on or after 1 January 2017.

The Group falls under the scope definition of Transitioning Entities and has opted to adopt MFRS for annual periods beginning on 1 January 2017. When the Group presents its first MFRS financial statements in 1 January 2017, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made retrospectively against opening retained profits.

Under the FRS framework, the Group's accounting policy for biological assets are as disclosed in Note 2.5(e). 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) using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of MFRS 141 and are measured at fair value less costs to sell.

At the date of these financial statements, the Group has not completed its quantification of the financial effects on the financial statements of the differences arising from the change from FRS to MFRS. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the financial years ended 31 December 2013 and 31 December 2014 could be different if prepared under the MFRS Framework.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements of the Group comprise the Company and its Subsidiaries. The Group's interests in Associates are equity accounted.

The financial statements of the Subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The Group controls an investee if and only if the Group has 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.

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

(i) The size of the Group'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 Group, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Group 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.

Subsidiaries are consolidated when the Group obtains control over the Subsidiary and ceases when the Group loses control of the Subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Business combinations

Acquisitions of Subsidiaries are accounted for using the acquisition method of accounting except for the business combination with Boustead Estates Agency Sdn Bhd, which was accounted for under the pooling of interest method as the acquisition arose from an internal group restructuring. Under the acquisition method, the identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date.

Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition. The accounting policy for goodwill is set out in Note 2.5(r). Discount on acquisition which represents negative goodwill is recognised immediately as income in profit or loss.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(a) Basis of consolidation (cont'd.)

Non-controlling interest

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at the acquisition date either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Non-controlling interests represent the equity in Subsidiaries not attributable, directly or indirectly, to the owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from shareholders' equity. Losses of a Subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Change in ownership interest of Subsidiaries

Changes in the Group's equity interest in a Subsidiary that do not result in the Group losing control over the Subsidiary is 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 respective 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 shareholders' equity.

If the Group loses control over a Subsidiary, at the date the Group loses control, it:
- Derecognises the assets (including goodwill) and liabilities of the Subsidiary at their respective carrying amounts.
- Derecognises the carrying amount of any non-controlling interest.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration or distribution received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

The fair value of any investment retained in the former Subsidiary at the date control is lost, is regarded as the cost on initial recognition of the investment.

Business combinations under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any differences between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

The Group has elected no restatement of financial information in the consolidated financial statements for the periods prior to the combination of entities under common control.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(a) Basis of consolidation (cont'd.)

Investment in Subsidiaries - separate financial statements

In the Company's separate financial statements, investments in Subsidiaries are accounted for at cost less any impairment charges. Dividends received from Subsidiaries are recorded as a component of revenue in the Company's separate income statement.

When the Group obtained control over investment securities, previously classified as available-for-sale financial asset, the investment is transferred to investment in Subsidiaries and carried at the fair value of the investment at the date when control was obtained.

The accumulated fair value adjustment reserve is reclassified to profit or loss only on disposal or when there is impairment to the said investment.

(b) Associates

An Associates is defined as a company, not being a Subsidiary or an interest in 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 not in control or joint control over those policies. Details of Associates are as disclosed in page 135.

On acquisition of an investment in Associates, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of 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.

Under the equity method, investment in Associates is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the Associates, less distribution received and any impairment in value of individual investments. Any change in other comprehensive income (OCI) of these investees is presented as part of the Group's OCI.

The consolidated statement of comprehensive income reflects the share of the Associates' results after tax. Where there has been a change recognised directly in the equity of Associates, the Group recognises its share of such change. Unrealised gains or losses on transactions between the Group and its Associates are eliminated to the extent of the Group's interest in the Associates. When the Group's share of losses exceeds its interest in an Associates, the Group does not recognise further losses except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the Associates.

The most recent available 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 those of the Group, the share of results is arrived at using the last audited financial statements available and management financial statements to the end of the accounting period. Where necessary, adjustments are made to the financial statements of the Associates to ensure consistency of the accounting policies used with those of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(b) Associates (cont'd.)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on its investment in Associate. The Group determines at each reporting date whether there is any objective evidence that the investment in Associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the Associate and its carrying value. Impairment loss is recognised in profit or loss.

An Associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence. Upon loss of significant influence over the Associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the Associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(c) Investment in joint operation

A joint operation is a joint arrangement whereby the parties that have the joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the FRS applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the joint operation.

(d) Property, plant and equipment and depreciation

All property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

Freehold land is not amortised. Capital work-in-progress are also not depreciated as these assets are not available for use. Leasehold land classified as finance lease is amortised over the period of the leases ranging from 60 to 999 years (2013: 60 to 999 years). All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis to write off the cost of the assets to their residual values, over the term of their estimated useful lives as follows:

Buildings	5 - 30 years
Plant and machinery	5 - 30 years
Furniture and equipment	2 - 15 years
Motor vehicles	3 - 7 years

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

The residual values, useful life and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(e) Biological assets

The expenditure on new planting and replanting of a different produce crop incurred up to the time of maturity is capitalised. Depreciation charges and external borrowing costs related to the development of new plantations are included as part of the capitalisation of immature planting costs. Replanting expenditure incurred in respect of the same crop is charged to profit or loss in the year in which it is incurred. Plantation development expenditure is not amortised.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value, cost being determined on the weighted average basis. Cost includes all incidentals incurred in bringing the inventories into store; and in the case of produce stocks, includes harvesting, manufacturing and transport charges, where applicable. Net realisable value represents the estimated selling price less all estimated costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(g) Currency conversion

The Group's consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All transactions are recorded in RM. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its Subsidiaries and recorded on initial recognition in the functional currencies 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 end of the reporting period.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency 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 end of the reporting period 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 exchange currency reserve in equity. The foreign exchange currency reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(h) Cash and cash equivalents

For purposes of the statements of cash flows, cash and cash equivalents comprise cash and bank balances, demand deposits and overdrafts which are subject to an insignificant risk of changes in value.

(i) Research and development

The Group's research and development is undertaken through an Associate, whereby contribution towards such activity is recognised as an expense as and when incurred.

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue from sales is recognised upon delivery of plantation produce.

Dividends from Subsidiaries, Associates and investment securities are recognised in profit or loss when the right to receive payment is established. Interest income is recognised as it accrues at effective interest unless collection is doubtful.

Sales and other revenue earned from intra-group companies are eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(k) Provisions

Provisions are recognised when the Group and the Company have present obligations as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amounts of the obligations.

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. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(l) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and 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.

(m) Borrowing costs

Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset.

Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

(n) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax, and is recognised in the profit or loss. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(n) Income tax (cont'd.)

In principle, deferred tax liabilities are recognised for all taxable temporary differences and 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.

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 related to the same taxable entity and the same taxation authority.

(o) Employee benefits

Short term benefits such as wages, salaries, 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 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.

As required by law, the Group and the Company make contributions to the Employees Provident Fund. The Group and the Company pay termination benefits in cases of termination of employment. Termination benefits are recognised as a liability and an expense when the Group and the Company has a detailed formal plan for the termination and is without realistic possibility of withdrawal.

The Group and the Company also pay retirement benefits to the estates workers and staff in Peninsular Malaysia in accordance with agreement between the Malayan Agricultural Producers Association ("MAPA") and the National Union of Plantation Workers ("NUPW") as well as between MAPA and All Malayan Estates Staff Union ("AMESU"). These gratuity benefits are calculated based on the specified rates for each completed year of service.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(p) 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.

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 estimates 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. Impairment loss on goodwill is not reversed in a subsequent period.

(q) Leases

(i) Finance lease

A lease is recognised as a finance lease if it transfers substantially to the Group and the Company all the risks and rewards incidental to ownership. Finance leases 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. Lease 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(q) Leases (cont'd.)

(ii) Operating lease

Leases of assets under which substantial risks and rewards incidental to ownership are retained by the lessor are classified as operating leases.

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.

The tenure of the Group's leasehold lands range from 30 to 90 years (2013: 30 to 90 years).

(r) Goodwill

After initial recognition, goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised, but instead, it is reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill allocated to the related cash-generating unit is monitored by management, usually at business segment level or statutory company level as the case may be. Where the recoverable amount of the cash-generating unit is less than its carrying amount, including goodwill, an impairment loss is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Gains and losses on the disposal of an entity include the carrying amount of the goodwill relating to the entity sold.

(s) 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.

At initial recognition, financial assets are recognised at fair value plus in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(s) Financial assets (cont'd.)

Financial assets are classified as loans and receivables.

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loan and receivables of the Group and the Company comprise receivables (excluding prepayments) and cash and bank balances.

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 12 months after the reporting date, are classified as non-current.

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 gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(t) 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.

To determine whether there is objective evidence that financial assets are impaired, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor 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 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.

The carrying amount of a 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(t) Impairment of financial assets (cont'd.)

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.

(u) 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 statements 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 other financial liabilities.

The Group and the Company's other financial liabilities include payables and borrowings.

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

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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.

(v) 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 in Malaysia. The Group's plantation business are segregated into three geographical segments. Performance of the segments is monitored by the respective segment's management team. Additional disclosures on the segment reporting is disclosed in Note 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(w) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows:

(i) Impairment of goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. This requires the estimation of value in use of the assets or cash-generating units ("CGU") to which the goodwill is allocated. Estimating the value in use requires management to make an estimate of the expected future cash flows from the asset or CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts. The carrying amount of goodwill as at 31 December 2014 was RM2,785,000 (2013: RM2,687,000).

(ii) Useful lives of property, plant and equipment

The Group and the Company estimate the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on management's evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the depreciation expenses and decrease the carrying amount on property, plant and equipment.

The cost of property, plant and equipment is depreciated on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 2 to 999 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group and the Company's property, plant and equipment at the reporting date is disclosed in Note 13.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

(iii) Impairment of biological assets and property, plant and equipment

The Group and the Company review the carrying amounts of the biological assets and property, plant and equipment as at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount or value in use is estimated. Determining the value in use of biological assets and property, plant and equipment requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, which thus require the Group and the Company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the Group and the Company's financial position and results of operations.

The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group and the Company believe that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts. The provision for impairment of property, plant and equipment and biological assets is disclosed in Notes 13 and 14.

(iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital and agricultural allowances and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, allowances and deductible temporary differences can be utilised. The recognition of deferred tax assets is based upon the likely timing and level of future taxable profits together with tax planning strategies. Deferred tax assets not recognised on unused tax losses, capital and agricultural allowances and deductible temporary differences of the Group was RM320,346,000 (2013: RM298,842,000).

(v) Litigation accruals

The Group and the Company are required to assess the likelihood of any adverse judgements or outcome as well as potential ranges of probable losses arising from court proceedings, lawsuits and other claims. A determination of the amount of accrual required, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new developments in each matter or changes in approach such as change in settlement strategy in dealing with these matters. The contingent liability arising from the on-going litigation claim against the Group and the Company are disclosed in Note 34.

(vi) Impairment of loans and receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and the Company's loans and receivables at the reporting date is disclosed in Note 21.

4. REVENUE

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Sales of plantation produce	**715,988**	682,569	**47,329**	61,170
Sales of motor vehicles	**-**	1,574	**-**	-
Revenue from plantations agency services	**1,333**	472	**-**	-
Revenue from conference, workshops and professional services	**-**	7	**-**	-
Gross dividends from unquoted Subsidiaries	**-**	-	**50,987**	29,651
Gross dividends from quoted investment securities	**-**	85,658	**-**	85,658
Distribution from Subsidiary	**-**	-	**281**	11,815
	717,321	770,280	**98,597**	188,294

5. OPERATING COST

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Changes in inventories of produce stocks	**3,331**	16,146	**(258)**	311
Finished goods purchases	**-**	756	**-**	-
Raw materials, consumables and other direct costs	**299,065**	273,791	**17,195**	20,082
Staff costs:				
- Wages, salaries and other employee benefits	**206,958**	189,508	**10,986**	15,231
- Defined contribution retirement plan	**8,304**	6,790	**692**	951
- Provision for retirement benefits	**385**	1,407	**(1,225)**	374
Depreciation (Note 13)	**39,206**	29,059	**6,524**	1,455
Research and development	**9,931**	10,843	**-**	4,949
Amortisation of prepaid land lease payments (Note 15)	**2,000**	1,889	**-**	-
Windfall tax	**809**	171	**217**	41
Other operating costs	**18,709**	96,905	**10,544**	26,445
	588,698	627,265	**44,675**	69,839

5. OPERATING COST (CONT'D.)

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Other operating costs include:				
Auditors' remuneration:				
- Current year	**499**	486	**127**	127
- Prior year	**(8)**	30	**-**	1
- Other services	**329**	833	**296**	833
Non-Executive Directors' fees				
- Current year	**544**	25	**537**	25
- Prior year	**131**	-	**131**	–
Unrealised loss on foreign exchange	**2,866**	2,813	**2,794**	2,794
Reversal of impairment loss on financial assets				
- Trade receivables (Note 21(a))	**-**	(303)	**-**	-
- Other receivables (Note 21(c))	**(201)**	(99)	**(177)**	(75)
Loss/(gain) on disposal of property, plant and equipment	**11**	11	**(1)**	(26)
Gain on compulsory land acquisitions	**(2,204)**	-	**(1,389)**	-
Biological assets written off (Note 14)	**-**	465	**-**	-
Provision for impairment of Subsidiaries	**-**	-	**-**	7,338
Lease rental payable to BREIT	**-**	68,482	**-**	15,078
Office rental	**1,234**	630	**-**	-

6. GAIN ON DISPOSAL OF PLANTATION LAND

On 19 November 2013, the Company entered into Sale and Purchase Agreements with Boustead Balau Sdn Bhd and UK Realty Sdn Bhd, both Subsidiaries of Immediate Holding Company for the disposal of 38.502 acres and 340.63 acres of Balau estate for cash consideration of RM10.901 million and RM96.446 million respectively. The disposals were completed on 12 December 2013.

7. INTEREST INCOME

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Interest income				
- Immediate Holding Company	**1,134**	14,512	**1,096**	13,946
- Subsidiaries	**-**	-	**24,954**	23,150
- Related company	**-**	325	**-**	267
- Financial institutions	**10,167**	208	**10,070**	134
	11,301	15,045	**36,120**	37,497

8. OTHER INCOME

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Rental income (Note 32 (b))	**-**	-	**34,832**	-
Net fair value gain on derivatives	**-**	35	**-**	35
	-	35	**34,832**	35

9. FINANCE COST

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Interest expense				
- Financial institutions	**42,377**	32,485	**12,390**	4,269
- Immediate Holding Company	**10,626**	-	**10,626**	-
- Subsidiaries	**-**	-	**23,114**	28,628
- Related companies	**-**	5	**-**	-
- Joint operation partner	**534**	500	**534**	500
Other finance costs	**496**	985	**496**	-
	54,033	33,975	**47,160**	33,397
Less:				
Capitalised to biological assets (Note 14)	**(158)**	(248)	**-**	-
	53,875	33,727	**47,160**	33,397

10. INCOME TAX EXPENSE

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Tax expense for the year:				
- Malaysian income tax	**39,907**	19,303	**25,303**	9,152
- Deferred tax (Note 19)	**(2,962)**	10,398	**(10,050)**	13,112
	36,945	29,701	**15,253**	22,264
Under/(over) provision of tax in prior years:				
- Malaysian income tax	**(787)**	(2,174)	**(948)**	(1,311)
- Deferred tax (Note 19)	**1,207**	378	**210**	(22)
	420	(1,796)	**(738)**	(1,333)
	37,365	27,905	**14,515**	20,931

Malaysian income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% from the current year's rate of 25%, effective from year of assessment 2016. The computation of deferred tax as at 31 December 2014 has reflected these changes.

10. INCOME TAX EXPENSE (CONT'D.)

Reconciliations of the taxation applicable to profit before taxation at the statutory rate to the income tax expense of the Group and the Company are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before taxation	**89,783**	359,258	**185,896**	215,424
Taxation at statutory tax rate of 25% (2013: 25%)	**22,446**	89,815	**46,474**	53,856
Effects of changes in tax rates on closing balance of deferred tax	**486**	-	**(44)**	-
Effects of share of results of Associates	**(934)**	(1,309)	**-**	-
Income not subject to tax	**(765)**	(58,903)	**(40,353)**	(31,831)
Expenses not deductible for tax purposes	**13,034**	5,054	**9,176**	1,476
Tax incentives	**(2,483)**	(2,715)	**-**	(1,237)
Deferred tax assets not recognised	**6,090**	96	**-**	-
Utilisation of previously unused tax losses and unabsorbed capital and agricultural allowances	**(929)**	(2,337)	**-**	-
Under/(over) provision in prior years	**420**	(1,796)	**(738)**	(1,333)
Income tax expense for the year	**37,365**	27,905	**14,515**	20,931

11. EARNINGS PER SHARE

Basic and diluted earnings per share of the Group is calculated by dividing the consolidated profit for the year attributable to shareholders of the Company of RM57,158,000 (2013: RM333,164,000) with the weighted average number of ordinary shares in issue during the year of 1,320,329,000 (2013: 1,020,000,000). The weighted average number of ordinary shares in issue for financial year ended 31 December 2013 is adjusted to include effects of share split and bonus issue as described in Notes 25(a) and 25(b).

12. DIVIDENDS

	Amount		Dividend per ordinary share	
	2014 RM'000	**2013 RM'000**	**2014 Sen**	**2013 Sen**
Dividends on ordinary shares in respect of financial year ended 31 December				
- First interim	**32,000**	90,004	**2**	72
- Second interim	**32,000**	-	**2**	-
	64,000	90,004	**4**	72

Subsequent to the end of the current financial year, the Directors declared a third interim dividend of 2 sen per share amounting to RM32.0 million in respect of the financial year ended 31 December 2014. The dividend which will be paid on 30 March 2015 will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Group							
2014							
Cost							
At 1 January	**651,343**	**419,424**	**243,545**	**192,078**	**62,984**	**37,973**	**1,607,347**
Additions	**-**	**8,995**	**12,437**	**10,471**	**2,250**	**11,288**	**45,441**
Disposals	**(58)**	**-**	**(243)**	**(1,749)**	**(3,139)**	**(715)**	**(5,904)**
Reclassification	**-**	**(6,717)**	**10,205**	**1,246**	**(52)**	**(4,682)**	**-**
At 31 December	**651,285**	**421,702**	**265,944**	**202,046**	**62,043**	**43,864**	**1,646,884**
Accumulated depreciation							
At 1 January	**-**	**6,717**	**46,547**	**83,722**	**40,582**	**27,068**	**204,636**
Charge for year (Note 5)	**-**	**5,487**	**13,442**	**13,538**	**5,986**	**753**	**39,206**
Disposals	**-**	**-**	**(243)**	**(1,707)**	**(3,082)**	**(686)**	**(5,718)**
At 31 December	**-**	**12,204**	**59,746**	**95,553**	**43,486**	**27,135**	**238,124**
Net carrying amount							
At 31 December	**651,285**	**409,498**	**206,198**	**106,493**	**18,557**	**16,729**	**1,408,760**

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

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Group							
2013							
Cost							
At 1 January	92,195	165,646	148,649	142,744	53,348	30,894	633,476
Additions	-	118,455	16,742	11,383	9,065	9,960	165,605
Acquisition of Subsidiaries (Note 28(c))	-	-	-	-	3,073	3,365	6,438
Acquisition of BREIT (Note 28(b))	573,916	137,312	79,394	28,030	-	-	818,652
Disposal of Subsidiary (Note 28(d))	-	-	-	-	-	(2)	(2)
Transfers from/(to) related companies	-	-	2,402	818	1,180	(318)	4,082
Disposals	(14,513)	-	(38)	(2,070)	(1,367)	(3)	(17,991)
Written off	-	-	(8)	(358)	(2,315)	(232)	(2,913)
Reclassification	(190)	(2,055)	(3,595)	11,531	-	(5,691)	-
At 31 December	651,408	419,358	243,546	192,078	62,984	37,973	1,607,347
Accumulated depreciation							
At 1 January	-	3,801	36,553	74,216	36,171	24,427	175,168
Charge for year (Note 5)	-	2,916	8,129	11,384	6,076	554	29,059
Acquisition of Subsidiaries (Note 28(c))	-	-	-	-	1,012	2,996	4,008
Transfers from/(to) related companies	-	-	1,911	466	999	(693)	2,683
Disposals	-	-	(38)	(1,987)	(1,367)	(3)	(3,395)
Written off	-	-	(8)	(357)	(2,309)	(213)	(2,887)
At 31 December	-	6,717	46,547	83,722	40,582	27,068	204,636
Net carrying amount							
At 31 December	651,408	412,641	196,999	108,356	22,402	10,905	1,402,711

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

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Company							
2014							
Cost							
At 1 January	35,228	-	10,030	6,267	5,665	1,431	58,621
Additions	-	-	-	10	149	447	606
Acquisition of BREIT (Note 28(b))	573,916	137,312	79,394	28,030	-	-	818,652
Disposals	(58)	-	-	(8)	(29)	-	(95)
Transfer to Subsidiary (Note 28(a))	-	-	-	(32,419)	(4,975)	(1,210)	(38,604)
Reclassification	-	-	18	19	-	(37)	-
At 31 December	609,086	137,312	89,442	1,899	810	631	839,180
Accumulated depreciation							
At 1 January	-	-	2,033	2,509	4,141	744	9,427
Charge for year (Note 5)	-	1,020	4,576	491	362	75	6,524
Disposals	-	-	-	(7)	(29)	-	(36)
Transfer to Subsidiary (Note 28(a))	-	-	-	(1,868)	(4,058)	(428)	(6,354)
At 31 December	-	1,020	6,609	1,125	416	391	9,561
Net carrying amount							
At 31 December	609,086	136,292	82,833	774	394	240	829,619

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

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Company						
2013						
Cost						
At 1 January	49,741	8,535	5,901	5,573	1,115	70,865
Additions	-	1,495	366	732	316	2,909
Disposals	(14,513)	-	-	(169)	-	(14,682)
Written off	-	-	-	(471)	-	(471)
At 31 December	35,228	10,030	6,267	5,665	1,431	58,621
Accumulated depreciation						
At 1 January	-	1,650	1,977	4,317	662	8,606
Charge for year (Note 5)	-	383	532	458	82	1,455
Disposals	-	-	-	(169)	-	(169)
Written off	-	-	-	(465)	-	(465)
At 31 December	-	2,033	2,509	4,141	744	9,427
Net carrying amount						
At 31 December	35,228	7,997	3,758	1,524	687	49,194

(a) The Group's other assets consist of office equipment, computer, laboratory equipment and expenditure on buildings, plant and machinery under construction. The cost of building, plant and machinery under construction amount to RM15,008,000 (2013: RM8,074,000).

(b) The Group's leasehold land with carrying book value of RM35,209,224 (2013: RM26,539,375) is held in trust by nominees of the Company.

(c) The Company's freehold land and leasehold land with carrying book value of RM573,916,000 and RM137,312,000 respectively is held in trust by CIMB Islamic Trustee Berhad, acting as bare trustee pending the transfer of legal ownership to the Company.

(d) At 31 December 2013, the carrying book value of property, plant and equipment pledged as security for borrowings (Note 23(b) and (e)) was RM221,509,000.

14. BIOLOGICAL ASSETS

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Cost				
At 1 January	**1,274,137**	690,254	**6,796**	6,796
Additions	**22,696**	82,956	**-**	-
Acquisition of BREIT (Note 28(b))	**-**	501,392	**501,392**	-
Disposals	**(1,073)**	-	**(24)**	-
Written off (Note 5)	**-**	(465)	**-**	-
At 31 December	**1,295,760**	1,274,137	**508,164**	6,796
Accumulated impairment				
At 1 January	**34,642**	34,642	**-**	-
Disposals	**(105)**	-	**-**	-
At 31 December	**34,537**	34,642	**-**	-
Net carrying amount				
At 31 December	**1,261,223**	1,239,495	**508,164**	6,796

(a) Additions to the Group's biological assets include interest capitalised of RM158,000 (2013: RM248,000).

(b) At 31 December 2013, the carrying book value of biological assets pledged as security for borrowings (Note 23 (b) and (e)) was RM185,091,000.

15. PREPAID LAND LEASE PAYMENTS

	Group	
	2014 **RM'000**	**2013** **RM'000**
At cost		
At 1 January	**67,267**	65,501
Additions	**-**	1,766
Disposal	**(48)**	-
At 31 December	**67,219**	67,267
Accumulated amortisation		
At 1 January	**8,004**	6,115
Amortisation for the year (Note 5)	**2,000**	1,889
Disposal	**(14)**	-
At 31 December	**9,990**	8,004
Net carrying amount		
At 31 December	**57,229**	59,263

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2014 **RM'000**	**2013** **RM'000**
Cost		
Unquoted shares	**313,377**	320,169
Investment in BREIT (Note 28(b))	**-**	481,255
At 31 December	**313,377**	801,424
Accumulated impairment loss		
At 31 December	**74,513**	81,305
Net carrying amount		
At 31 December	**238,864**	720,119

16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Upon the cancellation of the BREIT units held by the Company, the investment in BREIT was deemed disposed and the assets and liabilities of BREIT were transferred to the Company.

(b) On 1 July 2013, the Company acquired the entire paid up share capital of Boustead Estates Agency Sdn Bhd ("BEA") of 1,050,000 shares from Boustead Holdings Berhad for a cash consideration of RM21.6 million.

(c) On 10 April 2013, the Company disposed off its 51% Subsidiary, Nottingham Myriad Solutions Sdn Bhd, for a cash consideration of RM51,000.

(d) On 15 February 2013, Boustead Silasuka Sdn Bhd commenced the process of voluntary winding-up. The Subsidiary was dormant. The process was completed on 22 August 2014.

Subsidiaries with material non-controlling interests

The Group regards Boustead Pelita Kanowit Sdn Bhd ("BPK"), Boustead Pelita Tinjar Sdn Bhd ("BPT") and Boustead Pelita Kanowit Oil Mill Sdn Bhd ("PKOM") as Subsidiaries that have material non-controlling interests. These Subsidiaries are incorporated and operate in Malaysia. The non-controlling interests in respect of Boustead Sedili Sdn Bhd is not material to the Group.

The summarised financial information of BPK, BPT and PKOM is provided below. The information is based on amounts before inter-company eliminations.

	BPK		BPT		PKOM	
	2014 %	**2013 %**	**2014 %**	**2013 %**	**2014 %**	**2013 %**
Equity interest held by non-controlling interests	**40**	40	**40**	40	**40**	40

16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(i) Summarised statements of comprehensive income

	BPK		BPT		PKOM	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Revenue	**56,559**	60,266	**46,168**	42,094	**73,928**	80,338
(Loss)/profit for the year	**(13,634)**	(11,701)	**(4,533)**	2,286	**3,542**	2,652
Attributable to:						
Shareholders of the Company	**(8,180)**	(7,021)	**(2,720)**	1,372	**2,125**	1,591
Non-controlling interests	**(5,454)**	(4,680)	**(1,813)**	914	**1,417**	1,061
	(13,634)	(11,701)	**(4,533)**	2,286	**3,542**	2,652
Dividend declared to non-controlling interests	**-**	-	**-**	-	**780**	769

notes to the **financial statements**

16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(ii) Summarised statements of financial position

	BPK		BPT		PKOM	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Non-current assets	**236,808**	240,485	**134,092**	142,407	**11,169**	10,090
Current assets	**8,764**	12,519	**6,089**	11,875	**29,410**	30,495
Total assets	**245,572**	253,004	**140,181**	154,282	**40,579**	40,585
Current liabilities	**191,808**	185,605	**6,002**	10,195	**7,570**	9,169
Net assets	**53,764**	67,399	**134,179**	144,087	**33,009**	31,416
Attributable to:						
Shareholders of the Company	**39,515**	47,696	**111,946**	120,041	**19,925**	18,969
Non-controlling interests	**14,249**	19,703	**22,233**	24,046	**13,084**	12,447
	53,764	67,399	**134,179**	144,087	**33,009**	31,416

(iii) Summarised statements of cash flows

	BPK		BPT		PKOM	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Net cash from/(used in):						
Operating activities	**3,242**	(3,506)	**641**	9,199	**2,830**	4,275
Investing activities	**1,019**	(2,848)	**(5,911)**	(1,964)	**(1,320)**	(280)
Financing activities	**(4,278)**	6,364	**5,270**	(7,249)	**(1,507)**	(4,001)
Net increase/(decrease) in cash and cash equivalents	**(17)**	10	**-**	(14)	**3**	(6)

17. INVESTMENT IN ASSOCIATES

	Group	
	2014 RM'000	**2013 RM'000**
Unquoted shares, at cost	**3,330**	3,330
Share of post acquisition reserves	**30,122**	28,877
	33,452	32,207
Interest in Associates	**50%**	50%

The following tables summarise the financial information of Associates that are equity accounted by the Group.

(i) Summarised statements of comprehensive income:

	2014 RM'000	**2013 RM'000**
Revenue	**52,391**	49,518
Profit for the year	**7,469**	10,470
Other comprehensive expense	**(978)**	-
Total comprehensive income	**6,491**	10,470
Dividend received during the year	**2,000**	-

(ii) Summarised statements of financial position:

	2014 RM'000	**2013 RM'000**
Total assets	**81,554**	78,856
Total liabilities	**(14,650)**	(14,443)
Net assets	**66,904**	64,413

17. INVESTMENT IN ASSOCIATES (CONT'D.)

(iii) Reconciliation of summarised financial information to net assets of Associates:

	2014 RM'000	2013 RM'000
Net assets at 1 January	**64,413**	53,943
Profit for the year	**7,469**	10,470
Other comprehensive expense	**(978)**	-
Dividend paid	**(4,000)**	-
Net assets at 31 December	**66,904**	64,413
Carrying value of Group's investment in Associates	**33,452**	32,207

18. GOODWILL ON CONSOLIDATION

Goodwill on consolidation arose from the acquisition of two (2) Subsidiaries that are principally involved in oil palm cultivation and investment property holding. At each reporting date, the recoverable amounts were determined based on value in use calculation using five-year cash flow projections approved by the Board of Directors. The appropriate pre-tax discount rate that reflect each entity's cost of borrowings, the expected rate of return and risk, were applied. No impairment loss was required as the recoverable amounts were in excess of the carrying amount of the remaining goodwill.

Based on the sensitivity analysis performed, management believes that no reasonably possible change in base case key assumption would cause the carrying value of the Cash Generating Unit ("CGU") to exceed its recoverable amount.

19. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
At 1 January	**4,716**	15,359	**(10,896)**	2,194
Recognised in profit or loss (Note 10)	**1,755**	(10,776)	**9,840**	(13,090)
Acquisition of Subsidiaries (Note 28(c))	**-**	133	**-**	-
At 31 December	**6,471**	4,716	**(1,056)**	(10,896)

Presented after appropriate offsetting as follows:				
Deferred tax assets	**25,001**	32,466	**-**	-
Deferred tax liabilities	**(18,530)**	(27,750)	**(1,056)**	(10,896)
	6,471	4,716	**(1,056)**	(10,896)

Deferred tax liabilities - Group

	Property, plant and equipment RM'000	**Others RM'000**	**Total RM'000**
At 1 January 2014	**(30,716)**	**(13,984)**	**(44,700)**
Recognised in profit or loss	**(1,297)**	**13,407**	**12,110**
At 31 December 2014	**(32,013)**	**(577)**	**(32,590)**
At 1 January 2013	(27,017)	-	(27,017)
Recognised in profit or loss	(3,453)	(13,984)	(17,437)
Acquisition of Subsidiaries	(246)	-	(246)
At 31 December 2013	(30,716)	(13,984)	(44,700)

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Deferred tax assets - Group

	Unused tax losses RM'000	Unabsorbed capital and agricultural allowances RM'000	Others RM'000	Total RM'000
At 1 January 2014	**14,850**	**31,032**	**3,534**	**49,416**
Recognised in profit or loss	**(5,732)**	**(3,633)**	**(990)**	**(10,355)**
At 31 December 2014	**9,118**	**27,399**	**2,544**	**39,061**
At 1 January 2013	14,353	24,887	3,136	42,376
Recognised in profit or loss	497	6,145	19	6,661
Acquisition of Subsidiaries	-	-	379	379
At 31 December 2013	14,850	31,032	3,534	49,416

Deferred tax liabilities – Company

	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 January 2014	**(1,417)**	**(13,407)**	**(14,824)**
Recognised in profit or loss	**317**	**13,407**	**13,724**
At 31 December 2014	**(1,100)**	**-**	**(1,100)**
At 1 January 2013	(984)	-	(984)
Recognised in profit or loss	(433)	(13,407)	(13,840)
At 31 December 2013	(1,417)	(13,407)	(14,824)

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Deferred tax assets - Company

	Unabsorbed capital and agricultural allowances RM'000	Others RM'000	Total RM'000
At 1 January 2014	**2,464**	**1,464**	**3,928**
Recognised in profit or loss	**(2,464)**	**(1,420)**	**(3,884)**
At 31 December 2014	**-**	**44**	**44**
At 1 January 2013	1,714	1,464	3,178
Recognised in profit or loss	750	-	750
At 31 December 2013	2,464	1,464	3,928

Unrecognised deferred tax assets

Deferred tax assets have not been recognised for the following items:

	Group	
	2014 RM'000	2013 RM'000
Unabsorbed capital and agricultural allowances	**20,788**	18,218
Unused tax losses	**298,837**	279,541
Other timing differences	**721**	1,083
	320,346	298,842

The availability of unused tax losses and unabsorbed capital and agricultural allowances for offsetting against future taxable profits of the respective Subsidiaries are subject to no substantial changes in shareholding of these Subsidiaries under Section 44(5A) and (5B) of Income Tax Act, 1967. Deferred tax assets have not been recognised in respect of these items because there is uncertainty as to when the companies that have a recent history of losses will be profitable.

notes to the **financial statements**

20. INVENTORIES

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
At cost:				
Produce stocks	**11,412**	14,205	**-**	572
Consumables	**11,812**	17,754	**32**	627
Nursery stocks	**5,660**	6,694	**-**	402
	28,884	38,653	**32**	1,601
At net realisable value:				
Produce stocks	**3,792**	4,330	**-**	-
	32,676	42,983	**32**	1,601

21. RECEIVABLES

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Current				
Trade				
Trade receivables	**38,905**	33,637	**40**	1,168
Wholly-owned Subsidiary	**-**	-	**-**	2,580
	38,905	33,637	**40**	3,748

21. RECEIVABLES (CONT'D.)

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Others				
Estate receivables	**6,091**	5,708	**156**	413
Immediate Holding Company - Loan	**-**	344,983	**-**	344,983
Wholly-owned Subsidiaries				
- Loan	**-**	-	**273,262**	236,979
- Current account	**-**	-	**1,382**	1,967
Non-wholly owned Subsidiaries				
- Loan	**-**	-	**21,134**	25,066
- Current account	**-**	-	**1,127**	-
Related companies	**280**	15,254	**24**	38
Associate	**3,740**	2,779	**-**	-
Prepayments and deposits	**884**	6,493	**17**	5,875
Workers' housing advances	**786**	963	**786**	963
Dividend receivable	**-**	-	**1,170**	54,898
Ijarah deposits	**-**	-	**-**	1,212
Other receivables	**1,505**	6,715	**7,202**	638
	13,286	382,895	**306,260**	673,032
Less: Allowance for impairment	**(1,463)**	(1,664)	**(786)**	(963)
	11,823	381,231	**305,474**	672,069
	50,728	414,868	**305,514**	675,817
Non-current				
Others				
Loans to non-wholly owned Subsidiary	**-**	-	**177,548**	171,639
Less: Allowance for impairment	**-**	-	**(75,000)**	(75,000)
	-	-	**102,548**	96,639
Total receivables (current and non-current)	**50,728**	414,868	**408,062**	772,456

21. RECEIVABLES (CONT'D.)

(a) Trade receivables

Trade receivables are non-interest bearing and are on 30-day (2013: 30-day) credit terms. Certain palm kernel buyers are required to make advance payment before collection of the produce. Trade receivables are recognised at original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of trade receivables is as follows:

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Neither past due nor impaired	**36,992**	32,648	**40**	3,525
Past due but not impaired:				
- 1 to 30 days	**1,728**	757	**-**	-
- 31 to 60 days	**66**	160	**-**	151
- 61 to 90 days	**119**	64	**-**	64
- > 90 days	**-**	8	**-**	8
	1,913	989	**-**	223
	38,905	33,637	**40**	3,748

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. These debtors are mostly long term customers with no history of default in payments.

None of the trade receivables that are neither past due nor impaired have been renegotiated during the year.

Receivables that are past due but not impaired

The Group's and the Company's trade receivables of RM1,913,000 (2013: RM989,000) and RMNil (2013: RM223,000) respectively that are past due at the reporting date but not impaired, are unsecured. These balances relate mainly to customers who have not defaulted on payments but are slow paymasters hence, periodically monitored.

21. RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired	
	2014 RM'000	2013 RM'000
Movement in allowance accounts:		
At 1 January	-	303
Write back during the year (Note 5)	-	(303)
At 31 December	-	-

Trade debtors that are individually determined to be impaired in the previous reporting date had significant financial difficulties and also defaulted on payments. These receivables were not secured by any collateral or credit enhancements.

(b) Related companies

Loan to Immediate Holding Company in the prior year was unsecured, repayable on demand and bore interest ranging from 3.25% to 4.93% per annum.

Loans to wholly-owned and non-wholly owned Subsidiaries (current and non-current) are unsecured, repayable on demand and bear interest ranging from 5.25% to 6.5% (2013: 5.25% to 6.25%) per annum.

Other amounts due from related companies, Associates and current account of Subsidiaries are unsecured, interest free and repayable on demand.

21. RECEIVABLES (CONT'D.)

(c) Other receivables - Current and non-current

Maturity analysis of non-current receivables

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Loans to non-wholly owned Subsidiary				
Due between 2 to 5 years	**-**	-	**102,548**	96,639

Other receivables that are impaired

Allowance for impairment is made up as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Workers housing advances	**786**	969	**786**	963
Other receivable - cost of construction of pond	**116**	134	**-**	-
Other receivable - disputed earthworks	**561**	561	**-**	-
	1,463	1,664	**786**	963
Non-current				
Impairment of loan to a Subsidiary	**-**	-	**75,000**	75,000

21. RECEIVABLES (CONT'D.)

(c) Other receivables - Current and non-current (cont'd.)

Movement in allowance accounts:

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Current				
At 1 January	**1,664**	1,763	**963**	1,038
Reversal during the year (Note 5)	**(201)**	(99)	**(177)**	(75)
At 31 December	**1,463**	1,664	**786**	963

22. CASH AND BANK BALANCES

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Cash and bank balances	**4,814**	11,764	**485**	354
Short term deposits with licensed banks	**426,070**	20,538	**426,070**	-
	430,884	32,302	**426,555**	354

The weighted average interest rate and average maturity period of short term deposits at the reporting date are as follows:

	Weighted average interest rate		Average maturity period	
	2014 %	**2013 %**	**2014 Days**	**2013 Days**
Short term deposits with licensed banks	**3.65**	2.86	**28**	8

At the previous reporting date, the short term deposit with a licensed bank of RM708,610 was pledged as security for borrowings (Note 23(b)).

23. BORROWINGS

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Short term borrowings				
Unsecured:				
Bank overdrafts	**1,465**	2,699	**1,414**	412
Revolving credits	**645,000**	143,000	**615,000**	-
Term loans	**44,450**	491,656	**44,450**	41,656
Secured:				
Revolving credits (Note 28(b))	**-**	100,000	**-**	-
	690,915	737,355	**660,864**	42,068
Long term borrowings				
Unsecured:				
Term loan	**150,000**	150,000	**-**	-
Secured:				
Term loan (Note 28(b))	**-**	90,000	**-**	-
	150,000	240,000	**-**	-
Total borrowings				
Bank overdrafts	**1,465**	2,699	**1,414**	412
Revolving credits	**645,000**	243,000	**615,000**	-
Term loans	**194,450**	731,656	**44,450**	41,656
	840,915	977,355	**660,864**	42,068
Analysis by maturity:				
- within 1 year	**690,915**	737,355	**660,864**	42,068
- from 2 to 5 years	**100,000**	165,000	**-**	-
- more than 5 years	**50,000**	75,000	**-**	-
	840,915	977,355	**660,864**	42,068

(a) Bank overdrafts bear interest at rates ranging from 5.3% to 7.6% (2013: 7.35% to 7.6%) per annum.

(b) Revolving credits bear interest at rates ranging from 3.8% to 5.03% (2013: 4.58% to 5.14%) per annum. At the previous reporting date, revolving credit of RM100 million was secured by first party charge in escrow on selected property, plant and equipment (Note 13) and biological assets (Note 14) and deposit of RM708,610 with a licensed bank (Note 22).

23. BORROWINGS (CONT'D.)

(c) The unsecured short term loans of RM450 million were settled on 21 October 2014.

(d) The long term loan of RM150 million which carries profit rate ranging from 4.75% to 5.3% (2013: 4.75%) has a tenure of eight years and is repayable over 24 quarterly payments of RM6.25 million each, commencing March 2016.

(e) The secured long term loan of RM90 million at previous reporting date carried a profit rate of 5.19% (2013: 5.17%) per annum and was secured by first party charge in escrow for selective property, plant and equipment and biological assets (Notes 13 and 14). The loan was for a period of 5 years and repayable by bullet repayment in April 2016. Following the conversion of BREIT into a private property trust, the loan was settled on 24 July 2014.

(f) The unsecured short term loan of RM44.5 million (2013: RM41.7 million) is a USD denominated loan. The term loan bears interest at rates ranging from 2.13% to 2.35% (2013: 2.25% to 2.35%) per annum.

Except for the USD denominated loan, the other borrowings are denominated in Ringgit Malaysia.

24. PAYABLES

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Current				
Trade				
Trade payables	**26,614**	26,429	**100**	918
Others				
Estate payables	**15,752**	15,000	**90**	1,415
Loan from joint operation partner	**17,101**	17,392	**17,101**	17,392
Related companies	**1,930**	5,327	**-**	-
Associates	**3,621**	4,613	**-**	-
Immediate Holding Company	**851**	801	**223**	-
Wholly-owned Subsidiaries:				
- Loan	**-**	-	**1,950**	602,614
- Current account	**-**	-	**19,969**	15,544
Non-wholly owned Subsidiaries				
- Loan	**-**	-	**24,435**	-
- Current account	**-**	-	**93**	-
Accrued expenses	**9,257**	21,756	**1,821**	176
Taxes payable	**3,131**	3,416	**-**	-
Unitholders of BREIT	**-**	611,079	**-**	-
Other payables	**5,764**	5,051	**1,605**	5,361
	57,407	684,435	**67,287**	642,502
	84,021	710,864	**67,387**	643,420

24. PAYABLES (CONT'D.)

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Non-current				
Others				
Accrued expenses	**4,766**	4,094	**76**	1,142
Rental deposit	**-**	-	**3,500**	-
	4,766	4,094	**3,576**	1,142
Total payables (current and non-current)	**88,787**	714,958	**70,963**	644,562

(a) Trade and other payables

Trade and estate payables are on 30 to 60 days (2013: 30 to 60 days) payment terms and are non-interest bearing.

Other payables are normally settled on average of 30 days (2013: 30 days) terms and are non-interest bearing.

(b) Related party balances

Loan from joint operation partner is unsecured, repayable on demand and bears interest ranging from 3.25% to 3.5% (2013: 3.25%) per annum.

Amount due to Immediate Holding Company is unsecured, interest free and repayable on demand.

Loans from wholly-owned and non-wholly owned Subsidiaries are unsecured, repayable on demand and bear interest ranging from 3.25% to 3.5% (2013: 3.25%) per annum.

Amounts due to Associates, related companies and current accounts of Subsidiaries are unsecured, interest free and repayable on demand.

25. SHARE CAPITAL

	Number of ordinary shares of RM0.50 each	Number of ordinary shares of RM1.00 each		
	2014 '000	**2013 '000**	**2014 RM'000**	**2013 RM'000**
Authorised:				
At 1 January	**2,000,000**	200,000	**2,000,000**	200,000
Created during the year	**-**	1,800,000	**-**	1,800,000
Share split during the year	**2,000,000**	-	**-**	-
At 31 December	**4,000,000**	2,000,000	**2,000,000**	2,000,000
Issued and fully paid:				
At 1 January	**124,521**	124,521	**124,521**	124,521
Movements during year:				
- Share split	**124,521**	-	**-**	-
- Bonus issue	**770,958**	-	**385,479**	-
- Public issue	**580,000**	-	**290,000**	-
At 31 December	**1,600,000**	124,521	**800,000**	124,521

The authorised share capital of the Group and the Company was increased from 2,000,000,000 ordinary shares of RM1 each to 4,000,000,000 ordinary shares of RM0.50 each via a subdivision of every 1 ordinary share of RM1 each in the Company into 2 ordinary shares of RM0.50 each on 7 April 2014.

The issued and paid-up capital of the Group and the Company was increased during the year as follows:

(a) From 124,521,383 ordinary shares of RM1 each into 249,042,766 ordinary shares of RM0.50 each, via a subdivision of every 1 ordinary share of RM1 each into 2 ordinary shares of RM0.50 each on 7 April 2014;

(b) Increase from 249,042,766 ordinary shares of RM0.50 each to 1,020,000,000 ordinary shares of RM0.50 each via a bonus issue of 770,957,234 ordinary shares of RM 0.50 each on 7 April 2014. The bonus issue was effected by way of capitalisation of the Company's retained earnings and share premium of RM208,040,000 and RM177,439,000 respectively; and

(c) Increase from 1,020,000,000 ordinary shares of RM0.50 each to 1,600,000,000 ordinary shares of RM0.50 each by way of issuance and allotment of 580,000,000 ordinary shares of RM0.50 each at RM1.60 per ordinary share on 26 June 2014.

26. NON-DISTRIBUTABLE RESERVES

Group

	Share premium RM'000	Merger deficit RM'000	Fair value adjustment reserve RM'000	Other capital reserve RM'000	Total RM'000
At 1 January 2013	177,439	-	270,265	192	447,896
Recycled to profit on deemed disposal of investment securities	-	-	(270,265)	-	(270,265)
Acquisition of Subsidiaries	-	(19,817)	-	-	(19,817)
Transfer to retained earnings	-	19,817	-	-	19,817
At 31 December 2013 and 1 January 2014	**177,439**	**-**	**-**	**192**	**177,631**
Exchange fluctuation of Associates	**-**	**-**	**-**	**(489)**	**(489)**
Issue of bonus shares	**(177,439)**	**-**	**-**	**-**	**(177,439)**
Public issue:					
- Issue of ordinary shares	**638,000**	**-**	**-**	**-**	**638,000**
- Share issuance and listing expenses	**(15,656)**	**-**	**-**	**-**	**(15,656)**
Capital redemption by Subsidiary	**-**	**-**	**-**	**30**	**30**
At 31 December 2014	**622,344**	**-**	**-**	**(267)**	**622,077**

(a) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes of available-for-sale investment securities. In the previous year, the fair value adjustment reserve was recycled to profit and loss upon the deemed disposal of available-for-sale investment securities (Note 28(b)).

(b) Merger deficit

Merger deficit arises from the difference between the consideration paid/transferred and the equity 'acquired' in a transaction accounted for under the pooling of interest.

Merger deficits are adjusted against retained earnings of the Group.

(c) Other capital reserve

Other capital reserve represents the par value of cumulative redeemable preference shares redeemed by a Subsidiary and the exchange fluctuation of Associates.

27. RETAINED PROFITS

Under the single tier system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Under this system, the Company's retained profits are distributable by way of single tier dividends.

28. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

(a) Transfer of assets and liabilities to Subsidiary

On 1 January 2014, the Company transferred plant and machinery to its Subsidiary, Boustead Telok Sengat Sdn Bhd for cash consideration of RM26,245,000. On 1 September 2014, the Company transferred the plantation operations of Lepan Kabu Estate, Lepan Kabu Mill, Bebar Estate and Malakoff Estate to Boustead Telok Sengat Sdn Bhd through rental arrangements and the transfer of assets and liabilities for RM6,781,000 (Note 32(b)).

(b) Acquisitions of assets and liabilities of Al-Hadharah Boustead REIT ("BREIT" or the "Fund")

(i) On 5 December 2013, the non-interested unitholders of BREIT and the shareholders of Boustead Holdings Berhad approved the conversion of BREIT to a private property trust. On 23 December 2013, trading in BREIT units were suspended and on 30 December 2013, the record of depositors were closed for purpose of determining unitholders' entitlement under special dividend and selective unit redemption ("SUR"). The assets acquired and liabilities assumed by the Group on acquisition of BREIT are set out below:

	Group 2013 RM'000
Net assets acquired:	
Property, plant and equipment (Note 13)	818,652
Biological assets (Note 14)	501,392
Receivables	3,581
Cash and bank balances	21,504
Payables	(9,049)
Dividend payable	(100,304)
Revolving credit (Note 23)	(100,000)
Term loan (Note 23)	(90,000)
	1,045,776
Carrying value of the Group's investment in BREIT (Note 16)	(481,255)
SUR offer price payable to the unitholders of BREIT (other than the Company)	(564,521)
Cash and cash equivalents acquired	21,504
Net cash inflow on acquisition of BREIT	21,504

Arising from the acquisition of BREIT, the Group's investment in BREIT previously held as available-for-sale investments was deemed disposed and the Group recognised a gain on deemed disposal of available-for-sale investment securities totalling RM136,796,000 in the previous year's income statement.

(ii) The privatisation of BREIT was completed upon the payment of the special dividend on 28 January 2014 and the SUR offer price on 29 January 2014.

28. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (CONT'D.)

(c) Acquisition of Subsidiaries

On 1 July 2013, the Company acquired 100% equity interest in Boustead Estates Agency Sdn Bhd ("BEA") and accordingly, the wholly owned Subsidiaries of BEA, namely Boustead Advisory Consultancy Services Sdn Bhd ("BACS") and Boustead-Anwarsyukur Estate Agency Sdn Bhd ("BASEA"), all of which are incorporated and domiciled in Malaysia. BACS is involved in plantation management while BASEA has ceased operations. The acquisitions were settled by cash.

The assets and liabilities arising from the acquisition are as follows:

	Group 2013 RM'000
Net assets acquired:	
Property, plant and equipment (Note 13)	2,430
Inventories	26
Receivables	47,819
Cash and bank balances	4,028
Taxation	964
Deferred tax asset (Note 19)	133
Revolving credit	(30,000)
Payables	(23,617)
Total net assets acquired	1,783
Less: Purchase consideration	(21,600)
Merger deficit	(19,817)
Transfer to retained earnings	19,817
	-
Purchase consideration	21,600
Cash and cash equivalents acquired	(4,028)
Net cash outflow on acquisition of Subsidiaries	17,572

28. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (CONT'D.)

(d) Disposal of Subsidiary

On 10 April 2013, the Company disposed off its 51% equity interest in Nottingham Myriad Solutions Sdn Bhd for a cash consideration of RM51,000. The effects on the financial position of the Group arising from the disposal of the Subsidiary are as follows:

	Group 2013 RM'000
Net assets disposed:	
Plant and equipment (Note 13)	2
Receivables	3
Cash and bank balances	125
Payables	(78)
Non-controlling interest	(26)
Total net assets disposed	26
Disposal proceeds	51
Gain on disposal	25
Disposal proceeds	51
Settlement of loans	(41)
Cash and cash equivalents disposed	(23)
Net cash outflow on disposal of Subsidiary	(13)

29. CAPITAL COMMITMENTS

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Capital expenditure:				
- authorised but not contracted for	**75,095**	59,599	**52**	1,408

The Group's interest in the capital commitment of the joint operation is disclosed in Note 31.

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operation decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Direct and indirect Subsidiaries;

(ii) Immediate Holding Company, Boustead Holdings Berhad ("BHB"), its Subsidiaries and Associates;

(iii) Ultimate Holding Corporation, Lembaga Tabung Angkatan Tentera ("LTAT"), its Subsidiaries and direct and indirect Associates;

(iv) Direct and indirect Associates;

(v) Key management personnel which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly.

30. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Subsidiaries				
Sale of fresh fruit bunches	**-**	-	**32,497**	38,254
Rental income (Note 32(b))	**-**	-	**34,832**	-
Subsidiaries of Immediate Holding Company				
Plantation and general management fees	**-**	9,604	**842**	1,025
Purchase of fresh fruit bunches	**-**	4,658	**-**	-
Provision of computer services	**2,525**	432	**37**	71
Office rental	**1,132**	630	**-**	-
Immediate Holding Company				
General management fees	**1,562**	313	**276**	307
Tax consultancy fees	**98**	88	**17**	8
Trust controlled by the Company				
Lease rental	**-**	68,482	**-**	15,078
Associates				
Advisory fees	**1,131**	1,058	**83**	94
Research and development	**9,931**	10,843	**-**	4,949
Associates of Immediate Holding Company				
Insurance premium	**2,614**	2,667	**193**	204
Interest income	**4,562**	134	**4,562**	134
Finance cost	**4,495**	4,798	**4,495**	-

30. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

Balances with financial institutions which are Government-related entities as at year end are as follows:

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Bank balances and Islamic deposit	**122,777**	20,177	**122,156**	19
Revolving credits	**250,000**	95,000	**250,000**	-
Bank overdraft	**52**	2,287	**-**	-

Related party balances with the Immediate Holding Company and Subsidiaries are referred to in Notes 21 and 24.

The Directors are of the opinion that related party transactions are in the normal course of business and at terms mutually agreed between the parties.

The remuneration of key management personnel during the financial year is as follows:

	Group	
	2014 RM'000	**2013 RM'000**
Key management personnel		
Short term employee benefits	**4,559**	4,553
Defined contribution plans	**586**	683
	5,145	5,236

31. INTEREST IN JOINT OPERATION PLANTATION

The Group and the Company have a 50% interest in Kuala Muda Estate, a joint operation plantation, which is held at book value of RM22,435,000 (2013: RM22,435,000). The following amounts represent the Group's and Company's share of the assets and liabilities as well as share of revenue and expenses of the joint operation plantation, which are included in the respective statement of financial position and income statement:

	Group and Company	
	2014 RM'000	**2013 RM'000**
Statement of financial position		
Non-current assets	**17,328**	17,508
Current assets	**17,304**	18,253
Current liabilities	**(90)**	(281)
Non-current liabilities	**(152)**	(59)
Net assets	**34,390**	35,421
Income statement		
Revenue	**7,634**	9,515
Operating cost	**(2,960)**	(4,887)
Operating profit	**4,674**	4,628
Capital commitments	**38**	2

There is no reported material contingent liability relating to the Group's and the Company's interest in the joint operation plantation.

32. SALE AND LEASEBACK OF PLANTATION ASSETS

(a) In the prior financial years, the Group and the Company have entered into leases on plantation assets with CIMB Islamic Trustee Berhad ("The Trustee"), as trustee for BREIT. The leases are for a maximum tenure of 10 terms of 3 years each term. The leases expired on 31 December 2012 and were renewed for another 3 years as follows:

(i) Ijarah agreement dated 10 July 2013 between Boustead Rimba Nilai Sdn Bhd, a Subsidiary and the Trustee for the lease of Sutera Estate is for the first extended term from 1 January 2013 to 31 December 2015. The tenancy is automatically renewable for 3 extended terms of 3 years each and thereafter renewable for 5 additional terms of 3 years each on such terms and conditions to be mutually agreed between the parties.

(ii) Ijarah agreement dated 10 July 2013 between the Company and the Trustee for the lease of Bebar Estate, Malakoff Estate and Lepan Kabu Estate is for the second extended term from 1 January 2013 to 31 December 2015. The lease is automatically renewable for 2 extended terms of 3 years each and thereafter renewable for 5 additional terms of 3 years each on such terms and conditions to be mutually agreed between the parties.

(iii) Ijarah agreement dated 10 July 2013 between Boustead Telok Sengat Sdn Bhd, a Subsidiary and the Trustee for the lease of following estates:

The lease for Bekoh Estate, Chamek Estate, Kulai Young Estate, Malaya Estate, Bukit Mertajam Estate, Batu Pekaka Estate and Telok Sengat Estate is for the second extended term from 1 January 2013 to 31 December 2015. The tenancy is automatically renewable for 2 extended terms of 3 years each and thereafter renewable for 5 additional terms of 3 years each on such terms and conditions to be mutually agreed between the parties.

The lease for TRP Estate is for the first extended term from 1 January 2013 to 31 December 2015. The tenancy is automatically renewable for 3 extended terms of 3 years each and thereafter renewable for 5 additional terms of 3 years each on such terms and conditions to be mutually agreed between the parties.

The above Ijarah agreements were rendered null and void upon the conversion of BREIT into a private property trust of which the Company is the sole beneficiary (Note 28(b)).

(b) The Company had entered into separate tenancy agreements with Boustead Rimba Nilai Sdn Bhd and Boustead Telok Sengat Sdn Bhd to replace ijarah agreements under Note 32 (a) (i) and (iii). The tenancies commenced on 1 January 2014 for an annual rent of RM31,248,000.

The Company had also entered into a tenancy agreement with Boustead Telok Sengat Sdn Bhd for the rent of Lepan Kabu Estate, Lepan Kabu Mill, Bebar Estate and Malakoff Estate for RM10,752,000 per annum effective from 1 September 2014.

The above tenancy arrangements expire on 31 December 2016 and are renewable for a further period of 3 years.

33. SIGNIFICANT EVENTS

(a) Boustead Silasuka Sdn Bhd and Boustead Sutera Sdn Bhd, Subsidiary companies were voluntary wound up on 22 August 2014.

(b) On 31 October 2014, Boustead-Anwarsyukur Estate Agency Sdn Bhd, a Subsidiary commenced the process of voluntary winding-up. The Subsidiary is dormant.

(c) Boustead Rimba Nilai Sdn Bhd, a Subsidiary acquired the beneficial ownership of 85 pieces of leasehold land measuring approximately 513 hectares in the District of Beluran, Sabah for a cash consideration of RM30,500,000. The acquisition was completed on 1 December 2014.

34. CONTINGENT LIABILITY

On 30 March 2011, the Company and Boustead Pelita Kanowit Sdn Bhd ("BPK"), a Subsidiary were named the 4th and 5th Defendants respectively to Sibu High Court Suit No. 21-7-2009 in relation to a claim filed by 5 individuals suing on behalf of themselves and 163 other proprietors, occupiers and claimants of the Native Customary Rights lands (NCR) (Plaintiffs) situated in Sg. Kelimut, Kanowit District, also known as Block D1 in Kanowit District, described as Kelimut Estate (NCR Lands) against Pelita Holdings Sdn Bhd (1st Defendant), the Superintendent of Lands and Surveys, Sibu, Sarawak (2nd Defendant) and the State Government of Sarawak (3rd Defendant) for inter-alia, a declaration that the trust deed between the Plaintiffs and the 1st and 3rd Defendants are null and void, damages and costs.

On 30 April 2012, the Sibu High Court delivered its decision on the litigation, judging in favour of the Plaintiffs' claim and found the Principal Deed dated 14 January 2002 executed between the 1st Defendant, the 3rd Defendant and the Plaintiffs in relation to the development of the NCR Lands as null and void and the joint venture agreement dated 6 May 1998 between the Company and the 1st Defendant as deemed null and void. In the same judgment, the Sibu High Court had dismissed the Company's and BPK's counter claim against the Plaintiffs with costs. The Company and BPK filed an appeal on 3 May 2012.

On 30 October 2012, the Sibu High Court granted the Company's and BPK's application for Stay of Execution until after the full and final determination of their appeal.

On 6 August 2014, the Court of Appeal allowed the appeal by Defendants against the Plaintiffs. The Court had ruled in favour of BPK and the other appellants and reversed the decision of the Sibu High Court on 30 April 2012.

The Plaintiffs have subsequently filed an application for appeal to Federal Court. The Federal Court has yet to fix a date for the hearing as of the date of this report.

Based on the facts of the case, the Group, upon consultation with the solicitors, is of the view that the Company and BPK have a good defence to the claims by the Plaintiffs. In the event of an unfavourable outcome of the appeal, the estimated loss to the Group is RM15 million.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of risks, including interest rate, liquidity, foreign currency, credit and market price risks. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising potential adverse effects on the performance of the Group.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for use as hedging instruments where appropriate and cost efficient. The Group and the Company do not apply hedge accounting.

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value of 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 interest rate risk arises from bank deposits and borrowings and intercompany loans.

The Group finances its operations through operating cash flows and borrowings, which is predominantly denominated in Ringgit Malaysia. The Group manages its borrowings through floating rate banking facilities. Loans to group companies are carried at floating rates which are remeasured at periodic intervals to approximate market interest rates or cost of borrowings. The loans to Subsidiaries and Immediate Holding Company, which are funded at floating rates, form a natural hedge for its floating rate bank borrowings.

Funds from initial public offering earmarked for acquisition of plantation lands, are currently deposited with financial institutions at market rates.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and Company's profit net of tax would have been:

	Group Effect on profit net of tax Increase/(Decrease)		**Company Effect on profit net of tax Increase/(Decrease)**	
	31.12.2014 RM'000	**31.12.2013 RM'000**	**31.12.2014 RM'000**	**31.12.2013 RM'000**
Interest rate decrease by 50 basis points	**1,556**	2,300	**(726)**	(432)
Interest rate increase by 50 basis points	**(1,556)**	(2,300)	**726**	432

The assumed movement in the basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to insufficient 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 practices prudent liquidity risk management by maintaining availability of funding through adequate amount of committed credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Group				
At 31 December 2014				
Financial liabilities:				
Trade and other payables	**84,620**	**608**	**4,158**	**89,386**
Loans and borrowings	**728,389**	**121,863**	**52,981**	**903,233**
Total undiscounted financial liabilities	**813,009**	**122,471**	**57,139**	**992,619**
At 31 December 2013				
Financial liabilities:				
Trade and other payables	711,429	1,342	2,752	715,523
Loans and borrowings	788,367	222,781	52,524	1,063,672
Total undiscounted financial liabilities	1,499,796	224,123	55,276	1,779,195

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(ii) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Company				
At 31 December 2014				
Financial liabilities:				
Trade and other payables	**68,056**	**3,512**	**64**	**71,632**
Loans and borrowings	**688,975**	**-**	**-**	**688,975**
Total undiscounted financial liabilities	**757,031**	**3,512**	**64**	**760,607**
At 31 December 2013				
Financial liabilities:				
Trade and other payables	663,570	456	686	664,712
Loans and borrowings	51,604	-	-	51,604
Total undiscounted financial liabilities	715,174	456	686	716,316

(iii) 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 operates in Malaysia and is exposed to foreign currency risk, arising from a USD denominated loan of USD12.7 million (2013: USD12.7 million). The loan is being closely monitored by management.

Foreign exchange exposures are kept to an acceptable level.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(iii) Foreign currency risk (cont'd.)

The net unhedged financial liabilities of the Group that are not denominated in their functional currency are as follows:

	Borrowings RM'000
At 31 December 2014	
USD	**44,450**
At 31 December 2013	
USD	41,656

Sensitivity analysis for foreign currency risk

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

	Effect on profit net of tax 2014 RM'000	Effect on profit net of tax 2013 RM'000
Group/Company		
USD/RM - strengthened by 10%	**(4,445)**	(4,166)
- weakened by 10%	**4,445**	4,166

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(iv) 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. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group seeks to control credit risk by setting credit limits, obtaining bank guarantees where appropriate; ensuring that sales are made to customers with appropriate credit history and conducting periodic review on financial standing of customers. Further, sales to customers are reviewed when deliveries exceed guaranteed amounts or set credit limits.

Exposure to credit risk

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. The Group and the Company have no concentration of credit risk on any one particular customer or group of related customers.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 21.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 21.

Amount due from Immediate Holding Company

There is no risk of default as the Immediate Holding Company is profitable and has good financial standing. The outstanding account was settled during the financial year.

Amounts due from Subsidiaries and related companies

There is minimal risk of default as these companies are either profitable or prospectively profitable except for Subsidiaries for which allowances have been made in respect of amounts estimated to be not recoverable as disclosed in Note 21. The credit standing of these companies are periodically monitored and reviewed.

Financial assets that are past due but not impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 21.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 21.

(v) Market price risk

The Group is exposed to commodity price risk arising from fluctuations in the price of crude palm oil and palm kernel. The Group adopts the strategy of having a mix of spot and forward sales at any one time to mitigate this risk. Forward sales policies are periodically reviewed by Management.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	21
Other receivables (non-current)	
- Loans to non-wholly owned Subsidiary	21
- Ijarah deposits	21
Loan to Immediate Holding Company (current)	21
Amount due to Immediate Holding Company (current)	24
Loans to/(from) Subsidiaries (current)	21, 24
Amount due from/(to) Associates (current)	21, 24
Loan from joint operation partner (current)	24
Amount due to/(from) related companies (current)	21, 24
Trade and other payables (current)	24
Borrowings (current and non-current)	23

Except for the non-current loan to Subsidiary, the carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that approximate market interest rates at the reporting date.

The non-current loan to Subsidiary is evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the Subsidiary and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for expected losses of the loan. As at 31 December 2014, the carrying amount of the loan, net of allowances, was not materially different from its calculated fair value.

The carrying amounts of the non-current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting as the borrowings are pegged to market rates.

The fair value of borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date.

37. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the financial years ended 31 December 2014 and 2013.

The Group monitors capital using a gearing ratio, which is derived by dividing the amount of borrowings over shareholders' equity. At the reporting date, the Group's gearing ratio is 0.37 times (2013: 0.70 times). The Group's policy is to keep gearing within manageable levels.

In respect of banking facilities with a financial institution, the Company is committed to maintain a gearing ratio of not more than 1.0 time and Debt Service Cover Ratio (DSCR) of at least 1.25 times. Gearing ratio is calculated by dividing the Group's borrowings over the shareholders' funds and DSCR is calculated by dividing earnings before interest, taxes, depreciation and amortisation over interest paid or due in previous 12 months. The Company has not breached these covenants.

38. SEGMENT INFORMATION

The Group is essentially involved in plantation operations and also provides plantations consultancy. Management controls the Group's operations by geographical locations where resources are allocated and monitored for achievement of the desired output. Internal monthly management reports are prepared and performance are reviewed on the basis of geographical segments. Thus, operating segments are best segregated as follows:

(a) Plantation Segment

The Group's plantation operations are located in Peninsular Malaysia, Sabah and Sarawak. Plantation operations cover the cultivation of oil palms and production of crude palm oil and palm kernel.

(b) Others Segment

The others segment consists of plantations consultancy, investing activities and automobile business. During the previous financial year, the automobile business was disposed off and the investment in investment securities were deemed disposed off following the acquisition of BREIT.

The performance of each operating segment is measured on the basis of operating results before interest income and finance cost. Non-recurring items such as gains on disposal of plantations assets, impairment losses, share of results of Associates and fair value gains or losses are excluded from the measurement of a segment's performance.

Transactions between operating segments are undertaken on arm's length basis. Inter-segment revenue namely general management fees are eliminated on consolidation. The Group practices central fund management where surplus funds within the Group are on-lent and the interest charges arising from such arrangements are eliminated in full.

38. SEGMENT INFORMATION (CONT'D.)

The performance of each segment is as set out in the following table:

	← Plantation		→				
	PM* RM'000	Sabah RM'000	Sarawak RM'000	Others RM'000	Eliminations RM'000	Notes	Total RM'000
At 31 December 2014							
Revenue							
Group total sales	278,809	317,083	120,096	22,442	(21,109)		717,321
Inter-segment sales	-	-	-	(21,109)	21,109	(i)	-
External sales	278,809	317,083	120,096	1,333	-		717,321
Reportable segment operating profit	64,980	58,806	2,784	2,053	-		128,623
Interest income							11,301
Share of results of Associates							3,734
Finance cost							(53,875)
Profit before tax							89,783
Income tax expense							(37,365)
Profit for the year							52,418

notes to the **financial statements**

38. SEGMENT INFORMATION (CONT'D.)

	Plantation						
	PM* RM'000	Sabah RM'000	Sarawak RM'000	Others RM'000	Eliminations RM'000	Notes	Total RM'000
At 31 December 2013							
Revenue							
Group total sales	286,565	273,572	122,432	96,912	(9,201)		770,280
Inter-segment sales	-	-	-	(9,201)	9,201	(i)	-
External sales	286,565	273,572	122,432	87,711	-		770,280
Reportable segment operating profit	22,372	30,580	4,750	85,313	-		143,015
Interest income							15,045
Gain on disposal of Subsidiary							25
Gain on disposal of plantation land							92,834
Fair value gain on deemed disposal of available-for-sale investment securities							136,796
Other income							35
Share of results of Associates							5,235
Finance cost							(33,727)
Profit before tax							359,258
Income tax expense							(27,905)
Profit for the year							331,353

(i) Inter-segment revenues are eliminated on consolidation.
* Denotes Peninsular Malaysia.

39. DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained earnings of the Group and of the Company into realised and unrealised profits, pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained earnings of the Company and Subsidiaries				
- Realised	437,215	921,216	247,075	354,780
- Unrealised	10,059	11,128	2,754	(4,292)
	447,274	932,344	249,829	350,488
Total share of retained earnings of Associates				
- Realised	30,270	28,681	-	-
- Unrealised	341	196	-	-
	477,885	961,221	249,829	350,488
Consolidation adjustments	394,920	126,496	-	-
	872,805	1,087,717	249,829	350,488

The determination of realised and unrealised profits is compiled based on Guidance of 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, issued by the Malaysian Institute Accountants on 20 December 2010.

boustead plantations group

Name of Company*	Principal activities	Paid up capital	Group interest 2014 %	Group interest 2013 %
As at 31 December 2014				
SUBSIDIARIES				
Boustead Telok Sengat Sdn Bhd	Cultivation of oil palms, processing of fresh fruit bunches ("FFB") and investment holding	RM9,184,000	**100**	100
Boustead Eldred Sdn Bhd	Cultivation of oil palms	RM15,000,000	**100**	100
Boustead Solandra Sdn Bhd	Cultivation of oil palms	RM200,000	**100**	100
Boustead Sungai Manar Sdn Bhd	Investment property holding	RM4,500,000	**100**	100
Boustead Sedili Sdn Bhd	Cultivation of oil palms	RM6,150,000	**70**	70
Boustead Rimba Nilai Sdn Bhd	Cultivation of oil palms and processing of FFB	RM100,000,000	**100**	100
Boustead Emastulin Sdn Bhd	Cultivation of oil palms and processing of FFB	RM17,000,000	**100**	100
Boustead Gradient Sdn Bhd	Cultivation of oil palms and processing of FFB	RM3,000,000	**100**	100
Boustead Trunkline Sdn Bhd	Cultivation of oil palms	RM7,000,000	**100**	100
Boustead Pelita Kanowit Sdn Bhd	Cultivation of oil palms	RM34,560,000	**60**	60
Boustead Pelita Tinjar Sdn Bhd	Cultivation of oil palms and processing of FFB	RM48,000,000	**60**	60
Boustead Pelita Kanowit Oil Mill Sdn Bhd	Operation of palm oil mill	RM30,000,000	**60**	60
Boustead Estates Agency Sdn Bhd	Plantation management and engineering consultancy and investment holding	RM1,050,000	**100**	100

Name of Company*	Principal activities	Paid up capital	Group interest 2014 %	2013 %
As at 31 December 2014				
SUBSIDIARIES (cont'd.)				
Boustead Advisory and Consultancy Services Sdn Bhd	Plantation management and engineering consultancy	RM500,002	**100**	100
Boustead-Anwarsyukur Estate Agency Sdn Bhd	Ceased operations	RM500,000	**100**	100
Bounty Crop Sdn Bhd	Ceased operations	RM70,200,000	**100**	100
Boustead Silasuka Sdn Bhd	Liquidated	RM10,000,000	**-**	100
Boustead Sutera Sdn Bhd	Liquidated	RM4,250,000	**-**	100
ASSOCIATES				
Applied Agricultural Resources Sdn Bhd	Agronomic advisory services, commercial production of oil palm planting materials and investment holding	RM500,000	**50**	50
PT AAR Nusantara**	Production of oil palm seeds	IDR10,000,000,000	**25**	25
Advanced Agriecological Research Sdn Bhd	Agronomy research services	RM500,000	**50**	50
PT Applied Agricultural Resources Indonesia**	Agronomy research and advisory services	IDR12,775,000,000	**50**	50

* Incorporated in Malaysia unless otherwise indicated

** Incorporated in Indonesia and audited by an overseas firm not associated with Ernst & Young, Malaysia.

additional **compliance information**

1. Utilisation of proceeds raised from public issue

The gross proceeds received from the Initial Public Offering of RM928.0 million in conjunction with the Company's listing on Main Market of Bursa Securities on 26 June 2014 have been utilised in the following manner:

Purpose	Proposed Utilisation RM'000	To Date Utilisation RM'000	Balance RM'000
Acquisition of plantation lands	420,000	30,500	389,500
Replanting and capital expenditure	96,000	78,785	17,215
Repayment of advances to Immediate Holding Company	390,000	390,000	–
Share issuance and listing expenses	22,000	21,046	954
Total gross proceeds	928,000	520,331	407,669

2. Share buy backs during the financial year

The Company did not carry out any share buy back exercises during the financial year ended 31 December 2014.

3. Options, warrants or convertible securities exercised

The Company did not issue any warrants or convertible securities for the financial year ended 31 December 2014.

4. Depository receipt programme

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2014.

5. Sanctions/penalties

There were no sanctions and/or penalties imposed on the Company and its Subsidiaries, Directors and Management by the relevant regulatory bodies during the financial year ended 31 December 2014.

6. Non-audit fees

	Group RM'000	Company RM'000
Non-audit fees paid to the external auditors for the financial year ended 31 December 2014		
- Auditor of the Company	329	296

The provision of non-audit services by the external auditors to the Group is both cost effective and efficient due to their knowledge and understanding of the operations of the Group, and did not compromise their independence and objectivity. It is also the Group's policy to use the auditors in cases where their knowledge of the Group means it is neither efficient nor cost effective to employ another firm of accountants.

7. Variation in result

There were no profit estimation, forecast and projection made or released by the Company during the financial year ended 31 December 2014.

8. Profit guarantee

There was no profit guarantees given by the Company and its Subsidiaries during the financial year ended 31 December 2014.

9. Material contracts

There were no material contracts which had been entered into by the Group involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2014 or entered into since the end of the previous financial year.

10. Recurrent related party transactions (RRPT)

Ratification of RRPT entered from 26 June 2014 to 16 February 2015 (last practicable date of the RRPT circular) will be sought at the forthcoming AGM. Please refer to information stated in Circular to Shareholders dated 10 March 2015.

properties of **the group**

Location	Hectares	Description	Tenure	Age of buildings Years	Book value	Year of acquisition/ revaluation
Peninsular Malaysia						
Batu Pekaka Estate, Kuala Ketil, Kedah	968.7	Oil palm estate	Freehold		55.7	2013
Kuala Muda Estate (50%), Sungai Petani, Kedah	759.8	Oil palm estate	Freehold		17.1	2012
Stothard Estate, Kuala Ketil, Kedah	983.1	Oil palm estate	Freehold		23.3	2012
Kedah Oil Palm Estate, Kulim, Kedah	243.0	Oil palm estate	Freehold		7.4	2012
Bukit Mertajam Estate, Kulim, Kedah	2,164.8	Oil palm estate	Freehold		140.2	2013
Malakoff Estate, Tasek Glugor, Pulau Pinang	1,379.0	Oil palm estate	Freehold		127.7	2013
TRP Estate, Trong, Perak	1,379.3	Oil palm estate & palm oil mill	Freehold	13	81.8	2013
Malaya Estate, Selama, Perak	906.5	Oil palm estate	Freehold		49.4	2013
Lepan Kabu Estate, Kuala Pahi, Kelantan	2,034.6	Oil palm estate & palm oil mill	Freehold	44	102.7	2013
Solandra Estate, Kemaman, Terengganu	395.9	Oil palm estate	1984-2054		3.8	1984
LTT-Terengganu Estate, Kemaman, Terengganu	1,810.7	Oil palm estate	1982-2054		22.6	1982
Sungai Jernih Estate, Pekan, Pahang	2,695.7	Oil palm estate & palm oil mill	1981-2091	23	64.4	2012
Bebar Estate, Muadzam Shah, Pahang	2,340.6	Oil palm estate	1984-2083		121.1	2013
Balau Estate, Semenyih, Selangor	247.4	Oil palm estate & molecular laboratory	Freehold	7	27.5	1983
Bekoh Estate, Tangkak, Johor	1,226.1	Oil palm estate	Freehold		71.4	2013
Eldred Estate, Bekok, Johor	1,799.7	Oil palm estate	Freehold		39.1	2012
Kulai Young Estate, Kulai, Johor	1,176.3	Oil palm estate & quarry	Freehold		72.3	2013
Chamek Estate, Kluang, Johor	814.6	Oil palm estate	Freehold		57.9	2013
Boustead Sedili Estate, Kota Tinggi, Johor	995.5	Oil palm estate	2004-2094		27.7	2004
Telok Sengat Estate, Kota Tinggi, Johor	3,698.6	Oil palm estate & palm oil mill	Freehold	28	282.9	2013

Location	Hectares	Description	Tenure	Age of buildings Years	Book value	Year of acquisition/ revaluation
Sabah						
Sungai Sungai 1 and Sungai Sungai 2 Estates, Sugut	5,563.7	Oil palm estate & palm oil mill	1997-2098	9	128.8	2012
Kawananan Estate, Sugut	2,585.0	Oil palm estate	1997-2098		61.7	2012
Lembah Paitan Estate, Sugut	1,305.1	Oil palm estate	1997-2098		34.2	1997
Resort Estate, Sandakan	1,128.4	Oil palm estate	1978-2071		16.5	2013
Nak Estate, Sandakan	1,348.9	Oil palm estate & palm oil mill	1965-2075	28	31.6	2012
Sutera Estate, Sandakan	2,200.7	Oil palm estate	1888-2887		145.0	2013
LTT Sabah Estate, Lahad Datu	2,023.0	Oil palm estate	1979-2077		38.0	2012
Segaria Estate, Semporna	4,746.2	Oil palm estate & palm oil mill	1965-2072	34	93.7	2012
Sungai Segamaha and Bukit Segamaha Estates, Lahad Datu	5,659.6	Oil palm estate & palm oil mill	1979-2077	18	111.0	2013
G&G Estate, Lahad Datu	2,409.8	Oil palm estate	1978-2077		187.7	2013
Sarawak						
Loagan Bunut Estate, Tinjar	3,982.9	Oil palm estate & palm oil mill	1991-2091	20	43.7	1991
Sungai Lelak Estate, Tinjar	3,726.0	Oil palm estate	1988-2088		39.3	1988
Bukit Limau Estate, Tinjar	4,814.0	Oil palm estate	1995-2094		37.1	1995
Pedai Estate, Sibu	3,412.8	Oil palm estate	1998-2058		56.6	1998
Jih Estate, Sibu	2,891.1	Oil palm estate	1998-2058		48.3	1998
Kanowit Palm Oil Mill, Sibu	45.3	Palm oil mill	1998-2058	11	5.5	2004
Kelimut Estate, Sibu	2,169.9	Oil palm estate	1998-2058		36.6	1998
Maong Estate, Sibu	1,274.6	Oil palm estate	1998-2058		8.9	1998
Mapai Estate, Sibu	2,426.8	Oil palm estate	1998-2058		32.8	1998
Bawan Estate, Sibu	1,781.1	Oil palm estate	1998-2058		32.4	1998

Book values are stated in RM million.

group **agricultural statistics**

	2014	2013	2012	2011	2010
Planted area in hectares (ha)					
Past prime	**13,464**	9,631	8,887	6,955	6,522
Prime	**38,436**	42,922	41,198	48,211	45,372
Young	**12,636**	12,542	11,595	11,650	13,403
Total mature	**64,536**	65,095	61,680	66,816	65,297
Immature	**6,042**	5,243	5,598	6,271	6,681
Total planted	**70,578**	70,338	67,278	73,087	71,978
FFB crop (MT)	**1,036,582**	1,032,174	1,075,605	1,091,735	1,020,897
FFB yield (MT/ha)	**16.2**	16.4	17.4	16.3	15.6
Oil yield (MT/ha)	**3.5**	3.4	3.6	3.7	3.6
Mill production (MT)					
FFB processed	**1,134,707**	1,141,824	1,203,652	1,174,542	981,747
Crude palm oil	**247,198**	238,371	250,430	239,319	202,852
Palm kernel	**51,533**	52,927	56,059	54,303	46,078
Extraction rate (%)					
Crude palm oil	**21.8**	20.9	20.8	20.4	20.7
Palm kernel	**4.5**	4.6	4.7	4.6	4.7
Average selling price (RM/MT)					
FFB	**511**	486	577	709	550
Crude palm oil	**2,401**	2,353	2,902	3,259	2,619
Palm kernel	**1,679**	1,284	1,568	2,170	1,618

plantation **area statement**

AREA STATEMENT

	2014		2013	
	Ha	**%**	**Ha**	**%**
Oil palm	**70,578**	**84.7**	70,338	84.9
Building sites, roads, unplantable areas, etc	**12,782**	**15.3**	12,552	15.1
Total	**83,360**	**100.0**	82,890	100.0

AGE PROFILE OF PALMS

2014

		←	Mature	→	
Region	**Immature < 3 years**	**Young 4 - 9 years**	**Prime 10 - 20 years**	**Past Prime > 20 years**	**Total planted**
Peninsular Malaysia	**3,203**	**7,385**	**10,428**	**5,062**	**26,078**
Sabah	**2,519**	**5,251**	**12,053**	**6,624**	**26,447**
Sarawak	**320**	**-**	**15,955**	**1,778**	**18,053**
Total hectares	**6,042**	**12,636**	**38,436**	**13,464**	**70,578**

location of **group plantations**

Peninsular Malaysia

1. Batu Pekaka
2. Kuala Muda
3. Stothard
4. Kedah Oil Palm
5. Bukit Mertajam
6. Malakoff
7. TRP
8. Malaya
9. Lepan Kabu
10. Solandra
11. LTT-Terengganu
12. Sungai Jernih
13. Bebar
14. Balau
15. Bekoh
16. Eldred
17. Kulai Young
18. Chamek
19. Boustead Sedili
20. Telok Sengat

Sabah & Sarawak

21. Sungai Sungai 1
22. Sungai Sungai 2
23. Kawananan
24. Lembah Paitan
25. Resort
26. Nak
27. Sutera
28. LTT-Sabah
29. Segaria
30. Sungai Segamaha
31. Bukit Segamaha
32. G & G
33. Loagan Bunut
34. Sungai Lelak
35. Bukit Limau
36. Pedai
37. Jih
38. Kelimut
39. Maong
40. Mapai
41. Bawan

shareholding **statistics**

as at 10 february 2015

Size of shareholdings	No. of holders	%	No. of shares	%
Less than 100	**33**	**0.19**	**658**	**0.00**
100 to 1,000	**4,229**	**24.57**	**2,850,690**	**0.17**
1,001 to 10,000	**8,891**	**51.67**	**41,750,540**	**2.61**
10,001 to 100,000	**3,725**	**21.65**	**103,620,862**	**6.48**
100,001 to less than 5% of issued shares	**328**	**1.91**	**351,644,050**	**21.98**
5% and above of issued shares	**2**	**0.01**	**1,100,133,200**	**68.76**
Total	**17,208**	**100.00**	**1,600,000,000**	**100.00**

30 LARGEST SHAREHOLDERS

	Name of shareholders	No. of shares	%
1	Boustead Holdings Berhad *Account Non-Trading*	**918,668,500**	**57.42**
2	Lembaga Tabung Angkatan Tentera	**181,464,700**	**11.34**
3	Lembaga Tabung Haji	**76,364,900**	**4.77**
4	Kumpulan Wang Persaraan (Diperbadankan)	**52,413,200**	**3.28**
5	Koperasi Permodalan Felda Malaysia Berhad	**29,842,600**	**1.87**
6	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Che Lodin Bin Wok Kamaruddin (MY1862)*	**25,600,000**	**1.60**
7	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt An for AIA Bhd.*	**20,750,200**	**1.30**
8	Lembaga Kemajuan Tanah Persekutuan	**8,820,000**	**0.55**
9	LTG Development Sdn Bhd	**5,500,000**	**0.34**
10	Scotia Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Che Lodin Bin Wok Kamaruddin*	**4,744,800**	**0.30**
11	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Yayasan Warisan Perajurit*	**2,567,400**	**0.16**
12	Hong Leong Assurance Berhad *as Beneficial Owner (Life Par)*	**2,408,400**	**0.15**
13	Key Development Sdn. Berhad	**2,320,000**	**0.14**
14	Chinchoo Investment Sdn. Berhad	**2,241,000**	**0.14**
15	Lembaga Pemegang-Pemegang Amanah Yayasan Negeri Sembilan	**2,236,300**	**0.14**
16	Malaysian Reinsurance Berhad	**2,108,000**	**0.13**
17	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *Exempt An for Affin Hwang Asset Management Berhad (TSTAC/CLNT-T)*	**1,844,000**	**0.12**

30 LARGEST SHAREHOLDERS (CONT'D.)

	Name of shareholders	No. of shares	%
18	Cartaban Nominees (Asing) Sdn Bhd *Exempt An for State Street Bank & Trust Company (West Clt Od67)*	**1,830,200**	**0.11**
19	Gan Teng Siew Realty Sdn.Berhad	**1,825,300**	**0.11**
20	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for Manulife Investment Al-Fauzan (5170)*	**1,771,100**	**0.11**
21	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for Zurich Insurance Malaysia Berhad (Balanced Fund)*	**1,750,000**	**0.11**
22	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Yayasan Pok dan Kassim (Mp0296)*	**1,700,000**	**0.11**
23	PM Nominees (Tempatan) Sdn Bhd *for Bank Kerjasama Rakyat Malaysia Berhad*	**1,652,800**	**0.10**
24	Citigroup Nominees (Tempatan) Sdn Bhd *Kenanga Islamic Investors Bhd for Lembaga Tabung Haji*	**1,594,800**	**0.10**
25	Megat Abdul Rahman Bin Megat Ahmad	**1,590,000**	**0.10**
26	Maybank Nominees (Tempatan) Sdn Bhd *Etiqa Takaful Berhad (Family PRF EQ)*	**1,579,800**	**0.10**
27	Azzat Bin Kamaludin	**1,538,800**	**0.10**
28	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Mohd Ghazali Bin Che Mat*	**1,500,000**	**0.09**
29	Citigroup Nominees (Asing) Sdn Bhd *CBNY for Dimensional Emerging Markets Value Fund*	**1,491,900**	**0.09**
30	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (KIB)*	**1,373,500**	**0.09**
	TOTAL	**1,361,092,200**	**85.07**

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct interest		Indirect interest	
	No. of holders	%	No. of shares	%
Boustead Holdings Berhad	**918,668,500**	**57.42**	**–**	**–**
Lembaga Tabung Angkatan Tentera	**181,464,700**	**11.34**	**918,668,500**	**57.42**

Class of shares	Ordinary share of RM0.50 each
Voting rights	1 vote per ordinary share

statement of **directors' interests**

in the company and related corporations as at 10 February 2015

	No. of shares	Direct %
Ordinary shares of RM0.50 each		
Boustead Plantations Berhad		
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	1,560,000	0.10
Tan Sri Dato' Seri Lodin Wok Kamaruddin	31,381,600	1.96
Dato' Mohzani Abdul Wahab	200,000	0.01
Dr. Raja Abdul Malek Raja Jallaludin	200,000	0.01
Datuk Zakaria Sharif	203,000	0.01
Boustead Holdings Berhad		
Tan Sri Dato' Seri Lodin Wok Kamaruddin	28,192,758	2.73
Pharmaniaga Berhad		
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	220,000	0.08
Tan Sri Dato' Seri Lodin Wok Kamaruddin	12,500,148	4.83
Ordinary shares of RM1.00 each		
Boustead Heavy Industries Corporation Berhad		
Tan Sri Dato' Seri Lodin Wok Kamaruddin	2,000,000	0.80
Datuk Zakaria Sharif	400	0.00
Boustead Petroleum Sdn Bhd		
Tan Sri Dato' Seri Lodin Wok Kamaruddin	5,916,465	5.00
Affin Holdings Berhad		
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	119,220	0.00
Tan Sri Dato' Seri Lodin Wok Kamaruddin	1,051,328	0.05

dividend **policy**

It is the policy of the Board in recommending dividends to allow shareholders to participate in the profits of Boustead Plantations Berhad, as well as to retain adequate reserves for future growth.

As the Company is mainly an investment holding company, the Company's income, and therefore the ability to pay dividends, is dependent upon rental income, dividends and other distributions from Subsidiaries and Associates as well as plantation earnings.

The payment of dividends by Subsidiaries and Associates will depend upon their distributable profits, operating results, financial condition, capital expenditure, debt servicing and other obligations or business plans and applicable laws or agreements restricting their ability to pay dividends or make other distributions.

The actual dividend that the Board may recommend or declare in respect of any particular financial year or period will depend on the factors outlined below as well as any other factors deemed relavant by the Board. In considering the level of dividend payments, if any, upon recommendation by the Board, the following factors are taken into account:

(i) level of cash, gearing and return on equity and retained earnings;

(ii) expected financial performance;

(iii) projected levels of capital expenditure and other investment plans;

(iv) working capital requirements; and

(v) any contractual restrictions.

After taking into consideration the abovementioned factors under items (i) to (v), it is the intention of the Board to adopt a dividend payout ratio of at least 60% of audited profit after tax attributable to shareholders for each financial year, after excluding the profit retained by Associates and any unrealised income that are non-cash in nature. The dividend policy reflects the Board's current views on the Group's financial position and the said policy will be reviewed from time to time.

notice of **annual general meeting**

NOTICE IS HEREBY GIVEN that the One Hundred and Second Annual General Meeting of Boustead Plantations Berhad will be held at The Royale Ballroom, Level 2, The Royale Chulan Damansara, 2 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor on Wednesday, 1 April 2015 at 10.00 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

To receive the audited financial statements for the year ended 31 December 2014 together with the Reports of the Directors and Auditors. **Resolution 1**

To re-elect Tan Sri Dato' Seri Lodin Wok Kamaruddin who retires by rotation and, being eligible, offers himself for re-election. **Resolution 2**

To re-elect Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P. who was appointed on 10 April 2014 and being eligible, offers himself for re-election. **Resolution 3**

To re-elect Datuk Zakaria Sharif who was appointed on 15 April 2014 and being eligible, offers himself for re-election. **Resolution 4**

To consider and, if thought fit, to pass the following resolution:

"THAT pursuant to Section 129(6) of the Companies Act, 1965, Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R) be re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **Resolution 5**

To approve Directors' fees of RM499,000 in respect of the financial year ended 31 December 2014. **Resolution 6**

To re-appoint Messrs. Ernst & Young as auditors of the Company to hold office until the conclusion of the next Annual General Meeting, at a remuneration to be determined by the Directors. **Resolution 7**

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions:

Ordinary Resolution – Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965 **Resolution 8**

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution – Proposed Shareholders' Ratification of Recurrent Related Party Transactions **Resolution 9**

"THAT pursuant to Paragraph 10.09 Part E of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the recurrent related party transactions of a revenue or trading nature, entered or to be entered into by the Company and its Subsidiaries from 26 June 2014, the date on which the entire issued and paid-up share capital of the Company was listed and quoted on the Main Market of Bursa Malaysia Securities Berhad, until the date of the Company's One Hundred and Second Annual General Meeting of the Company, with the related parties as set out in Section 2.2 of the Circular to Shareholders dated 10 March 2015, which were necessary for day-to-day operations of the Company and its Subsidiaries and are carried out in the ordinary course of business on normal commercial terms and on terms which are not more favourable to the parties with which such recurrent transactions are or to be entered into than those generally available to the public and which are not detrimental to the minority shareholders of the Company, be and hereby approved and ratified.

AND THAT all actions taken and the execution of all necessary documents by the Directors of the Company as they had considered expedient or deemed fit in the best interests of the Company in connection with such transactions, be and hereby approved and ratified.

Ordinary Resolution – Proposed Shareholders' Mandate for Recurrent Related Party Transactions **Resolution 10**

"THAT approval be and is hereby given pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad for the Company and its Subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as specified in Section 2.3.1 of the Circular to Shareholders dated 10 March 2015 subject further to the following:

(i) the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders;

(ii) disclosure will be made of a breakdown of the aggregate value of transactions conducted pursuant to the Mandate during the financial year based on the following information in the Company's annual report and in the annual reports for subsequent financial years that the Mandate continues in force:

(a) the type of the recurrent related party transactions made; and

(b) the names of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company; and

(iii) that such authority shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting (AGM) of the Company following the General Meeting at which the Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after this date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in a General Meeting;

whichever is earlier;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the mandate."

To transact any other business of the Company.

By Order of the Board

NOR AZRINA ZAKARIA
Secretary

Kuala Lumpur
10 March 2015

Notes

(a) A member of the Company entitled to attend and vote at the meeting is entitled to appoint any person to be his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1) of the Companies Act, 1965 shall not apply to the Company.

(b) In the case of a Corporation, the proxy should be executed under its Common Seal or under the hand of a duly authorised officer.

(c) A member shall not, subject to Paragraph (d) below, be entitled to appoint more than (1) one proxy to attend and vote at the same meeting and shall specify the proportion of his shareholdings to be represented by such proxy. If a Member has appointed a proxy to attend a general meeting and subsequently he attends such general meeting in person, the appointment of such proxy shall be null and void, and his proxy shall not be entitled to attend the said general meeting.

(d) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(e) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, shall be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, located at Level 17, The Gardens North Tower, Mid-Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time for holding the Meeting or adjourned Meeting at which the person or persons named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

(f) Only members registered in the Record of Depositors as at 23 March 2015 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his/her behalf.

Explanatory Notes to Special Business

(a) Ordinary Resolution 8

Ordinary resolution 8, if passed, will give powers to the Directors to issue up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next Annual General Meeting.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

(b) Ordinary Resolution 9

Ordinary resolution 9, if passed, will ratify all Recurrent Related Party Transactions of a revenue or trading nature entered by the Company and its Subsidiaries with the Related Parties as set out in Section 2.2 of the Circular dated 10 March 2015 from the listing of the Company on 26 June 2014 up to the last practicable date of the Circular on 16 February 2015.

(c) Ordinary Resolution 10

Ordinary resolution 10, if passed, will enable the Company and its Subsidiaries to enter into recurrent transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

statement accompanying **notice of annual general meeting**

1. DIRECTORS WHO ARE STANDING FOR RE-APPOINTMENT AND RE-ELECTION

a) Director standing for re-election pursuant to Article 106 of the Articles of Association of the Company:

  i) Tan Sri Dato' Seri Lodin Wok Kamaruddin

b) Directors standing for re-election pursuant to Article 112 of the Articles of Association of the Company:

  i) Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.
  ii) Datuk Zakaria Sharif

c) Director standing for re-appointment under Section 129(6) of the Companies Act, 1965

  i) Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)

Details of attendance of Board Meetings of Directors seeking re-election and re-appointment are set out on page 36 and 37 of the annual report.

Profile of the Directors standing for re-election and re-appointment are set out on pages 24 to 26 of the annual report; while details of their interest in securities are set out on page 146 of the annual report.

2. DATE, TIME AND PLACE OF THE ANNUAL GENERAL MEETING

The One Hundred and Second Annual General Meeting of Boustead Plantations Berhad will be held as follows:

Date	:	Wednesday, 1 April 2015
Time	:	10.00 a.m.
Place	:	The Royale Ballroom, Level 2, The Royale Chulan Damansara, 2 Jalan PJU 7/3 Mutiara Damansara, 47810 Petaling Jaya, Selangor

proxy form

I/We ______________________________ NRIC (New)/Company No.: ______________________
(INSERT FULL NAME IN BLOCK CAPITAL)

of ____
(FULL ADDRESS)

being a member/members of **BOUSTEAD PLANTATIONS BERHAD**, hereby appoint*______________________
(INSERT FULL NAME IN BLOCK CAPITAL)

NRIC (New) No.: ____________________ of ______________________________________
(FULL ADDRESS)

or ______________________________ NRIC (New) No.: ______________________
(INSERT FULL NAME IN BLOCK CAPITAL)

of ____
(FULL ADDRESS)

*or failing him/her, the Chairman of the Meeting as my proxy to attend and vote for me on my behalf, at the One Hundred and Second Annual General Meeting of the Company to be held at The Royale Ballroom, Level 2, The Royale Chulan Damansara, 2 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor on Wednesday, 1 April 2015 at 10.00 a.m. or any adjournment thereof, to vote as indicated below:

No.	Resolution	For	Against
1.	Tabling of Directors' Report and Audited Financial Statements		
2.	Re-election of Tan Sri Dato' Seri Lodin Wok Kamaruddin		
3.	Re-election of Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.		
4.	Re-election of Datuk Zakaria Sharif		
5.	Re-appointment of Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)		
6.	Approval of Directors' fees		
7.	Re-appointment of Auditors		
8.	Approval for Directors to allot and issue shares		
9.	Shareholders' Ratification of recurrent related party transactions		
10.	Shareholders' Mandate for recurrent related party transactions		

Dated this ____________ day of ____________ 2015

No. of ordinary shares held:	
CDS Account No.:	
Contact No.:	

____
Signature of Member/Common Seal

Notes

(a) If you wish to appoint as a proxy some person other than the Chairman of the Meeting, please insert in block letters the full name and address of the person of your choice and initial the insertion at the same time deleting the words "the Chairman of the Meeting". A proxy need not be a member of the Company but must attend the Meeting in person to vote. Please indicate with an "X" in the appropriate box how you wish your vote to be cast in respect of each Resolution.

(b) In the case of a Corporation, the proxy should be executed under its Common Seal or under the hand of a duly authorised officer.

(c) A member shall not, subject to Paragraph (d) below, be entitled to appoint more than (1) one proxy to attend and vote at the same meeting and shall specify the proportion of his shareholdings to be represented by such proxy. If a Member has appointed a proxy to attend a general meeting and subsequently he attends such general meeting in person, the appointment of such proxy shall be null and void, and his proxy shall not be entitled to attend the said general meeting.

(d) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(e) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, shall be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, located at Level 17, The Gardens North Tower, Mid-Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the Meeting or adjourned Meeting at which the person or persons named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

(f) Only members registered in the Record of Depositors as at 23 March 2015 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his/her behalf.

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STAMP

Share Registrar of Boustead Plantations Berhad
Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
Level 17, The Gardens North Tower
Mid-Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia

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BOUSTEAD PLANTATIONS BERHAD (1245-M)
10th Floor, Menara Boustead
69 Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

www.bousteadplantations.com.my